Minnesota Indian Gaming Association (MIGA) tribes will celebrate the 25th anniversary of our gaming compacts in 2016. Reaching such a milestone seems to invite a look back at the road we’ve traveled. In many respects, it’s been a difficult and challenging road, full of twists and turns, obstacles, roadblocks and a fair share of potholes. Even so, the journey has moved tribes a long way toward reclaiming their rightful place as active, contributing participants in American society.

One of the biggest challenges of the past 25 years has been educating lawmakers about Indian gaming and what it means to tribal communities. It seems like only yesterday we were meeting with the first National Indian Gaming Commission (NIGC) Chairman, Tony Hope, giving him a crash course in Tribal Sovereignty 101. That wasn’t the only educational challenge we faced.

Many people didn’t realize that tribes in Minnesota and elsewhere already were doing a considerable amount of gaming in 1987-88. Some tribes were running Big Bucks Bingo, pulltabs, punch boards and early poker and “grey line” machines. The 1987 Supreme Court decision of California v. Cabazon reaffirmed the right of tribes to engage in gaming without state interference in states where gambling in some form was legal.

At that time, MIGA was becoming the de facto voice of tribal gaming, with the tribes gathering informally to keep each other apprised of new developments. Then the Indian Gaming Regulatory Act (IGRA) passed in 1988, and everything changed. We had to fight the common misconception that IGRA had given tribes “permission” to operate casinos. In fact, of course, IGRA actually restricted the tribes’ ability to conduct gaming on their own lands, and gave the states unprecedented authority over tribal affairs.

Minnesota tribes, like many around the country, opposed the idea of mandatory state involvement in Indian gaming, but they did what they had to do in order to seize the new economic opportunity it presented. No one expected tribal casinos to generate significant revenue; it was all about creating jobs on the reservations, where unemployment was sky-high and most tribal members lived in dire poverty. Tribal leaders wanted to put their people to work in jobs that could support families, and the state supported that goal.

As a result, Minnesota became the first state to negotiate a compact with the tribal governments within its boundaries, giving our tribes a head start at the business of gaming. Our compacts had no expiration dates and no revenue sharing provisions. This would become a major point of conflict after the fact.

It didn’t take long for people to realize that Indian gaming wasn’t just a job creator; it was a huge economic success. As other tribes began the compacting process, it became almost standard practice for states to demand revenue sharing as part of the deal. Having missed its opportunity to make that demand when it signed the compacts, the state of Minnesota decided to play hardball with the tribes, threatening to open state-operated casinos at various locations in the Twin Cities and elsewhere if the tribes didn’t agree to state revenue sharing demands. Year after year for nearly two decades, the tribes faced and fought the constant threat of state-sponsored competition from slots in bars, racinos, or downtown casinos in Minneapolis or St. Paul.

These pushes for gambling expansion were well-funded and hard-fought, but the tribes held their ground and the pro-expansion advocates were unsuccessful. The people of Minnesota never bought into the argument that state-sponsored gambling would solve the state’s budget woes without changing the state’s culture and quality of life. Many people felt, and still feel, that the tribes have put gaming revenues to good use in rebuilding their communities and bringing a new era of hope and opportunity to their citizens.

Tribal gaming truly has been a remarkable success, not only for the tribes but also for local, county and state governments throughout the United States. Our casinos have provided tribal members and non-tribal employees with good jobs that pay family-supporting wages, and provide health care and other employment benefits. These facilities have attracted tourism dollars, stimulated economic activity and led to enhanced infrastructure in the communities where they are located.

Unlike corporate casinos, tribal casinos are operated for government purposes, so the revenue goes directly back to the people it was meant to help. In addition to jobs, tribal communities across the country now have elderly services, local clinics, schools and educational opportunities, new roads, safe housing, safe water, law enforcement and emergency services, cultural centers and jobs with a career path.

It is fortunate that so much progress has been made, because virtually every tribe in Minnesota has seen casino revenues level off in recent years. After a quarter of a century, the market has reached a level of maturity, meaning that continued gaming expansion would only draw revenue away from the existing tribal businesses. There’s just not much room for future gaming growth. For that reason, most Minnesota tribes are focusing on building and expanding non-gaming amenities such as hotels, golf courses and other ancillary attractions.
Even Las Vegas appears to have reached a saturation point in terms of gambling growth. In 1990, 61 percent of Las Vegas revenues came from gaming. Today, 64 percent of Las Vegas revenue comes from non-gaming sources, including hotel, entertainment, retail and fine dining.

State legislatures also are learning that casinos aren’t the financial windfalls they expected.

From Florida to Maine and across the Midwest, gaming proponents touted casinos as the magic solution to cut taxes, provide free education, build and repair crumbling roads and bridges, and accomplish other wonders. In reality, very few of those promises have materialized. In many cases, casino operators were the only ones that got tax breaks. In several states that started with slots, casino operators have had to come back to the legislature asking for more gambling in the form of table games or other options, due to insufficient slot revenues. A full third of Atlantic City’s casinos closed in 2014, and online gambling in New Jersey has fallen far short of projections.

Unfortunately, human beings are prone to make the same mistakes over and over. While we have seen less enthusiasm for expansion over the past couple of years, we know so well that the pendulum can swing quickly in the opposite direction. Budget surpluses relieve the pressure for gambling expansion, but shortfalls can change that, and drive lawmakers to seek easy solutions for revenue needs. Will gambling once again be perceived as the easiest of all ways to generate revenue?

I’ve always remembered what a very old and wise tribal chairman told me over twenty-five years ago, when tribal gaming was just getting off the ground. He said, “Always remember this. History has proven over and over that whenever Indians have something of value, there is always someone waiting in line to take it from us.”

We’ve traveled a long road, but the journey isn’t over yet. We need to stay focused on the future, continue the hard work and remember the words of that old tribal chairman. He knew his history, and so do we. ♠

John McCarthy is Executive Director of the Minnesota Indian Gaming Association. He can be reached by calling (218) 751-0560 or email gamingassoc@midco.net.