

TITLE XV
GAMING

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CHAPTER 1. CHOCTAW GAMING COMMISSION

§15-1-1 Gaming Commission

- (1) There is hereby established the Choctaw Gaming Commission (Commission), which shall regulate all activities under this Title XV (Title). The Commission shall consist of three members composed of a Chairman and two Associate Commissioners. Commissioners may or may not be members of the Tribe. The Chairman and Associate Commissioners shall be appointed by the Tribal Chief and confirmed by the Tribal Council. In 1994, the Chairman shall be appointed to a term ending in December of 1998, one Associate Commissioner to a term ending in December of 1998, and the other Associate Commissioner to a term ending in December of 1996. Thereafter, the Chairman and Associate Commissioners shall all be appointed to terms of four years.
- (2) The Tribal Chief shall conduct or cause to be conducted an inquiry into each appointee's financial stability, integrity and good reputation prior to appointing a member to the Commission. No individual who has been convicted of a felony or gaming offense or who has a conflict of interest prohibited by §15-1-4 shall be eligible for appointment to or service on the Commission.
- (3) The Chairman shall serve as the Executive Director of the Commission. Each Associate Commissioner shall be assigned to an area of responsibility for Commission day-to-day operations.

§15-1-2 No Waiver of Immunity

In the exercise of its powers and duties, neither the Commission nor any of its members shall waive the immunity of the Commission or the Mississippi Band of Choctaw Indians from suit without the expressed consent of the Tribal Council of the Mississippi Band of Choctaw Indians.

§15-1-3 Bonding

Commission members and commission personnel, if any, must be bonded in an amount of at least \$10,000, which cost shall be borne from the Commission budget.

§15-1-4 Conflict of Interest

- (1) No member or employee of the Commission shall solicit, accept or receive any gift, gratuity, emolument or employment from any person, officer, agent or employee of a gaming entity, supplier or contractor, or an applicant for a work permit or license subject to the provisions of this Title.

No such Commission member or employee shall solicit, request from or recommend, directly or indirectly, to any gaming entity, supplier, contractor or applicant subject to this Title or to any officer, agent or employee thereof, the appointment of any person to any place of position of employment.

Every such person subject to regulation under this Title, and every officer, agent or employee thereof, is hereby forbidden to offer to any member of the Commission, or to

any person appointed or employed by the Commission any gift, gratuity, emolument or employment.

- (2) No member of the Commission or its employees, if any, may work for any Tribal gaming entity, contractor or supplier during such appointment or employment for a period of one year after termination of their appointment to or employment with the Commission, without (in the case of Commissioners) approval by the Tribal Council, or (in the case of employees) approval by the Commission.
- (3) No Commission official or member of their immediate household shall receive any payment for the purpose of obtaining or maintaining a gaming management contract, or any license or work permit.
- (4) No Commission member or member of their immediate household and no member of the Tribal Council shall be an owner, partner, beneficiary, shareholder, director, officer or employee of the entity holding the management contract for any Mississippi Band of Choctaw Indians Tribal gaming operations.
- (5) No Tribal member or non-member may be appointed as a Commissioner or hired as an employee of the Commission while holding any position of employment or accepting a position of employment with any gaming enterprise or gaming supplier or contractor; nor may such person be appointed a Commissioner or continue to serve as a Commissioner or employee of the Commission while any member of their immediate household holds or accepts any position of employment with a gaming enterprise, supplier or contractor.
- (6) Commissioners and Commission employees or members of their immediate household are prohibited from participating in any games of chance offered by any gaming entity on the Choctaw Indian Reservation for the duration of their term or period of employment with the Commission.
- (7) For purposes of this section “immediate household” is defined as son(s), daughter(s), step-son(s) or step-daughter(s), spouse or spouse recognized by common law, and members living in the same house.

§15-1-5 Removal of Commissioners

Commission members may be removed from their position by a majority vote of the Tribal Council at a meeting at which a quorum is present only for neglect of duty, malfeasance in office or other just cause, and only upon recommendation to the Tribal Council through the Tribal Chief by majority of the remaining Commissioners; provided, however, that the Tribal Council may remove any member without recommendation from the other Commissioners in cases of criminal violation of Tribal, federal or state statutes or regulations.

§15-1-6 Vacancies

In the event of a vacancy occurring on the Commission for any reason, the vacancy shall be filled for the remainder of the term by appointment of the Tribal Chief approved by the Tribal Council. Upon expiration of the term of the vacated Commissioner position, the procedure set forth in §15-1-1 shall apply.

§15-1-7 Meetings

Due to the need for ongoing oversight of gaming operations, management and key employees, and the Commission shall hold meetings at a minimum of once every sixty (60) days. Full minutes are to be kept and filed of all Commission meetings, subject to §15-1-13 qualifications on confidential and proprietary information. Special meetings may be called by the Chairman or by any two Commissioners, provided formal notification in writing is given to all Commission members at least three (3) days in advance of the meeting date. Formal notification may be waived in emergency situations provided all members of the Commission are contacted by the Chairman and such contact and waiver are duly recorded.

§15-1-8 Quorum

Two members of the Board shall constitute a quorum, with all matters governed by a majority vote of the quorum.

§15-1-9 Compensation

- (1) Subject to receiving funding pursuant to §15-1-11, the Commission shall pay members of the Commission salaries in accordance with this section for their services in oversight and regulation of gaming enterprises on the Choctaw Indian Reservation. The Commission shall also reimburse Commissioners for expenses on behalf of the Commission's activities. All reimbursable expenses shall conform to prevailing Tribal Government administrative procedures.
- (2) The Chairman of the Commission shall be paid at a rate equal to the grade TS 30 of the Tribal wage scale, as it may be adjusted from time to time. The associate members of the Commission shall be paid at a rate equal to or greater than grade TS 25 of the Tribal wage scale, as it may be adjusted from time to time.

§15-1-10 Reports

The Commission shall submit an annual report to the Tribal Council through the Tribal Chief and provide any other interim reports and information as requested by the Tribal Chief and in such form as may be specified certifying conformance of each gaming enterprise to applicable Tribal and federal law and licensing requirements, applicable Tribal-State Compact provisions and to the Commission's regulations in the conduct of their gaming activities.

§15-1-11 Funding

- (1) The Commission shall annually adopt and assess a fee upon the gross revenue of all licensed gaming entities not to exceed one percent (1%) for the purpose of paying costs incurred in carrying out its specific investigative oversight and operational responsibilities. Assessments must be duly recorded and filed for audit purposes. The fee assessed pursuant to this section shall be payable quarterly and shall be in addition to any fee(s) required to be paid by licensees to the National Indian Gaming Commission.
- (2) No monies may be expended by the Commission until a budget has been submitted for review and approval by the Tribal Council. All Commission operating revenues and

expenditures must be reviewed by the Tribal Chief or his designee for conformance with standard Tribal administrative financial procedures.

- (3) Any Commission funding needs and expenditures beyond one percent (1%) of gross revenues of gaming activities licensed by the Commission must be submitted to the Tribal Chief for Tribal Council review, approval and appropriation in amounts necessary for the operation of the Commission. Residual funds collected in excess of expenditures shall be returned to the Tribal Council to be deposited into the Tribal general fund at the end of the Tribe's fiscal year.
- (4) For purposes of this section, "gross revenues" means total amount of money wagered, less amounts paid out as prizes or paid for prizes awarded.

§15-1-12 Financial Records and Audit

The Commission shall maintain accurate and complete records of the financial affairs of the Commission, and the Chairman of the Commission shall cause an annual audit of the Commission's financial affairs to be conducted by a certified public accountant in accordance with generally accepted accounting principles, consistently applied and shall furnish an annual budget, an annual balance sheet and complete financial report of the Commission to the Tribal Council through the Tribal Chief within three (3) months of the close of the Tribe's fiscal year.

§15-1-13 Confidential Records

- (1) The Commission shall maintain a file listing all applications for licenses and work permits under this title and a record of all Commission actions on such applications, and such records shall not be confidential.
- (2) Confidential information shall include:
 - (a) records and financial data acquired by the Commission in carrying out its background investigations of potential gaming entities, managers and key employees; and
 - (b) proprietary financial data except as otherwise provided herein, confidential information is prohibited from public disclosure either by the Commission or by individual Commissioners. Confidential or proprietary records, in whole or in part, shall not be included as sections of or attachments to Commission budget documents, annual reports, minutes or audit findings. Copies of confidential or proprietary records may be forwarded to the National Indian Gaming Commission or other applicable regulatory agency upon the written request of that agency or in compliance with the appropriate reporting requirements of this Title, the Indian Gaming Regulatory Act and any Tribal-State Compact.

§15-1-14 Licenses and Work Permits Required

- (1) No entity or person shall enter into a binding management contract for operation and management of gaming activity with the Tribe or shall be hired as a primary management official or key employee of a gaming enterprise operated pursuant to this Title, unless such

entity or person is the holder of gaming license issued by the Commission. The Commission shall provide prompt notification to the Tribal Council through the Tribal Chief and to the National Indian Gaming Commission of any such gaming licenses issued pursuant to this Title. Separate licenses will be required for each place or location where gaming is conducted.

- (2) Persons not required to be licensed as primary management officials or key employees shall not be employed to work in a gaming enterprise operated pursuant to this Title, unless such person is the holder of a work permit issued by the Commission.
- (3) For purposes of this Title, a “key employee” means an employee of the Tribe or a Tribal gaming licensee:
 - (a) Who performs one or more of the following functions:
 - (i) Bingo Caller;
 - (ii) Counting room supervisor;
 - (iii) Chief of security;
 - (iv) Custodian of gaming supplies or cash;
 - (v) Floor manager;
 - (vi) Pit boss;
 - (vii) Dealer;
 - (viii) Croupier;
 - (ix) Approver of credit; or
 - (x) Custodian of gambling devices including persons with access to cash and accounting records within such device.
 - (b) If not otherwise included, any other person whose total cash compensation is in excess of \$50,000 per year, or
 - (c) If not otherwise included, the four most highly compensated persons in the gaming operation.
- (4) For purposes of this Title, a “primary management official”, means an employee of the Tribe or a Tribal gaming licensee who performs the following functions:
 - (a) The person having management responsibility for a management contract;
 - (b) Any person who has authority:
 - (i) to hire and fire employees; or

- (ii) to set up working policy for the gaming operation; or
 - (c) The chief financial officer or other person who has financial management responsibility.
- (5) All licensed primary management officials, key employees, and permitted employees shall wear identification badges. Security personnel may be exempted from this requirement.

§15-1-15 Application Process for Gaming Licenses; Background Investigations

- (1) The Commission shall require all applicants for gaming licenses (entities proposing to enter into gaming management contracts and primary management officials and key employees) to pay a non-refundable application fee of \$2,000 and to complete an application form containing sufficient information to allow a background investigation of the applicant in conformance with requirements of federal regulations and any applicable Tribal-State Compact. If the Commission determines that investigative costs shall exceed such fee, the Commission shall notify the applicant in writing of the estimated costs to be incurred by the Commission in performing or causing to be performed a background investigation, and the applicant must pay such estimated costs to the Commission prior to the Commission processing the application.
- (2) The Commission shall ensure that background investigations are conducted on all applicants for Tribal gaming licenses and permits and that continuing oversight of primary management officials and key employees is conducted. The Commission shall notify the Tribal Chief and the National Indian Gaming Commission of the results of background checks on any applicants prior to issuance of any Tribal gaming license, and shall provide other notifications or reports as may be required by any applicable Tribal-State Compact. All criminal history checks shall be conducted pursuant to the rules and regulations of the National Indian Gaming Commission and shall include a check through the Federal Bureau of Investigation, National Criminal Information Center.
- (3) All fingerprints for licensing or work permits shall be taken on fingerprint cards approved or supplied by the National Indian Gaming Commission and the Choctaw Department of Law Enforcement shall take said fingerprints. All fingerprint cards shall be processed through the National Indian Gaming Commission by procedures as may from time to time be established by the National Indian Gaming Commission.

§15-1-16 Application for Work Permit; Procedure

- (1) An applicant for a gaming work permit shall furnish their fingerprints in duplicate on fingerprint impression cards and a current photograph in duplicate to the Commission. The photographs must be satisfactory to the Commission and must have been taken not earlier than three (3) months before the date of filing the application. The applicant shall also sign a written statement certifying that the applicant is not automatically disqualified for a work permit in accordance with the standards set forth in §15-1-17.
- (2) An applicant for a work permit shall pay the application fee established by the Commission, by regulation, which shall be sufficient to cover the costs of processing the application.

- (3) The Commission may either grant or deny the work permit based upon its investigation and review of the application.

§15-1-17 Automatic Disqualification for License or Work Permit

The Commission shall deny or revoke gaming licenses or work permits to persons or entities whose prior activities, criminal record or records, habit and associations pose a threat to the public interest or to the effective regulation of gaming or create or enhance the dangers of unsuitable, unfair or illegal practices and activities in connection with gaming activities. All gaming licenses and work permits shall be reviewed and, if appropriate, renewed on an annual basis, with prompt notification to the National Indian Gaming Commission of renewals of license and other notifications as may be required by an applicable Tribal-State Compact. Without limiting the foregoing, the Commission must automatically deny or revoke gaming licenses or permits to persons:

- (1) who have been convicted of a felony in any jurisdiction of any crime of moral turpitude;
- (2) who have been convicted of a violation or conspiracy to violate the provisions of this Title or the Indian Gaming Regulatory Act or other federal laws relating to involvement in gaming without required licenses or willful evasion of gaming fees or taxes;
- (3) having a notorious or unsavory reputation or association with such individuals which adversely affect public confidence and trust in gaming;
- (4) whose license or work permit would violate conflict of interest rules in §15-1-4 hereof;
- (5) who are individual applicants under the age of twenty-one (21).

§15-1-18 Authority to Adopt, Amend, Repeal Regulations

The Commission shall, from time to time, adopt, amend or repeal such regulations consistent with this Title as it may deem necessary or desirable, subject to review and approval by the Tribal Council.

§15-1-19 Indemnity

The Commission shall indemnify, where Commission funds are available, any past, present, or future Commissioner for actual losses, expenses, costs of defense or liabilities incurred in connection with any claim or suit brought against the Commissioner for alleged negligence of wrongful conduct while providing service to the Commission; provided, however, that no Commissioner shall be indemnified in connection with any claim or liability arising out of the Commissioner's own willful misconduct, bad faith or conduct outside the scope of his authorized powers or duties set forth in this title, and provided further that this indemnity shall be limited to the extent that insurance coverage does not adequately indemnify or make the Commissioner whole.

§15-1-20 Commission Staffing

- (1) The Commission shall adhere to standardized Tribal personnel and administrative practices in regard to any staff recruitment, employment, reduction in force, promotion, training and related employment actions to a publicly announced policy and practice of extending preferential treatment to Indians living on or near the Choctaw Indian

Reservation. The Commission is empowered to employ non-Indians when no qualified Indian living on or near the Choctaw Indian Reservation can be recruited, trained or upgraded to fill the given hiring need of the Commission.

- (2) The Commission shall authorize the establishment and abolishment of any and all staff positions, and shall compensate persons in all positions at amounts within funding or budgets approved by the Tribal Council.
- (3) The Commission may contract for the technical expertise of outside consultants in carrying out its authorized functions; provided such contracting conforms to standard Tribal contracting administrative procedures.

§15-1-21 Amendments

Amendments to this Title may be proposed by the Commissioners in the form of a revised ordinance, a copy of which must be served by mail to the Tribal Chief at least two (2) weeks in advance of the Tribal Council meeting at which it is to be introduced. An amended ordinance thereafter adopted by the Tribal Council shall become effective upon passage.

§15-1-22 Complaints

Any gaming participant wishing to contest an action of a licensed gaming entity or gaming official or employee must submit a complaint in writing to the Choctaw Gaming Commission within ten (10) days of the contested action. The Commission shall respond in writing within seven (7) days. The Commission, by majority vote, may determine to hold hearings, conduct an investigation, dismiss or affirm the complaint and order appropriate remedial actions or decide to pursue civil or criminal penalties against the gaming entity or gaming official or employee.

§15-1-23 Authority with Respect to Licenses; Enforcement Powers

- (1) The Commission shall exercise its continuing gaming oversight and shall issue, renew or disapprove any application or limit, suspend or revoke gaming licenses and work permits on an annual basis. Any license or work permit granted under this Title is a revocable privilege, and no licensee or permittee holds any vested right to such license.
- (2) The Commission is authorized to carry out investigations of all prospective and existing gaming licensees, to initiate hearings and to conduct or cause to be conducted announced or unannounced inspections of all gaming premises in order to ensure compliance with Tribal and federal law and applicable requirements or any Tribal-State Compact. All licensees are obligated to comply immediately to such Commission requests for information and review of all licensee papers, books and records, or inspection of premises on an announced or unannounced basis.
- (3) The Commission may hold hearings, take testimony, receive evidence and administer oaths or affirmations to witnesses appearing before the Commission in accordance with procedural rules to be adopted by the Commission.
- (4) The Commission, within three (3) months from the effective date of this Title, shall submit to the Tribal Council through the Tribal Chief proposed regulations setting forth civil

fines, penalties, license or work permit suspensions or revocations that may be imposed by the Commission against a licensee or other gaming employee for any violation of this Title or regulations adopted pursuant to this Title. Without limiting the foregoing, such regulations shall not restrict the Tribal Council or the Tribal Chief from exercising contractual rights to terminate any gaming management contract or exercise other contractual remedies due to default or breach of the management contract by the management contractor.

- (5) The Commission shall, when its investigations of gaming indicate a violation of federal or Tribal laws or regulations, provide information of indicated violations to appropriate law enforcement officials. It is hereby recognized that theft from gaming establishments on Indian lands and thefts by officers or employees of such gaming establishments are punishable by substantial fines and imprisonments pursuant to 25 U.S.C. §§1167-1168, and that Tribal operators and management contractors may be separately fined up to \$25,000 per violation of this Title or the Indian Gaming Regulatory Act by the Chairman of the National Indian Gaming Commission.

§15-1-24 Jurisdiction

The Mississippi Band of Choctaw Indians' Courts shall have jurisdiction over all violations of this Title and over all persons who are parties to a management contract entered pursuant hereto, except where otherwise provided by federal statute or applicable Tribal-State Compact, or where arbitration is provided for as an exclusive remedy by contract, and may grant relief as is necessary and proper for the enforcement of this Title and of the provisions of any management contract entered pursuant thereto, including but not limited to injunctive relief against acts in violation thereof. Nothing, however, in this title shall be construed to authorize or require the criminal trial and punishment in Tribal courts of non-Indians except to the extent allowed by any applicable present or future Act of Congress or any applicable federal court decisions.

§15-1-25 Designation of Tribal Agent under 25 CFR 519

Pursuant to 25 CFR 519, the Tribal Chief is hereby designated as the agent for the service for the Mississippi Band of Choctaw Indians of any official determination, order or notice of violation of the National Indian Gaming Commission and the official address for such notification shall be:

STREET ADDRESS

The Office of the Chief
Mississippi Band of Choctaw Indians
(Tribal Administration Building)
101 Industrial Rd.
Philadelphia, MS 39350

POST OFFICE ADDRESS

The Office of the Chief
P.O. Box 6010
Choctaw Station
Philadelphia, MS 39350

TELEPHONE

Office: (601) 656-5251
Fax: (601) 656-1992

This official designation of an agent and address shall remain in force and effect until changed in writing with acknowledgment of receipt by the National Indian Gaming Commission.

§15-1-26 Future Amendments

Should any provision or definition of this Title be found to be incomplete or in variance with applicable Federal or Tribal Law or with regulations promulgated by the National Indian Gaming Commission, now in existence or as may be from time to time amended, then the terms of this Title shall be deemed to be conformed to said laws or regulations and the same shall be considered to be incorporated herein without further action of the Tribal Council.

CHAPTER 2. CLASS II GAMING

§15-2-1 Games of Chance

This Part shall govern all Class II gaming activities on Tribal lands within the Tribe's jurisdiction as defined in the Indian Gaming Regulatory Act, Public Law 100-497, 102 Stat. 2467, including and as may be amended by any amendments to Public Law 100-497, and as defined and interpreted by the National Indian Gaming Commission in regulations promulgated pursuant to Public Law 100-497:

Class II gaming means:

- (1) Bingo or lotto, whether or not electronic, computer or other technologic aids are used when players:
 - (a) play for prizes with cards bearing numbers or other designations;
 - (b) cover numbers or designations when object, similarly numbered or designated, are drawn or electronically determined; and
 - (c) win the game by being the first person to cover a designated pattern on such cards.
- (2) If played in the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo and other games similar to bingo; and
- (3) Non-banking card games that:
 - (a) state law explicitly authorizes or does not explicitly prohibit and are played legally anywhere in the state; and
 - (b) players play in conformity with state laws and regulations concerning hours, periods of operation and limitations on wagers and pot sizes.

§15-2-2 Commission's Powers and Duties for Class II

The Choctaw Gaming Commission will have the following powers and duties with respect to Class II gaming on Tribal trust lands:

- (1) to act in accordance with §§15-1-14-15-1-17 to issue, re-issue or decline to issue, suspend or revoke Class II licenses and work permits to management contractors, primary gaming entities, primary officials, key employees and work permittees with a separate license required for each place or facility at which Class II gaming is conducted;
- (2) to conduct background investigations and continuing oversight of any or all of the primary management officials, key employees and work permittees of the gaming entity or contractor, and to make known the results of those investigations to the Tribal Chief and the National Indian Gaming Commission prior to the issuance of any Class II license;

- (3) to preclude employment by Class II gaming enterprises of any person meeting the standards established in §15-1-17;
- (4) to cause to be held annual audits of Class II gaming operations and to submit those audits to the National Indian Gaming Commission and to submit those audits, with recommendations, to the Tribal Council through the Tribal Chief;
- (5) to inspect Class II gaming activities at any time with or without notice to the entity holding the management contract or other licensee;
- (6) to monitor compliance of the Tribe and any management contractor and licensees and permittees with provisions of any applicable management contract, Class II regulations promulgated by the Commission, and any other applicable federal and Tribal laws;
- (7) to collect or cause to be collected and paid to the National Indian Gaming Commission fees levied on gross Class II gaming revenues pursuant to the Indian Gaming Regulatory Act; and
- (8) to exercise such other powers and responsibilities as are delegated to it by the Tribal Council.

§15-2-3 Tribal Gaming Only

The Mississippi Band of Choctaw Indians shall have sole proprietary interest in any Class II gaming on designated Tribal trust lands, and the Tribal Chief of the Mississippi Band of Choctaw Indians may enter into a contract, subject to approval by the Tribal Council and the Chairman of the National Indian Gaming Commission, with an entity, public or private, to manage Class II operations. No person may hold, operate or conduct any Class II game or games on Tribal trust lands except Tribal Class II games conducted by the Mississippi Band of Choctaw Indians in accordance with the provisions of this Title and the Indian Gaming Regulatory Act.

§15-2-4 Location

No Class II gaming shall take place within the jurisdiction of the Mississippi Band of Choctaw Indians unless the location has been approved by the Tribal Council and licensed by the Choctaw Gaming Commission.

§15-2-5 Hours and Rules

The Choctaw Gaming Commission shall regulate compliance with the hours and rules specified in regulations to be issued by the Commission for Class II gaming activities; but shall not restrict gaming hours to less than the specified time frame in any gaming management contract. Each Class II gaming facility must conspicuously display notice of hours and rules of play.

§15-2-6 Minors Prohibited

No one under the age of twenty-one (21) years may be permitted on the premises of Tribal Class II gaming facility.

§15-2-7 Class II Net Revenues

- (1) Net revenues to the Tribe from Class II operations shall be used to fund Tribal government operations or programs, to provide for the general welfare of the members of the Tribe, to promote economic development, to donate to charitable organizations or to help fund the operations of local government agencies, and shall be expended only in accordance with budgets adopted by resolutions of the Tribal Council.
- (2) Class II revenues shall not be used to make per capita payments-amended by Chapter 4-Title XV.

§15-2-8 Audits

Tribal Class II operations shall be subject to special, outside annual audits, which the Choctaw Gaming Commission shall cause to be held. In addition, all contracts or subcontracts for supplies, services or concessions for a contract amount in excess of \$25,000 annually relating to Class II gaming shall be subject to audits which the Choctaw Gaming Commission shall cause to be held. The Choctaw Gaming Commission shall present the audit reports, with its own written findings and recommendations, to the Tribal Council at least annually. Copies of all audits shall be forwarded to the National Indian Gaming Commission by the Choctaw Gaming Commission.

§15-2-9 Environment; Public Health and Safety

The construction and maintenance of Tribal Class II gaming facilities, and the operation of the gaming, shall be conducted in a manner which adequately protects the environment and the public health and safety and shall be subject to all applicable building, fire and safety codes and regulations.

§15-2-10 Management Contract

- (1) Tribal Class II gaming may be operated through a management contract with a private or public entity which shall be adopted by the Tribal Council through resolution, conform with the Indian Gaming Regulatory Act and any regulations of the National Indian Gaming Commission, and shall also be approved by the Chairman of the National Indian Gaming Commission, or current official of the Department of the Interior exercising the Commission's authority under 25 U.S.C. §2711.
- (2) The Choctaw Gaming Commission shall require any proposed applicant for a Class II management contract with the Tribe to submit in duplicate the following information and any additional information as may be required by applicable laws or regulations:
 - (a) the name, address and other additional pertinent background information on each person or entity (including individuals comprising such entity) having a direct financial interest in or management responsibility for, such contract, and, in the case of a corporation, those individuals who serve on the board of directors of such corporation and each of its stockholders who hold (directly or indirectly) five percent (5%) or more of its issued and outstanding stock;

- (b) a description of any previous experience that each person listed pursuant to subparagraph (2)(a) has had with other gaming contracts with Indian Tribes or with the gaming industry generally, including specifically the name and address of any licensing or regulatory agency with which such person has had a contract relating to gaming; and
- (c) a complete financial statement of each person listed pursuant to subparagraph (2)(a).

The Choctaw Gaming Commission shall retain one set of such submitted information and forward the other set of information to the National Indian Gaming Commission.

- (3) Should the Choctaw Gaming Commission find that any Class II management contractor, primary management official, owner or key employee whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or the Tribal interest, or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming, the Commission shall find such person not eligible for employment or continued employment or association with the management contractor, and shall notify the holder of the management contract of such findings, a copy of said notification to be sent to the Tribal Chief. Failure of the management contractor to disassociate and remove such person with seventy-two (72) hours of notification by the Commission from Class II gaming conducted pursuant to this Title shall result in cancellation of the management contract and possible prosecution.
- (4) The Choctaw Gaming Commission shall consult with the Chairman of the National Indian Gaming Commission or current official of the Department of Interior exercising the Commission's authority under 25 U.S.C. § 2711 as to the scope and cost of the background investigation to be conducted by the National Indian Gaming Commission as a precondition to approval of a proposed management contract. In order to avoid duplicative efforts and costs of background investigations, the Choctaw Gaming Commission may, in its discretion, elect to use the results of the background investigations conducted by the National Indian Gaming Commission to satisfy the Choctaw Gaming Commission's duties to conduct preliminary background investigations of entities proposing to enter into Class II management contracts pursuant to §15-1-15 of this Code. However, the Choctaw Gaming Commission shall retain the right and duty to update the initial investigations at least yearly. The results of such updated annual investigations shall be forwarded to the National Indian Gaming Commission.

§15-2-11 Violations

Notwithstanding anything to the contrary in §3-4-6 of the Tribal Code, any person found in violation of any provisions of this Chapter, or any rule or regulation authorized hereunder, shall be guilty of a Class A offense.

CHAPTER 3. CLASS III (CASINO-TYPE) GAMING

§15-3-1 Incorporation of Tribal-State Compact

The conduct of all Class III gaming activities as defined in the Indian Gaming Regulatory Act (“IGRA”) on Tribal lands within the Tribe’s jurisdiction shall be governed by a tribal-state compact duly executed by authorized Tribal and state officials or procedures adopted by the United States Secretary of Interior or other authorized official in lieu of such Tribal-State Compact in accordance with the IGRA. The provisions of such Tribal-State Compact or any such procedures adopted in lieu thereof shall be incorporated hereby in the Choctaw Tribal Code.

§15-3-2 Class III Gaming

For purposes of this Title Class III gaming means all forms of gaming that are not class I gaming or Class II gaming, including but not limited to:

- (1) any house banking game, including but not limited to:
 - (a) card games such as baccarat, chemin de fer, blackjack (21) and pai gow (if played as house banking games);
 - (b) casino games such as roulette, craps and keno;
- (2) any slot machines as defined in 15 U.S.C. 1171(n)(1) and electronic or electromechanical facsimiles of any game of chance;
- (3) any sports betting and parimutuel wagering including but not limited to wagering on horse racing, dog racing or jai alai; or
- (4) lotteries.

ATTACHMENT TO CHAPTER 3: TRIBAL-STATE COMPACT

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING ON THE MISSISSIPPI BAND OF CHOCTAW INDIANS RESERVATION IN MISSISSIPPI

WHEREAS, the State of Mississippi (hereinafter “State”) and the Mississippi Band of Choctaw Indians, a federally-recognized Indian Tribe organized under the Indian Reorganization Act of 1934, (hereinafter “Tribe”) are separate sovereigns, and each respects the laws of the other sovereign; and

WHEREAS, the Congress of the United States has enacted the Indian Gaming Regulatory Act (hereinafter “IGRA”), Public Law 100-497, 102 Stat. 2467, 25 U.S.C. §§ 2701-2721, creating a mechanism through which the State and the Tribal governments may allocate jurisdiction and control of gaming activities which occur within the federally recognized boundaries of land wherein exclusive jurisdiction is vested in a Tribal government; and

WHEREAS, the State permits and regulates certain gaming activities within the State (but outside Tribal lands) pursuant to the powers established by § 97-33-1 et. seq.-§ 75-76-1 et. seq. of the Mississippi Code of 1972, as amended; and

WHEREAS, the Tribe, exercising powers of self-government as set forth in the Tribal Constitution adopted under the Indian Reorganization Act, 25 U.S.C. 476, and acting by and through its duly organized Tribal Council, has enacted (i) Ordinance No. 40 authorizing Class III (Casino-Type) gaming activities on Tribal lands pursuant to rules and regulations contained in the Tribal-State Compact and (ii) Resolution CHO 1-93 authorizing the Tribal Chief and the Secretary-Treasurer to negotiate and execute with the State a Compact to allocate jurisdiction and control of these gaming activities and (iii) Ordinance No. 16-R, amending the Tribal Code to create the Choctaw Gaming Commission; and

WHEREAS, the IGRA requires that the State negotiate in good faith with the Tribe to develop a Tribal-State Compact for Class III gaming on Tribal lands; and

WHEREAS, the Tribe and the State mutually agree that the conduct of Class III gaming under terms and conditions set forth below will benefit and protect the citizens of the Tribe and the State, consistent with the objectives and requirements of the IGRA;

NOW THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Tribe and the State enter into the following intergovernmental Compact.

SECTION 1. TITLE

This document shall be referred to as the “Tribal-State Compact for Regulation of Class III Gaming on the Mississippi Band of Choctaw Indians Reservation in Mississippi”.

SECTION 2. FINDINGS

As the basis for this Compact, the Tribe and the State have made the following findings:

- 2.1 A principal goal of Federal Indian policy is to promote Tribal economic development, Tribal self-determination and strong Tribal government.
- 2.2 The Tribe and the State find it to be consistent with the IGRA and the public health, safety and welfare, to regulate Class III Gaming pursuant to this Compact.
- 2.3 The Tribe has the right to license and regulate gaming activity on Tribal lands in accordance with the IGRA and this Compact.
- 2.4 The Compact shall govern the licensing, regulation and operation of Tribal Class III Gaming conducted on Tribal lands located in the State.
- 2.5 The Compact will provide the Tribe with the opportunity and responsibility to operate Class III Gaming in a way that will benefit the Tribe economically, ensure fair operation of the games, and minimize the possibilities of corruption and infiltration by criminal influences.

SECTION 3. DECLARATION OF POLICY

- 3.1 Common Concerns. The Tribe and the State, through this Compact shall attempt, in good faith, to address the legitimate common concerns of both parties.
- 3.2 Positive Tribal Impacts. The State recognizes the positive impacts that gaming may provide to the Tribe. The Tribe will utilize revenues generated by gaming to fund programs that provide various vital services to Tribal members. These programs may include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, economic development, Tribal administration or any other purpose authorized under the IGRA.
- 3.3 Positive State Impacts. The State recognizes that the positive economic effects of such gaming enterprises may extend beyond Tribal lands to the Tribe's neighbors and surrounding communities, and may help to foster mutual respect and understanding among Indians and non-Indians.
- 3.4 Protection of Citizens. The Tribe and the State want to protect their citizens from any criminal involvement in the gaming activities regulated under this Compact.
- 3.5 Fairness. This Compact is intended to assure that Class III Gaming is conducted fairly and honestly by the Tribe, its contractors and employees and the players.

SECTION 4. DEFINITIONS

The provisions of the Compact relating to definitions, tense, number and gender apply and govern the interpretation of the Compact, except when otherwise plainly declared or clearly apparent from the context.

- 4.1 "Card game" means a game that is defined as a Class II game in the IGRA in which the Casino operator is not party to wagers and from which the Casino operator receives compensation in the form of a rake-off, a time buy-in, or other fee or payment from a player for the privilege of playing, and includes but is not limited to the following: poker, bridge, whist, solo and panguingui.
- 4.2 "Casino" means one or more rooms or buildings wherein Class III gaming is conducted and includes any bar, cocktail lounge, or other facilities housed herein as well as the area occupied by the games.
- 4.3 "Choctaw Gaming Commission" means the regulatory body created by Tribal Ordinance No. 16-R for regulation of gaming activity on Tribal land.
- 4.4 "Class III Gaming" means all gaming that is not Class I or Class II gaming as defined in the IGRA and which is regulated under the terms of this Compact.
- 4.5 "Equipment" means any mechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game that would not otherwise be classified as a Gaming Device, including dice, playing cards, links which connect to progressive slot machines, devices which affect the proper reporting of gross revenue, satellite transmission and receivable devices, computerized systems of betting at a race

book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money.

- 4.6 “Funds and Revenue” means money or any other thing of value.
- 4.7 “Game” and “Gambling Game” means any game played with cards, dice, equipment or any mechanical or electronic device or machine for money, property, checks, credit or any representative or value, including, without limiting the generality of the foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, craps, poker, chuck-a-luck, Chinese chuck-a-luck (dai-shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, and any other banking or percentage game. In addition, parimutuel wagering, race book and sports pools shall be considered allowable games hereunder only if such games are allowed under the laws of the State.
- 4.8 “Gaming” and “Gambling” means to deal, operate, carry on, conduct, maintain or expose for play any game as defined in Section 4.7.
- 4.9 “Gaming device” means any equipment or mechanical or electronic contrivance, component or machine used remotely or directly in connection with Gaming or any Game which affects the result of a wager by determining win or loss. The term includes a system for processing information which can alter the normal criteria of random selection, which affects the operation of any game or which determines the outcome of a game.
- 4.10 “Gaming employee” means any person employed directly by the Tribe or its authorized agent to conduct any Gaming, including: boxmen; cashiers; change personnel; counting room personnel; dealers; employees of manufacturers or distributors of gaming equipment within this State whose duties are directly involved with the manufacture, repair or distribution of gaming equipment in the Casino; employees of operators of slot routes who have keys for slot machines or who accept and transport revenue from the slot drop; floormen; hosts or other person empowered to extend credit or complimentary services; keno runners; keno writers; machine mechanics; odds makers and line setters; security personnel; shift or pit bosses; shills; supervisors or managers; and ticket writers. “Gaming employee” does not include bartenders, cocktail waitresses or other persons engaged in preparing or serving food or beverages.
- 4.11 “Indian Gaming Regulatory Act” or “IGRA” means Public Law 100-497, 102 Stat. 2467, 25 U.S.C. §§ 2701 to 2721 (1988), as it may be amended from time to time.
- 4.12 “Mississippi Gaming Commission through September 30, 1993” means the State Tax Commission, and thereafter means the “Mississippi Gaming Commission” established pursuant to the Mississippi Gaming Control Act found in Title 75, Chapter 76 of the Mississippi Code of 1972, as amended.
- 4.13 “National Indian Gaming Commission” means the commission established pursuant to the IGRA if such commission is operating pursuant to its promulgated rules and regulations, and prior to such time, shall mean the Secretary.
- 4.14 “Pay Out” means:

- (1) money, tokens, credit to a player's account, and the actual costs to the Tribe's casino operation of personal property, other than travel expenses, food, refreshments, lodging or services, distributed to a player as the result of the legitimate wager; and
 - (2) cash paid directly to an independent financial institution by the Tribe's casino operation for the purchase of an annuity designed to pay a player's winnings over several years.
- 4.15 "Parimutuel System of Wagering" means any system whereby wagers with respect to the outcome of a race or other sporting events are placed in a wagering pool conducted by the Tribe and in which the participants are wagering with each other and not against the operator. The term includes off-site parimutuel wagering. It is agreed that gaming utilizing the parimutuel system of wagering shall be allowable games as defined in §4.7 herein only if such parimutuel system of wagering is allowed on non-Tribal lands under the laws of the State.
- 4.16 "Premises" means land together with all buildings, improvements and personal property located thereon.
- 4.17 "Progressive Keno Game" means a game with a payoff limit that increases by a predetermined amount as the game is played, which limit is at all times exhibited on an indicator visible to the public. Progressive keno game includes video progressive keno devices.
- 4.18 "Rake-off" means a percentage of the total amount anted and wagered by players during a hand in a card game.
- 4.19 "Secretary" means the Secretary of the U.S. Department of the Interior.
- 4.20 "Slot machine" means any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, token or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator in playing a gambling game which is presented for play by the machine or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens or any thing of value, whether the payoff is made automatically from the machine or in any other manner.
- 4.21 "Sports pool" means the business of accepting wagers on sporting events by any system or method of wagering other than the system known as the parimutuel method of wagering; provided, however, that such wagers shall allowable gaming under this Compact only if such wagers are allowed on non-Tribal lands under the laws of the State.
- 4.22 "State" means the State of Mississippi.
- 4.23 "Tribe" means the Mississippi Band of Choctaw Indians.
- 4.24 "Tribal Chief" means the principal executive officer of the Tribe.
- 4.25 "Tribal Council" means the governing body of the Tribe.

- 4.26 “Tribal Land” means all lands within the limits of the Mississippi Band of Choctaw Indians’ federally recognized Choctaw Indian Reservation and shall be synonymous with the term “Indian lands” as used in IGRA.
- 4.27 “Video Games of Chance” means electronic video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette or which 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 credit or replays.

SECTION 5. JURISDICTION

- 5.1 Allocation of Jurisdiction. For purposes for regulating Class III Gaming and enforcing the requirements of this Compact, (i) the Tribe shall exercise exclusive criminal and civil jurisdiction over Tribal members and all other Native Americans, to the extent allowed by federal law; (ii) the Tribe and the State shall exercise concurrent civil jurisdiction over the Class III Gaming activities as set forth in this Compact; and (iii) the State shall exercise exclusive criminal jurisdiction over non-Indians; provided, however, that nothing contained in this Compact shall be deemed to modify or limit federal criminal and civil jurisdiction as provided by federal law over the Class III operations authorized under this Compact. The Tribe shall maintain its own security force which will have primary law enforcement responsibilities on the premises.
- 5.2 Cross Deputization. The parties hereto, to the extent permitted by law, agree to enter into cross deputization agreements as may be necessary and proper to facilitate the enforcement of the civil and criminal jurisdiction recognized under the Compact.
- 5.3 No Grant of General Jurisdiction to the State. Nothing contained in this Compact grants, or shall be construed to grant, to the State or any agency, department of [or] commission thereof, general state civil regulatory or taxing authority, or criminal jurisdiction, over the Tribe or its lands, property, members or activities, except as expressly authorized under this Compact.

SECTION 6. CLASS III GAMING

- 6.1 Compliance with Compact and IGRA. The Tribe is authorized to own and operate one or more Casinos for the purpose of conducting Class III Gaming on Tribal Lands, provided that such Class III Gaming is conducted in accordance with the terms of this Compact and the IGRA. It is recognized and agreed that no Class III Gaming shall be conducted by the Tribe on lands newly acquired by the Secretary in trust for the benefit of the Tribe after October 17, 1988, unless located within or contiguous to the existing boundaries of the Tribe’s Reservation as of October 17, 1988 and if the Secretary, after consultation with local officials, as required by 25 U.S.C. §2719, determines that such Gaming on newly acquired lands would be in the Tribe’s best interest and would not be detrimental to the surrounding community, but only if the Governor of Mississippi concurs in such determination. The primary responsibility for the on-site regulation, control and security of the Gaming operation authorized by this Compact, and for the enforcement of this Compact, shall be that of the Choctaw Gaming Commission.

- 6.2 Inspectors. The Choctaw Gaming Commission shall employ qualified inspectors or agents under the authority of the Choctaw Gaming Commission. Said inspectors shall be independent of the Tribal Gaming operation, and shall be supervised and accountable only to the Choctaw Gaming Commission.
- 6.3 Reporting of Violations. A Choctaw Gaming Commission inspector shall be present in the Casino during all hours of Gaming operation, and shall have immediate access to any and all areas of the Class III Gaming operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal Ordinances. Any violation(s) of the provisions of this Compact or of Tribal Gaming Ordinances, by a management contractor, a Gaming employee, or any person on the Casino premises whether or not associated with the Tribal Gaming operation shall be reported immediately to the Choctaw Gaming Commission. The Choctaw Gaming Commission shall forward copies of all completed investigation reports and final dispositions to the Mississippi Gaming Commission on a continuing basis. If requested by the Choctaw Gaming Commission, the Mississippi Gaming Commission shall assist in any investigation initiated by the Choctaw Gaming Commission, and provide other requested services to ensure proper compliance with the provisions of this Compact, Tribal Gaming Ordinances, laws of the Tribe, or applicable federal laws.
- 6.4 Quarterly Meetings. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact and to keep the Choctaw Gaming Commission and the Mississippi Gaming Commission informed as to both of their separate Class III Gaming regulatory actions, representatives of the Choctaw Gaming Commission and the Mississippi Gaming Commission shall meet, not less than on a quarterly basis, to review past practices and activities during the preceding calendar quarter of the separate Class III Gaming regulatory programs of the Tribe and the State. The meetings shall take place at a location selected by the Choctaw Gaming Commission. The Mississippi Gaming Commission prior to or during such meetings shall disclose to the Choctaw Gaming Commission any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity.

SECTION 7. REGULATORY STANDARDS FOR CLASS III GAMES

7.1 Common Interest

- (1) In recognition of the valid public policy interests of the State and Tribe, regulatory standards are hereby established for Class III Gaming operated and played within Tribal lands.
- (2) The Choctaw Gaming Commission shall adopt and maintain, at all times during which the Tribe conducts any authorized Class III Games, regulations at least as restrictive as those set forth herein.
- (3) Nothing in this Section shall limit the rights or remedies available to the parties under the IGRA.

7.2 Minimum Age for Players

No person below the age of twenty-one (21) on the date of Gaming shall be permitted to play any Class III Game. If any person below the age of twenty-one (21) plays and otherwise qualifies to win any Class III Game which requires notice and payout by the operator of the facility, the prize shall not be paid and the estimated amount wagered during the course of the game shall be returned to the minor. Nothing in this Section 7.2 shall be deemed to limit civil fines, penalties and other remedies against licenses or employees pursuant to Section 8.8 herein.

7.3 Inspection by State

- (1) The Choctaw Gaming Commission shall have the right to conduct or cause to be conducted announced or unannounced inspections of all Gaming operations to ensure compliance with this Compact, Title XV of the Tribal Code, and all other applicable Tribal and federal laws and regulations, as amended from time to time.
- (2) Agents of the Mississippi Gaming Commission or their designated representatives, upon the presentation of appropriate identification to the on-site Choctaw Gaming Commission official, shall also have the right to gain access, without notice during normal business hours, to all premises used for the operation of Class III gaming or the storage of Class III Gaming equipment related thereto, and may inspect all Casino premises, equipment, or equipment maintenance records, in order to verify compliance with the provisions of this Compact. Inspections made pursuant to this Section shall not be conducted in a manner which disrupts normal business operations. At the completion of any inspection by the Mississippi Gaming Commission, copies of any investigative or inspection report shall be promptly sent to the Choctaw Gaming Commission.

7.4 Posting of Table Game Rules

The name and rules of each table game shall be posted and be clearly legible at or near each table in the Casino and must designate:

- (1) the maximum rake-off percentage, time buy-in or other fee charged;
- (2) the number of raises allowed;
- (3) the monetary limit of each raise;
- (4) the amount of ante; and
- (5) other rules as may be necessary.

7.5 Regulations Governing Class III Gaming

Attached hereto and incorporated by this reference are Exhibit A (Tribal Code, Restate Title XV, Chapters 1 and 3) and Exhibit B (Gaming Conduct Regulations) governing the conduct of Class III Gaming under this Compact). The regulations attached as Exhibit B may be modified or amended by the Choctaw Gaming Commission, provided that no amendment to the attached regulations shall be effective unless approved by the Tribal Council and the Mississippi Gaming Commission, with approval not to be unreasonably withheld. The Choctaw Gaming Commission shall also have authority to adopt additional

supplemental regulations consistent with this Tribal-State Compact, provided that the Tribal Council and the Mississippi Gaming Commission shall receive prior written notice of such supplemental regulations which shall become effective upon approval by the Tribal Council.

7.6 Class III Net Revenues

- (1) Net revenues to the Tribe from Class III operations shall be used to fund Tribal government operations or programs, to provide for the general welfare of the members of the Tribe, to promote economic development, to donate to charitable organizations or to help fund the operations of local government agencies, and shall be expended only in accordance with budgets adopted by resolution of the of the Tribal Council.
- (2) Class III revenues shall not be used to make per capita payments.

7.7 Exclusion of Persons

- (1) No person placed on an exclusion list by the Choctaw Gaming Commission shall be permitted entry into any portion of a Casino. The Choctaw Gaming Commission shall maintain a list of persons to be ejected or excluded from licensed Class III establishments. The list shall be distributed to the Mississippi Gaming Commission and to Tribal law enforcement agencies. The Mississippi Gaming Commission shall likewise furnish the Choctaw Gaming Commission with its separately maintained exclusion list. The following information, to the extent known, shall be provided for each excluded person:
 - (a) the full name and date of birth and all aliases;
 - (b) a physical description;
 - (c) the effective date the person's name was placed on the list;
 - (d) a photograph, if available;
 - (e) the person's occupation and his current home address and business address; and
 - (f) the stated reason for the exclusion.
- (2) The Choctaw Gaming Commission may place a person on the exclusion list pending a hearing if such person has:
 - (a) been convicted of a felony in any jurisdiction, of any crime of moral turpitude or of a crime involving Gaming;
 - (b) violated or conspired to violate the provisions of the IGRA or this Compact relating to involvement in Gaming without required licenses, or willful evasion of fees or taxes;

- (c) a notorious or unsavory reputation which adversely affects public confidence and trust in gaming; or
 - (d) their name on any valid exclusion list from another jurisdiction in the United States.
- (3) Upon a determination by the Choctaw Gaming Commission that a person comes under any one of the criteria listed in this section, such person may be placed on an exclusion list. Such excluded person shall be notified of the availability of a hearing by the Choctaw Gaming Commission.
 - (4) Any person who has been placed on any exclusion list may petition the Choctaw Gaming Commission in writing and request that their name be removed from the list.
 - (5) If the Commission or a subsequent Tribal court of review finds in favor of the excluded person, then their name shall be removed from the exclusion list and their exclusion shall be terminated as of the date of action by the Commission or court. The Choctaw Gaming Commission shall provide prompt written notification to the Mississippi Gaming Commission of the action to terminate the exclusion. This notification also shall include the reason for the reinstatement action.

SECTION 8. LICENSES, WORK PERMITS AND BACKGROUND INVESTIGATIONS OF EMPLOYEES AND MANAGERS

8.1 Confidential Records

- (1) The Choctaw Gaming Commission shall maintain a file listing all applications for Class III gaming licenses and work permits and a record of all its actions on such applications, and such records shall not be confidential. The Tribe shall place the privacy and false statement notices on all applications for licenses and work permits in forms required by the regulations promulgated in accordance with the IGRA.
- (2) Confidential information shall include:
 - (a) records and financial data acquired by the Choctaw Gaming Commission in carrying out its background investigations of potential Gaming entities, managers, and key employees;
 - (b) the identity of person interviewed during the course of such investigations; and
 - (c) proprietary financial data except as otherwise provided herein, confidential information is prohibited from public disclosure by the Choctaw Gaming Commission, the Mississippi Gaming Commission or by individual members of either commission. Confidential or proprietary records, in whole or in part, shall not be included as sections or attachments to budget documents, annual reports, minutes or audit

findings by either the Choctaw Gaming Commission or the Mississippi Gaming Commission. Copies of confidential or proprietary records may be forwarded to the National Indian Gaming Commission upon the written request of that agency or in compliance with the appropriate reporting requirements of the IGRA.

8.2 Licenses and Work Permits Required

- (1) No entity or person shall enter into a binding management contract for operation and management of Class III gaming with the Tribe or shall be hired as a management official or key employee of a Class III Gaming enterprise, unless such entity or person is the holder of a Class III Gaming license issued by the Choctaw Gaming Commission. The Choctaw Gaming Commission shall provide prompt notification to the Tribal Chief, the National Indian Gaming Commission and the Mississippi Gaming Commission of any such Class III Gaming licenses. Separate licenses will be required for each place or location where Gaming is conducted.
- (2) Persons not required to be licensed as management officials or key employees shall not be employed to work in a Class III Gaming enterprise, unless such person is the holder of a Class III gaming work permit issued by the Choctaw Gaming Commission.
- (3) For purposes of this Tribal-State Compact, a “key employee” shall include a Class III Gaming employee of the Tribe or a Tribal Class III Gaming licensee (1) having the power to exercise any significant influence over decisions concerning any part of the operation, administration, supervision or physical security activities of gaming activities or (2) who receives a base salary from the Casino operator in excess of \$30,000 per year. Without limiting the foregoing, any individual who has authority to hire or fire other Gaming employees or who is considered a “key employee” under regulations adopted by the National Indian Gaming Commission shall be considered to be a “key employee” of a Gaming enterprise.
- (4) While on duty in a Casino, all licensed management officials, key employees and permitted employees shall wear identification badges, including a photograph, title, license or permit number, signature and zones within the casino to which he is permitted access. Undercover security personnel may be exempted from the display requirements of this paragraph.

8.3 Application Process for Class III Gaming Licenses; Background Investigations

- (1) The Choctaw Gaming Commission shall require all applicants for Class III Gaming licenses (entities proposing to enter into Class III Gaming management contracts and management officials and key employees) to pay a non-refundable application fee of \$2,000 and to complete an application form containing sufficient information to allow a background investigation of the applicant, including without limitation all information required by regulations promulgated pursuant to IGRA. The Choctaw Gaming Commission shall send a copy of the completed applications to the Mississippi Gaming Commission and the National Indian Gaming Commission. If the Choctaw Gaming Commission determines

that investigative costs shall exceed the application fee, the Choctaw Gaming Commission shall notify the applicant in writing of the estimated costs to be incurred by the Choctaw Gaming Commission in performing or causing to be performed a background investigation, and the applicant must pay such estimated costs to the Choctaw Gaming Commission prior to the Choctaw Gaming Commission processing the application.

- (2) The Choctaw Gaming Commission shall ensure that background investigations are conducted on all applicants for Class III Tribal Gaming licenses and that continuing oversight of management officials and key employees is conducted. The Choctaw Gaming Commission shall notify the Tribal Chief, the National Indian Gaming Commission, and the Mississippi Gaming Commission of the results of background checks on any Class III Gaming applicants and the findings concerning the eligibility of applicants for receipt of a license prior to issuance of any Tribal Class III Gaming license.

8.4 Application for Class III Gaming Work Permits; Procedures

- (1) Applicants for a Class III Gaming work permit shall complete an application form and shall furnish their fingerprints in duplicate on fingerprint impression cards and a current color photograph in duplicate to the Choctaw Gaming Commission. The photographs must be satisfactory to the Choctaw Gaming Commission and must have been taken no earlier than three (3) months before the date of filing the application. The applicant shall also sign a written statement certifying that the applicant is not automatically disqualified for a work permit in accordance with the standards set forth in §8.6 below.
- (2) An applicant for a work permit shall pay the application fee established by the Choctaw Gaming Commission, by regulation, which shall be sufficient to cover the costs of processing the application.
- (3) The Choctaw Gaming Commission shall forward a copy of all applications for Class III Gaming work permits to the Mississippi Gaming Commission prior to granting the work permits.
- (4) The Choctaw Gaming Commission may either grant or deny the work permit based upon its investigation and review of the application.

8.5 Automatic Disqualification for or Revocation of License or Work Permit

The Choctaw Gaming Commission shall deny or revoke Gaming Licenses or work permits to persons or entities whose prior activities, criminal record, or records, habits and associations pose a threat to the public interest or to the effective regulation of Gaming or create or enhance the dangers of unsuitable, unfair or illegal practices and activities in connection with Gaming activities. All Class III Gaming licenses and work permits shall be reviewed and, if appropriate, renewed on an annual basis, with prompt notification to the Mississippi Gaming Commission and the National Indian Gaming Commission of renewals of licenses. Should Tribal laws be amended to permit such, licenses and permits may be renewed every two (2) years after the first two (2) annual renewals. Without limiting the foregoing, the Choctaw Gaming Commission must automatically deny or revoke Class III Gaming licenses or permits to persons:

- (1) who have been convicted or a felony in any jurisdiction of any crime;
- (2) who have been convicted of a violation or conspiracy to violate the provisions of this Tribal-State Compact, the Indian Gaming Regulatory Act, or other Tribal or federal laws relating to involvement in Gaming without required licenses or willful evasion of Gaming fees or taxes;
- (3) having a notorious or unsavory reputation or association with such individuals which adversely affect public confidence and trust in Gaming;
- (4) whose license or work permit would violate conflict of interest rules in Section 15-1-4 of the Tribal Code; or
- (5) who are individual applicants under the age of twenty-one (21).

8.6 Denial, Suspension or Revocation Based Upon Written Findings

In the event the Choctaw Gaming Commission receives a written finding from either the National Indian Gaming Commission or the Mississippi Gaming Commission specifying why a particular applicant or employee is not eligible for a Class III Gaming license or work permit under the standards set forth in Section 8.5 above, the Choctaw Gaming Commission shall suspend the applicable Class III Gaming license or permit or shall delay action on the application and shall notify the affected applicant of the suspension and proposed revocation and of a hearing time and place on the proposed revocation. After the hearing, the Choctaw Gaming Commission shall decide whether to revoke or reinstate the license or permit and shall notify the Mississippi Gaming Commission and the National Indian Gaming Commission of its decision.

8.7 Discipline of Employees and Licensees

In addition to the automatic license and permit revocations pursuant to Section 8.5, the Choctaw Gaming Commission shall propose regulations containing civil fines, penalties, license or work permit suspensions or revocations that may be imposed by the Choctaw Gaming Commission for violations of Restated Title XV of the Tribal Code and any amendments thereto or provisions of this Compact. Such regulations shall become effective upon approval by the Tribal Council.

8.8 Employee Gaming

No person who holds a work permit or license from the Choctaw Gaming Commission in connection with Class III Gaming who is employed by any of the Tribe's suppliers of gaming equipment shall be permitted to participate in any Tribal Class II Gaming.

8.9 Paying Players

Neither the Tribe nor any of its agents, contractors or employees may employ or pay any person to participate in any Class III Game, including but not limited to any skill or proposition players.

8.10 Management Contract with Licensed Contractor

- (1) The Tribe will have sole proprietary interest in any Casino. The Tribe and a contractor who has been licensed pursuant to Section 8 of this Compact may enter into a management contract for the operation and management of a Casino, provided that such management contract is in compliance with all applicable requirements and provisions of the IGRA.
- (2) The Tribe shall require all “parties in interest” to a proposed Class III management contract to submit to the Choctaw Gaming Commission information and identification sufficient to allow the Choctaw Gaming Commission to perform or cause to be performed background investigations on each party in interest in accordance with Section 8 herein. The Tribe may require the proposed contractor to cover the costs of these background investigations. A copy of the submitted information and the investigative reports on each party in interest shall be provided by the Choctaw Gaming Commission to the Mississippi Gaming Commission prior to issuance of a Class III Gaming license to the management contractor and prior to the effective date of a Class III management contract. As used in this section, “parties in interest” includes any person or entity (including individuals comprising such entity) having a direct financial interest in or responsibility for, the management of a Casino pursuant to the management contract, including investors, leaders, general and limited partners, beneficiaries and trustees of a trust acting as a party, corporate officers and directors, all stockholders who hold (alone or in combination with a spouse, parent, child or sibling of a stockholder) at least 10 percent (10%) of the stock of any corporation which is a party to the contract.

SECTION 9. COST OF OVERSIGHT REGULATION, ENFORCEMENT, IMPROVEMENTS AND PROMOTION

9.1 Expense Reimbursement

The State and the Tribe, acting by and through their respective designees, shall mutually agree upon a budget for necessary and actual expenses that may be reasonably incurred by the State during the calendar year in connection with Class III gaming activities, including, but not limited to, (i) oversight and enforcement actions as provided for under this Compact, (ii) additional manpower and equipment required by the Department of Public Safety due to increased traffic control on State highways leading to a Casino, and (iii) costs in making any necessary improvements to an intersection of a State highway with a Bureau of Indian Affairs or Tribal road leading to a Tribal Casino as a result of increased traffic due to Class III gaming activities and utilizing governmental grants and road funds where available. For purposes of this Section 9, “Calendar Year” means the twelve (12) month time frame beginning on the date of commencement of operations of the Casino. The State shall prepare a quarterly payment request for actual expenses specified in the approved budget, incurred by the State during the preceding quarter, which shall be paid within thirty (30) days thereafter.

9.2 Promotion of Tourism

Subject to the State designating Tribal lands as a State tourism council area, the Tribe and the State shall separately provide \$250,000 each year in matching funds to be used for

advertising and promotion of tourism. The Tribe's \$250,000 per year contribution shall be paid in quarterly installments of \$62,500 each, conditioned upon the Tribe receiving profits of at least \$62,500 from the preceding quarter of Class III gaming operations. For purposes of this Section 9.2, quarterly payment dates shall be January 15, April 15, July 15, and October 15, unless otherwise agreed by the parties.

SECTION 10. DISPUTE RESOLUTION

In the event either party believes that the other party has failed to comply with any requirement of this Compact or applicable regulations thereunder, or in the event of any disagreement or dispute as to the proper interpretation of the terms and conditions of this Compact, the following procedures shall apply:

- 10.1 The party asserting noncompliance or seeking an interpretation shall serve written notice on the other party. The notice shall identify the specific Compact provision alleged to have been violated and shall specify in detail the factual basis for the alleged noncompliance of the Compact provision for which interpretation is sought. Thereafter, the Governor and the Tribal Chief or their designated representatives, shall meet within thirty (30) days in an effort to resolve the dispute.
- 10.2 In the event the dispute is not resolved to the satisfaction of the parties within ninety (90) days after service of the notice set forth in Section 10.1 above, the dispute shall be resolved through arbitration, as follows:
 - (1) The parties shall agree upon one arbitrator.
 - (2) If the parties are unable to so agree, the Tribe and the State shall select one arbitrator, who thereafter shall select a third arbitrator with expertise in the subject matter of the dispute, and the three arbitrators so selected shall arbitrate the dispute. In the event the two arbitrators selected by the parties are unable to agree on a third arbitrator, the third arbitrator shall be appointed by the American Arbitration Association.
 - (3) The arbitrators shall meet with the parties immediately after their appointment to determine a schedule for arbitration, including whether and to what extent discovery is required. The arbitrators may set the matter for an evidentiary hearing or oral arguments, or may determine to dispose of the dispute based upon written submissions only. If an evidentiary hearing is held, the normal rules of evidence shall be relaxed, pursuant to the arbitrators' discretion. All parties shall have the right to participate in the hearing and may determine the most effective and efficient method for the presentation of their case. The parties may present evidence through live testimony, written reports and affidavits, or the argument of counsel or its representative at the hearing. The parties may be represented by any person of their choice at proceedings before the arbitrators, irrespective of whether the representative is an attorney.
 - (4) The cost of arbitration shall be borne equally by the Tribe and State. All parties shall bear their own costs and attorney fees associated with their participation in arbitration. The decision of the arbitrators shall be final and non-reviewable. Any party may pursue any remedy which is otherwise available to that party to

enforce orders of the arbitrators in the event voluntary compliance does not occur.

SECTION 11. RESERVATION OF RIGHTS UNDER THE IGRA

The State and Tribe agree that by entering into this Compact, the Tribe shall not be deemed to have waived its right to initiate and pursue the procedures provided by the IGRA if the State should refuse to enter into a compact with respect to other forms of Class III gaming, and neither the State nor the Tribe shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

SECTION 12. ALCOHOLIC BEVERAGE LICENSE

In the event that the Tribal Council passes an ordinance approved by the Secretary that allows sales of alcoholic beverages on or about Casino premises or adjacent property on Tribal lands designated by the Tribal Council as a resort area, then the State will designate the same Tribal lands as a resort area and shall authorize sales of liquor from the State warehouse to the Tribe and persons or entities as may be authorized by the Tribe to sell alcoholic beverages on designated Tribal lands, and the Tribe and such persons or entities as it may authorize to sell alcoholic beverages will purchase liquor exclusively from the State warehouse.

SECTION 13. EFFECTIVE DATE AND DURATION

- 13.1 Effective Date. This Compact shall become effective upon execution by the Governor of the State and the Tribal Chief, approval by the Secretary of the Interior and publication of that approval in the Federal Register pursuant to IGRA.
- 13.2 Duration. This Compact shall remain in full force and effect until terminated by mutual consent of the parties.

SECTION 14. NOTICES

All notices required or authorized to be served under this Compact shall be served by certified mail (return receipt requested), commercial overnight courier service or by personal delivery, at the following addresses:

Governor: State of Mississippi
P.O. Box 139
Jackson, MS 39205

Tribal Chief: Mississippi Band of Choctaw Indians
P.O. Box 6010
Philadelphia, MS 39350

SECTION 15. EFFECTIVE DATE AND DURATION

- 15.1 Effective Date

This Compact shall become effective upon execution by the Governor of the State and the Tribal Chief, approval by the Secretary of the Interior and publication of that approval in the Federal Register pursuant to the IGRA. This Compact is entered into pursuant to the IGRA.

15.2 Duration

This Compact shall remain in full force and effect until terminated by mutual consent of the parties.

SECTION 16. AMENDMENTS

The State or the Tribe may, by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new Compact, this Compact shall remain in effect until renegotiated or replaced. Such requests shall be served pursuant to Section 14. If such a request is made by the Tribe, it shall be treated as a request to negotiate pursuant to the IGRA. The parties shall have 180 days to negotiate, and all further procedures and remedies available under the IGRA shall thereafter apply. The Tribe and the State may agree to extend the 180 day period without prejudice to the rights of either party under this Section. Any amendment to this Compact must be approved by the Secretary.

SECTION 17. ENTIRE AGREEMENT; SUCCESSORS AND ASSIGNS

This Compact contains the entire agreement of the parties hereto with respect to the matters covered by this Compact and no other statements, agreement or promise made by any party, officer or agent of any party shall be valid or binding. This Compact shall be binding upon the successors and assigns of the parties hereto.

SECTION 18. GOVERNING LAW

This Compact shall be governed by and construed in accordance with the laws of the United States.

SECTION 19. JUDICIAL ENFORCEMENT

Any judicial action brought to enforce the terms of an arbitration decision rendered under Section 10 of the Compact shall be brought only in the appropriate United States District Court; provided, however, that if a United States District Court should first determine that it lacks subject matter jurisdiction over such a cause of action, an enforcement action may then be instituted in the courts of the State.

SECTION 20. AUTHORITY TO EXECUTE

Each of the undersigned represents that he is duly authorized and has the authority to execute this agreement on behalf of the party for whom he is signing.

STATE OF MISSISSIPPI

MISSISSIPPI BAND OF CHOCTAW INDIANS

/s/ Kirk Fordice

/s/ Phillip Martin

KIRK FORDICE, GOVERNOR
DATE: 12/4/92

PHILLIP MARTIN, CHIEF
DATE: 12/4/92

/s/ Frank Steve

FRANK STEVE, SECRETARY-TREASURER
DATE: 12/4/92


BUREAU OF INDIAN AFFAIRS

SECRETARY OF INTERIOR

DATE: _____

CHAPTER 4. PER CAPITA PAYMENTS FROM GAMING REVENUES

§15-4-1 Purpose

- (1) It is the policy of the Mississippi Band of Choctaw Indians that a portion of the net Tribal proceeds from net revenues of Class II and Class III gaming shall be used to improve the standard of living of the Choctaw people at the two times of year when extra income is most needed: the holiday season in December and the time of the Choctaw Indian Fair and the beginning of the school year in July. To this end, the Tribal government shall distribute funds deriving from the net proceeds of IGRA Class II and Class III gaming on the Mississippi Choctaw Indian Reservation during those two (2) months of the year. Nothing contained herein shall be construed to create a property or vested right of any kind or character, nor shall any payment or failure of payment in any amount create in any person any right or cause of action of any kind of character; nor shall anyone have any claim to a distribution check more than six (6) months after the time of the distribution.
- (2) Non-Tribal general creditors are prohibited in whole or in part from garnishing the per capita distribution checks of the Mississippi Band of Choctaw Indians member. The only exceptions to this prohibition on garnishing per capita distribution checks shall be any Order of Support by the Tribal Court, an order of garnishment by the Choctaw Tribal Court on behalf of a Tribal Government Agency; any written agreement between a member of the Tribe and a Tribal agency calling for garnishment of per capita distributions to repay ; or any order of any court of the United States having jurisdiction over cases under Chapter 13 of Title II or for any debt due for any state and federal tax required by federal law.

§15-4-2 Definitions

- (1) “Incompetent” means any adult who is impaired to the extent of lacking sufficient understanding or capacity to make or communicate responsible personal decisions, and who has demonstrated deficits in behavior which evidence an inability to meet personal needs for medical care, nutrition, clothing, shelter or safety.
- (2) “Minor” means a person under eighteen (18) years of age.
- (3) “Net Revenue from Class II and Class III Gaming” means gross revenues of an Indian Gaming activity less amounts paid out as or paid for, prizes and total operating expenses, excluding management fees (as defined in the Indian Gaming Regulatory Act).
- (4) “Net Tribal Proceeds from Net Revenues of Class II and Class III Gaming” means the audited amount of the Tribe’s percentage of the Net Revenues from Class II and Class III Gaming less expenses, including management fees, required funding of reserve accounts, and debt service; i.e., the audited amount of the cash and accrued distributions made to the Tribe for the year under audit shown on the Class II and Class III gaming facilities’ equity statements.
- (5) “Year” means, unless otherwise modified, the calendar year.

§15-4-3 Gaming Revenues

- (1) On or before September 30 of each year, the Chief shall submit to the Tribal Council an estimate of net Tribal proceeds from net revenues of Class II and Class III gaming on the Mississippi Choctaw Indian Reservation for the fiscal year, based upon unaudited financial reports from gaming enterprises, which the Tribal Council shall take into consideration as it prepares its budget for the coming fiscal year.
- (2) Taking into account the amount of distribution and any projected increases in Tribal membership, the Council shall reserve in its budgeting the total needed for distribution in the following July and in the December more than one (1) year hence.
- (3) The Tribal Council shall budget the projected remainder, subject to the receipt of a final audited figure on net Tribal proceeds from net revenues of Class II and Class III gaming, of purposes consistent with §11(b)(2)(B) of the Indian Gaming Regulatory Act.
- (4) Should the projection of the amount of distribution be greater than 20 percent (20%) of the projection for total net Tribal proceeds from net revenues of Class II and Class III gaming, the Tribal Council shall:
 - (a) by resolution, declare a moratorium on distributions for the following year, and shall, in accordance with the provisions of §15-4-4 below, so notify the adult members of the Tribe, and
 - (b) allocate all funds for use in accordance with subsection (3) above.

§15-4-4 Notice of Distribution

- (1) Within thirty (30) days of presentation of the audited financial figures on Class II and Class III gaming to the Tribal Council (presumably early the following year), the Chief shall cause to be posted in conspicuous places on the Choctaw Indian Reservation and distributed in all of the recognized Choctaw communities a notice of the times, if any, of the distributions for July and December. The notice shall include a request for submission of new addresses, information on child custody and any other information that the Tribal government might need in making the distribution of funds as efficient as possible.
- (2) The notice of distribution each year shall inform Tribal members of their federal income tax liabilities on the payment of the distribution (including liabilities of children) and, for persons who reside off of Choctaw Indian Reservation lands in the State of Mississippi, Mississippi state tax liabilities.

§15-4-5 Eligibility for Per Capita Payments

Per capita payments from net Tribal proceeds from net revenues of Class II and Class III gaming shall only be made to members of the Mississippi Band of Choctaw Indians, as defined in the Tribal Constitution and Title XXII of this Tribal Code, and shall be made to or on behalf of all such members if made to or on behalf of any such members. It shall be the responsibility of those claiming membership in the Mississippi Band of Choctaw Indians, including those acting on behalf

of minors or incompetents, to document said membership, or else a distribution payment may not be made. The Tribal Council may provide for closure or suspension of acceptance of applications for Tribal membership, or closure or suspension of acceptance of applications for Tribal membership from other than newborns, for a specified time period in connection with a distribution.

§15-4-6 Deceased Members

Deceased members of the Tribe are not eligible for distribution payments. Should a check be mailed to a deceased member, it should be returned to the Tribal government uncashed.

§15-4-7 Amount of Payments

Each member of the Tribe shall receive not to exceed \$1,000 in a single year, in two payments, one in July and one in December.

§15-4-8 Method of Payment

Checks for adult members of the Tribe shall be made out to them; checks for minors or incompetents shall be made out either to the parent, guardian or custodian of the minor or incompetent and the minor or incompetent or to the parent, guardian or custodian alone, on behalf of the minor or incompetent. Checks shall be mailed to the last address the Tribe has for the adult member or the parent, guardian or custodian unless the Tribe shall have received written notice from the adult member of parent, guardian or custodian, that the check shall be picked up in person by the recipient. The Tribe will not give or send checks to third parties, regardless of whether or not a written notice has been sent.

§15-4-9 Payments to Minors and Incompetents

- (1) It is the intent of the Tribal government that distribution to minors and legal incompetents, though furnished to parents, guardians or custodians, be used for the benefit of the minors or legal incompetents may be necessary for health, education and welfare.
- (2) The criminal provisions of the Tribal Code may be applicable to misuse of distribution funds intended for minors or incompetents. Persons knowledgeable about misappropriation of funds for minors or incompetents shall report such misappropriations to the Tribal Attorney General's Office or the appropriate county prosecutor.
- (3) It shall be the duty of Tribal programs monitoring the safety and well being of children on and near the Choctaw Indian Reservation to monitor where possible the uses to which payments to minors are put by their parents or guardians and to report any misuse or abuse of such payments by parents or guardians to the Tribal Attorney General's Office.

§15-4-10 Office of Tribal Distribution

There is hereby established within the executive branch of Tribal government an Office of Tribal Distribution, which shall be directed by an appointee of the Chief, to be confirmed by the Tribal Council, on either a full-time or a part-time basis. The Office shall oversee the administration of

the distributions of Class II and Class III revenues in accordance with this Chapter and other provisions of the Tribal and applicable federal law, and shall coordinate with other agencies.

§15-4-11 Severability

In the event any portion of this Chapter, or the application thereof to any party, person or entity in any circumstances shall be held invalid for any reason whatsoever by a court of competent jurisdiction, or by the U.S. Department of the Interior, the remainder of this Chapter shall not be affected thereby, and shall remain in full force and effect as though it had not been declared to be invalid.

§15-4-12 Amendment of this Chapter

This Chapter shall not be amended except upon an affirmative vote of three-quarters of the members present and voting at a Tribal Council meeting at which a quorum is present.