

2/14/04

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### States look hungrily at Indian casino profits

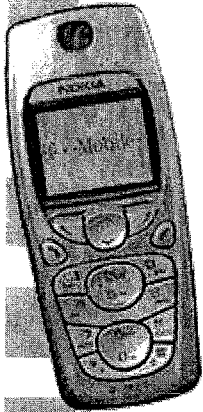
By **PATRICIA LOPEZ** and **DANE SMITH**

February 14, 2004

As more and more state governments struggle with a still-sluggish economy, some are casting an envious eye on an industry that is more profitable than ever: Indian gambling.

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Minnesota Gov. Tim Pawlenty has put out the first feelers on recasting the deal struck between Minnesota and its tribes in 1989. Other states are on the same path.

To help patch his state's leaky budget, Wisconsin Gov. Jim Doyle last year gave the state's Indian tribes the right to some high-stakes games, such as roulette, baccarat and poker, in return for more than \$200 million over two years and loosened rules that may permit the conversion of truck stops into "mini-casinos."

In New York state, leaders of the Oneida Indian Nation last month sent a letter to suppliers accusing Gov. George Pataki of a "shakedown" because he wants the state to get 25 percent of the profits from the tribe's lucrative Turning Stone Casino. New York's Mohawk tribe has already agreed to give the state 25 percent of its slot machine earnings.

California Gov. Arnold Schwarzenegger, laboring under a projected deficit that would bankrupt a small nation, has said he will seek to renegotiate tribal gambling compacts - something Arizona and Connecticut have already done.

"Where there are successful gambling operations, virtually every state is looking at ways of getting more money out of those gambling operations," said Minnesota state Sen. John Hottinger.

Hottinger works on state policy issues with other legislators from the National Conference of State Legislators.

Of the 24 states that have tribal gambling compacts, Judy Zelio, an analyst on gambling issues for the National Conference of State Legislatures, said seven receive a portion of the profits: Michigan, Wisconsin, Arizona, California, New York, New Mexico and Connecticut.

In some states, Zelio said, tribes contribute to local governments, as in Louisiana. Other states, she said, "are just happy to have the economic development."

In some instances, she said, there is a potential roadblock: The federal Bureau of Indian Affairs has to sign off on any state-tribal compacts.

And some of those states without termination dates negotiated a piece of the action in the initial agreement.

Tribal leaders, when challenged to reopen the compacts, typically have fought back with powerful arguments rooted in hundreds of years of conflict with Americans of European heritage, a history that by consensus was tragic for the Indians and was marked by many treaty violations by whites.

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