

Tribal Gaming and the Political Contribution Strategies of Native American Tribes

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Abstract

- The Indian Gaming Regulatory Act has made a big impact on tribal-state relations since it was enacted in 1988 by the federal government.
- Tribes have started to make campaign contributions to state and federal politicians to help try to mold lawmakers to vote for Tribal interests.
- My research looks at Minnesota tribes and their campaign contributions to House members during the 2005 election, and whether these lawmakers voted for tribal issues during their term.
- For control variables I gathered a variety of information related to legislative districts.
- The National Institute on Money in State Politics, and The Minnesota House archives.

Three Classes Defined

- Class 1: Traditional Indian gaming and social gaming for minimal prizes. (Not subject to IGRA's requirements.)
 - Class 2: Card games not played against The House, Bingo, Pull Tabs.
 - Class 3: Slot Machines, Card Games, Bingo, Pull Tabs, Roulette, Craps.
- Minnesota is a type of class 3 gaming, although the tribes in Minnesota are not allowed to have some games like roulette, and craps. Minnesota tribes operate 18 casinos in the State of Minnesota.
- They are permitted through Tribal-State compacts in states that allow gambling games like the lottery, and scratch offs.

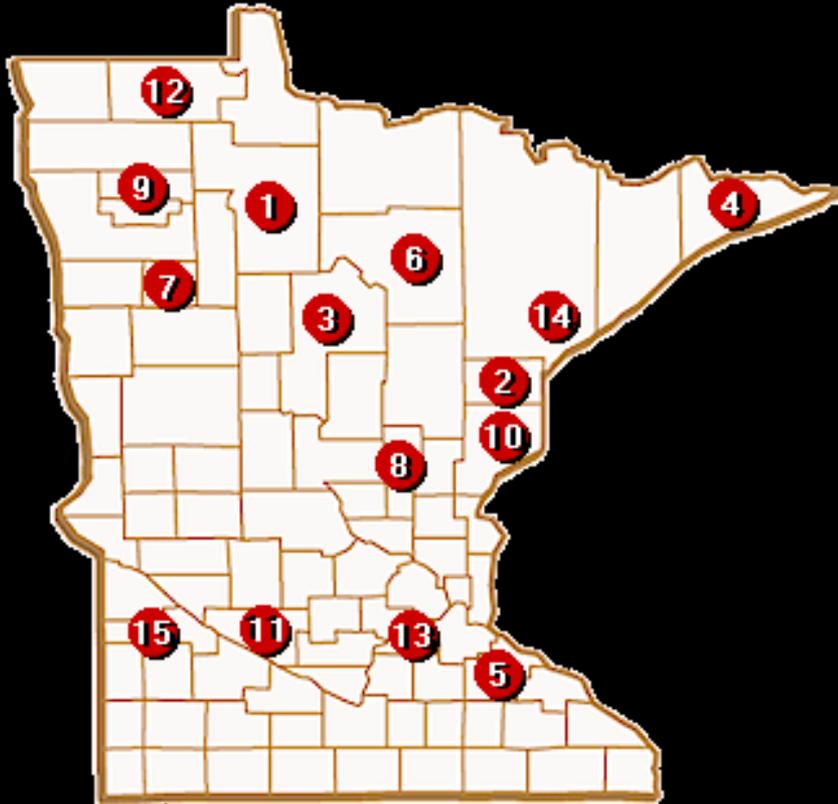
Support for Tribal Gaming in Minnesota

- Tribal casinos are the 12th biggest employer in Minnesota.
- 11.5% of persons employed at tribal casinos were receiving unemployment assistance prior to employment at a casino.
- Tribal casinos have proven to be a major tourist attraction in Minnesota, second only to the Mall of America.
- Tribal government gaming creates additional resources and tax dollars for surrounding non-Indian governments and communities.
- Tribal Casinos contribute \$429 Million in direct benefits to Minnesota's economy.
- Rural tribal casino workers represent 18% of rural Minnesota's Industries payroll.

“Indian Gaming is now a \$17 billion industry. Indian gaming creates jobs, increases economic activity and generates tax revenue both on and of the reservation.”

-Steven Light

Casino Location



© 2005 500 Nations

- 1. Seven Clans Casino (Red Lake)
- 2. Black Bear Casino/Resort
- 3. Palace and Northern Lights Casino
- 4. Grand Portage Casino
- 5. Treasure Island
- 6. White Oak Casino
- 7. Shooting Star Casino
- 8. Grand Casino Mill Lacs
- 9. Seven Clans Casino (Thief River)
- 10. Grand Casino Hinckley
- 11. Jackpot Junction
- 12. Seven Clans Casino (Warroad)
- 13. Mystic Lake and Little Six Casino
- 14. Fond Du Luth and Fortune Bay
- 15. Prairies Edge Casino

Tribal Gaming Revenues (in thousands) by Region Fiscal Year 2006 and 2005

| | Fiscal Year 2006 | | Fiscal Year 2005 | | Increase (decrease) | | |
|------------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|--------------------|
| | Number of Operations | Gaming Revenues | Number of Operations | Gaming Revenues | Number of Operations | Gaming Revenues | Revenue Percentage |
| Region I | 45 | 2,080,337 | 49 | 1,829,276 | (4) | 251,061 | 13.7% |
| Region II | 56 | 7,675,432 | 57 | 6,992,784 | (1) | 682,648 | 9.8% |
| Region III | 45 | 2,927,711 | 48 | 2,529,128 | (3) | 398,583 | 15.8% |
| Region IV | 117 | 4,050,080 | 118 | 3,983,635 | (1) | 66,445 | 1.7% |
| Region V | 97 | 2,123,169 | 92 | 1,729,842 | 5 | 393,327 | 22.7% |
| Region VI | 27 | 6,219,100 | 28 | 5,514,135 | (1) | 704,965 | 12.8% |
| Totals | 387 | 25,075,829 | 392 | 22,578,800 | -5 | 2,497,029 | 11.1% |

Source: Compiled from gaming operation audited financial statements received by the NIGC through May 31, 2007.

Region I | Alaska, Idaho, Oregon, and Washington.

Region II | California, and Northern Nevada

Region III | Arizona, Colorado, New Mexico, and Southern Nevada.

Region IV | Iowa, Michigan, Minnesota, Montana, North Dakota, Nebraska, South Dakota, Wisconsin and Wyoming

Region V | Kansas, Oklahoma, and Texas.

Region VI | Alabama, Connecticut, Florida, Louisiana, Mississippi, North Carolina, and New York.

Political Contributions in Minnesota

■ Tribal

- 1996 - \$23,228 (.2%)
- 1998 - \$242,931 (.8%)
- 2000 - \$309,800 (1%)
- 2002 - \$616,550 (1.2%)
- 2004 - \$668,250 (2.5%)
- 2008 - \$490,975 (1.6%)
- Total - \$1,860,759 (1.2)

■ Total

- 1996 - \$11,076,962
- 1998 - \$30,558,087
- 2000 - \$32,214,810
- 2002 - \$53,181,011
- 2004 - \$26,017,709
- 2008 - \$30,559,629
- Total - \$153,048,579

Variables

Unit of Analysis:

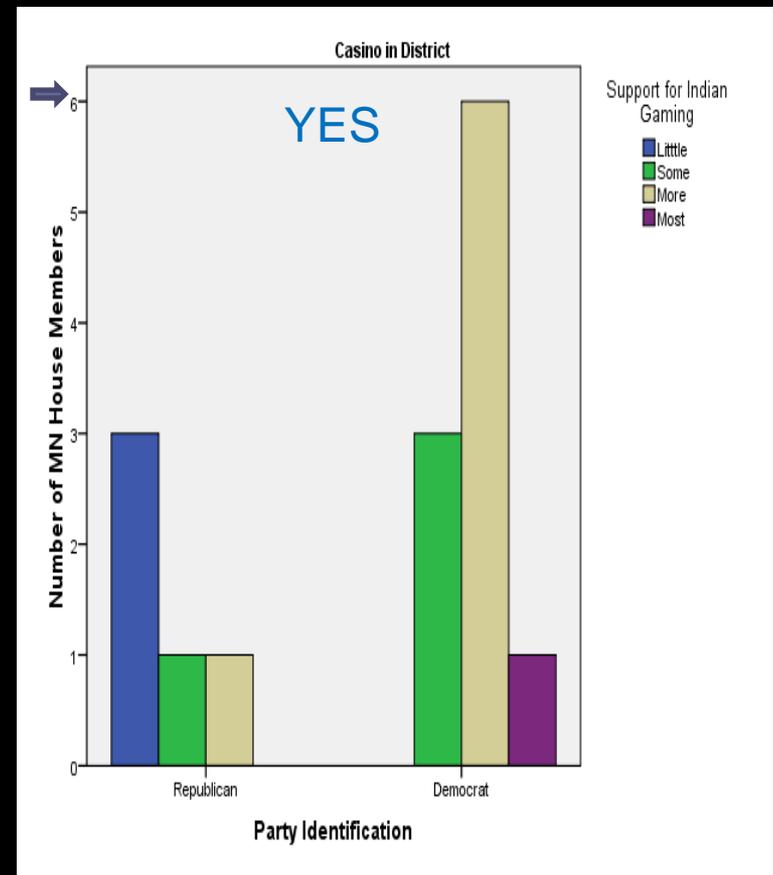
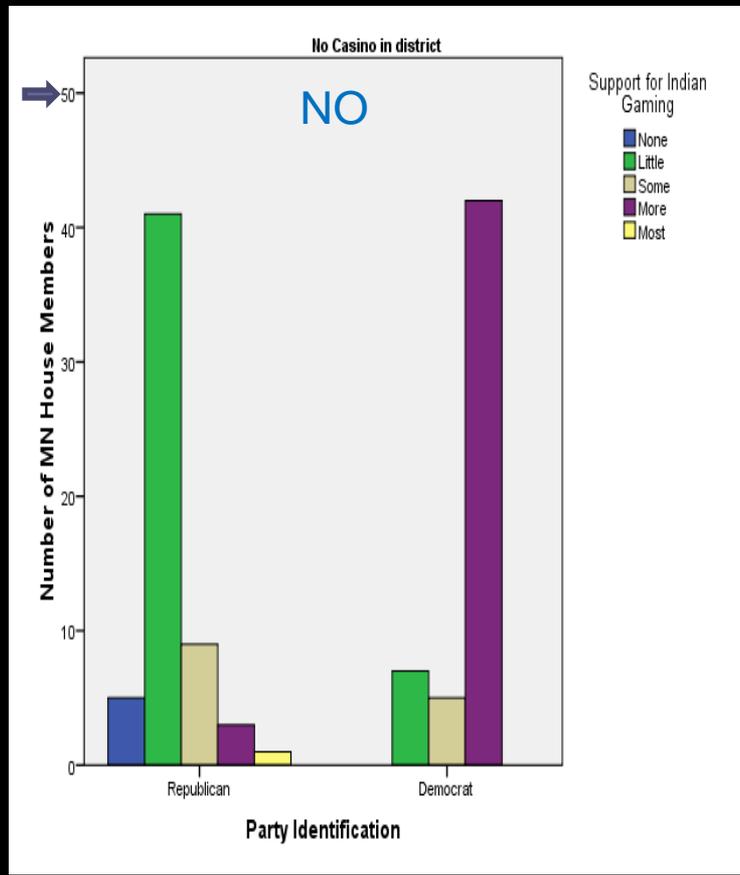
- Minnesota House of Representatives in the 2005-2006 session

Variables:

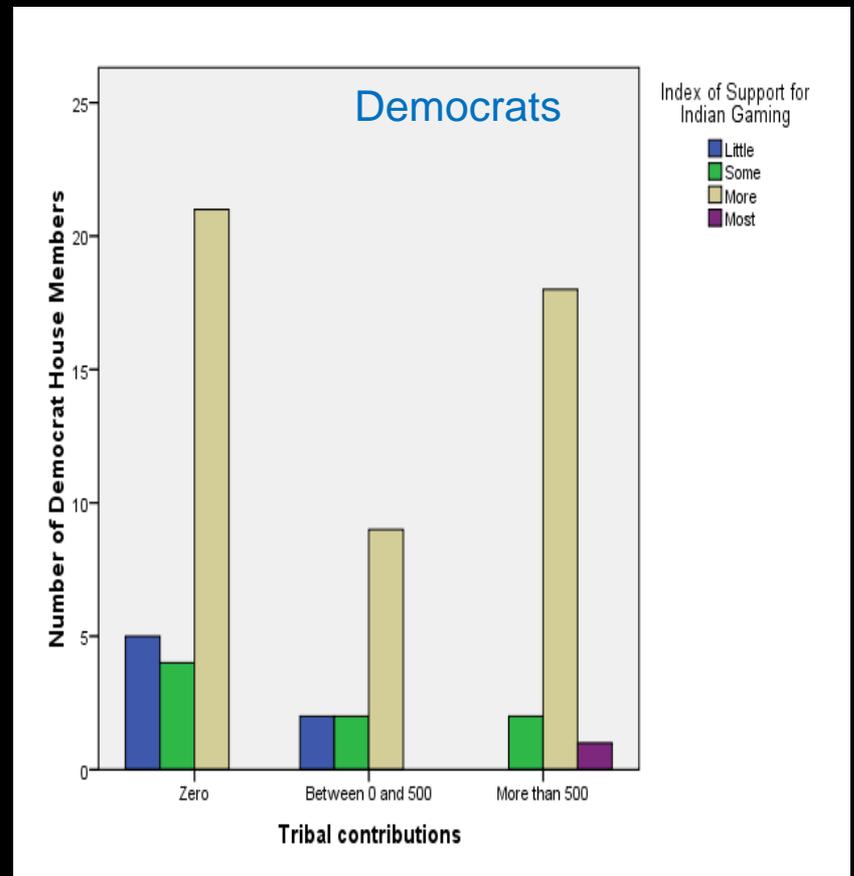
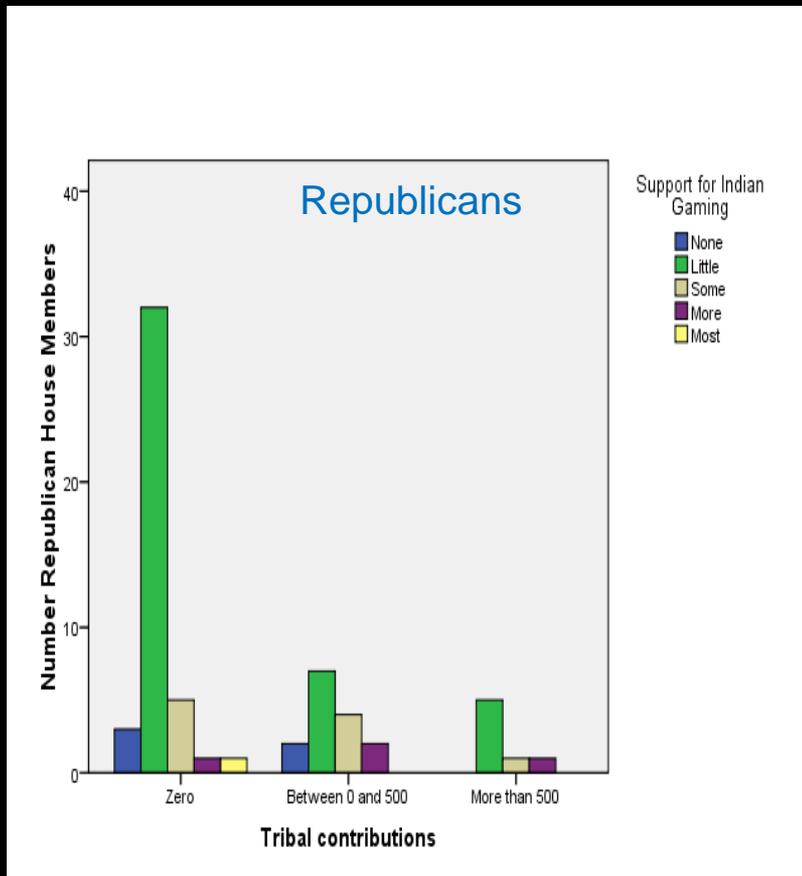
- Indian support (measured 0-4)
- Minority Population in District
- Poverty in District
- Casino in District
- Tribal Contributions to Legislator
- Vote Margin vs. Opponent in 2004 Election
- Party Status
- Income Average in District
- Chair of Committees
- Win/Loss in 2006



Party Support for Indian Gaming with Casino in District



Tribal Contributions and House Support for Tribal Gaming



Donations to Winners and Losers

Won/Loss 2006 Election and Tribal contributions Cross tabulation

| | | Tribal contributions | | | Total | |
|------------------------|----------------|----------------------|-------------------|---------------|-----------|--------|
| | | Zero | Between 0 and 500 | More than 500 | | |
| Won/Loss 2006 Election | Lost in 2006 | | 10 | 3 | 0 | 13 |
| | | % | 13.3% | 13.1% | .0% | 9.7% |
| | Won in 2006 | | 47 | <u>20</u> | 30 | 97 |
| | | % | 62.7% | 69% | 100.0% | 72.4% |
| | Left seat open | | 18 | 6 | 0 | 24 |
| | | % | 24% | 20.7% | .0% | 17.9% |
| Total | | 75 | 29 | 30 | 134 | |
| | | % | 100.0% | 100.0% | 100.0% | 100.0% |

Regression Analysis of Member Support for Native Issues

| Variables: | B-Regression | T Score | Significance |
|--|--------------|---------|--------------|
| Constant | -22.929 | -1.344 | .182 |
| Vote Margin | .004 | .834 | .406 |
| Number Years In Office | -.009 | -.934 | .352 |
| Chair of Committees | .052 | .265 | .792 |
| Casino in District | .242 | 1.093 | .276 |
| Tribal Contributions per \$1000 | .291 * | 1.684 | .095 |
| Party Affiliation | 1.307 ** | 7.714 | .000 |
| Minority Race or Ethnicity % in District | .006 | .820 | .414 |
| Poverty Rate | -.007 | -.381 | .704 |

*R-Square= .530 Significant *.1 **.05*

Conclusion

- Minnesota tribes donate to winners, incumbents, and Democrats.
- Tribal contributions are significant.
- Party status has the strongest significance.

Current Issue in Minnesota

- RACINO BILL (SF 2950)
 - Bill would authorize slot machines at licensed racetracks in Minnesota.
 - It authorizes privately owned and operated casinos at the racetracks with no state involvement.
 - There was a vote on it March 10th, and it did not pass, but it can still come back.

Tribes strongly oppose this bill.

Resources

- JOSEPH EVE, 2008
- Steven Light
- MIGA
- Minnesota House of Representatives
- The National Institute on Money in State Politics
- Kathryn Rand
- <http://www.viejasbandofkumeyaay.org/index.html>