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States may lose casino revenue

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In a recent op-ed in the Albuquerque Journal, Ben Shelly, the Navajo Nation president, extols the economic blessings of tribal casino gambling, saying, “Our success also has a significant and very positive impact on the economies of surrounding communities.”

“Significant,” yes; “positive,” no.

All the communities where they were invaded by casinos in this state and elsewhere can attest to the economic damage done to their communities by the casinos.

If casinos were an economic generator, Nevada would be a paradise of economic prosperity, instead of the national leader in home foreclosures and bankruptcies and a state budget full of red ink.

Also, Atlantic City would be a glittering beacon of commerce, instead of a slum surrounding a dozen or so casinos, some of which Gov. Chris Christie is bailing out of bankruptcy with state tax revenue.

Part of the reason for Shelly’s op-ed is that the compact negotiations with the state are falling apart. Legislative leaders are talking about throwing out the proposed Navajo compacts and starting over.

Shelly should visit his own tribal casinos more.

According to almost every report, about 80 percent to 90 percent of the denizens of their murky slot parlors are Navajo tribal members.

When given a real choice, the Navajo people twice rejected the tribal council proposal for casinos. The third election had enough ambiguity that voting either way seemed to legalize tribal gambling.

The phrase, “Eating your own children,” comes to mind, except most of the gamblers are grandmothers and grandfathers.

Besides the Navajo negotiations, Pojoaque Pueblo and other tribes are taking an entirely different tack in trying to get new compacts.

They are saying that revenue sharing with the state is illegal, and that they will go directly to the federal government to get compacts.

They might have a point – if they declared that under Section 2710 Sec. (d)(4) of the Indian Gaming Regulatory Act (IGRA) of 1988, “...nothing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose any tax, fee, charge, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe to engage in a class III activity.”

To get around this very specific point of law, states and tribes agree to ignore that legal prohibition, and form “side agreements” that contain the revenue-sharing provisions that the states are anxious to receive, and the tribes are usually glad to pay to get the casinos.

To my knowledge, this point of law has never been decided in federal courts.

If Pojoaque were successful in getting revenue sharing thrown out by federal courts, there would be a mass rush of other tribes across the United States jettisoning their revenue-sharing agreements with the states.

If that took place, the states would probably either take the revenge course of allowing gambling to expand across the board, or, recognizing the negatives of casino gambling in the absence of a lucrative share of the gambling loot, shut down all casino-style gambling.

Since IGRA states that tribal gambling should reflect other state-approved gambling, the federal government might be forced to close down tribal casinos in a state that outlaws all forms of casino gambling.

Stop Predatory Gambling New Mexico would gladly accept that outcome.

The gambling compact negotiations between the tribes and the state during this coming legislative session are almost certain to be contentious, and the outcome could be cataclysmic.

It truly is time for the government to get out of the predatory gambling business.