



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 21 2016

The Honorable Robert Flying Hawk
Chairman, Yankton Sioux Tribe of South Dakota
P.O. Box 1153
Wagner, South Dakota 57380

Dear Chairman Flying Hawk:

On September 6, 2016, the Department of the Interior received the Amended Gaming Compact (Amended Compact) between the Yankton Sioux Tribe (Tribe) and the State of South Dakota providing for the regulation of class III gaming conducted by the Tribe.

We have completed our review of the Amended Compact and conclude that it does not violate the Indian Gaming Regulatory Act (IGRA), any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligations of the United States to Indians. 25 U.S.C. § 2710(d)(8)(8). Therefore, pursuant to my delegated authority and Section 11 of IGRA, I approve the Amended Compact. 25 U.S.C. § 2710(d)(8)(A). This Amended Compact shall take effect when the notice of this approval is published in the Federal Register. 25 U.S.C. § 2710(d)(3)(B).

A similar letter is being sent to the Honorable Dennis Daugaard, Governor of the State of South Dakota.

Sincerely,

Lawrence S. Roberts
Principal Deputy Assistant Secretary -
Indian Affairs

Enclosure

AMENDED GAMING COMPACT

YANKTON SIOUX TRIBE

AND THE

STATE OF SOUTH DAKOTA

This amended Agreement is made and entered into as of the 16th day of August, 2016, by and between the Yankton Sioux Tribe (Tribe), and the State of South Dakota (State).

WHEREAS: The Tribe is a federally recognized Indian Tribe in southeastern South Dakota; and

WHEREAS: The constitution of the Tribe provides adequate authority for negotiations and agreements with the State government; and

WHEREAS: The State has, through constitutional provisions and legislative acts authorized limited gaming activities to be conducted in Deadwood, South Dakota; and

WHEREAS: The Congress of the United States has enacted the Indian Gaming Regulatory Act, Public Law 100-497, 102 Stat. 2426, 25 U.S.C. 2701, et seq. (1988), which permits Indian Tribes to operate Class III gaming activities on Indian reservations pursuant to a Tribal-State compact entered into for that purpose; and

WHEREAS: The Tribe intends to operate gaming activities at an establishment specifically identified in paragraph 8.5 of this Compact: and

WHEREAS: The Tribe and the State desire to negotiate a Tribal-State Compact to permit the continued operation of such gaming activities; and

NOW THEREFORE, in consideration of the foregoing, the Tribe and the State hereto do promise, covenant, and agree as follows:

Declaration of Policy.

1. In the spirit of cooperation, the Tribe and the State hereby set forth in joint effort to implement the terms of the Indian Gaming Regulatory Act (IGRA). The State recognizes the positive economic benefits that gaming may provide to the Tribe. The Tribe and the State recognize the need to ensure that the health, safety and welfare of the public and the integrity of the gaming industry in South Dakota are protected.

Purpose and Scope of Compact.

2. This Compact and the Tribe's gaming regulations and ordinances shall govern the regulation and operation of gaming conducted under the authority of the Yankton Sioux Tribe. The purpose of this Compact is to provide the Tribe with the opportunity to

operate gaming activities in a manner that will benefit the Tribe economically, that will ensure fair operation of the games, and that will minimize the possibility of corruption.

3. Type of Gaming Permitted.

- 3.1 The Tribe shall operate blackjack, poker and slot machines pursuant to the terms of this Compact and the Tribe's gaming regulations and ordinances.

For the purposes of this Compact, the terms "blackjack", "poker" and "slot machines" are defined in the South Dakota Codified Laws 42-78-4(3), (18), (21), respectively, except that the term "slot machines" does not include "video lottery machines" as defined by the SDCL 42-7A-1(13).

Slot machines operated by the Tribe pursuant to this Compact may be linked or connected by means of telecommunications, satellite or technologic or computer enhancement to slot machines or video lottery machines operated by another Tribe or Tribes currently known as "linked progressive slot machine system" pursuant to the terms of a Tribal-State Compact, approved by the Secretary of Interior pursuant to 25 U.S.C. 2710, authorizing such other Tribe or Tribes to similarly operate slot machines or video lottery machines through linkages or connection with the slot machines or video lottery machines operated by other Tribes.

- 3.2 The Tribe shall operate pari-mutuel wagering on horses and greyhounds pursuant to the terms of this Compact and the Tribe's gaming regulations and ordinances. The Tribe may operate pari-mutuel wagering on horse and greyhound races occurring within or without the United States.
- 3.3 The Tribe may offer craps, keno and roulette at the Fort Randall Casino provided that the ordinances and regulations adopted by the Tribe for those games are at least as stringent as the regulations adopted by the South Dakota Commission on Gaming for those games. The Tribe shall provide a copy of the Tribal regulations and ordinances for those games to the executive secretary of the South Dakota Commission on Gaming at least 30 days prior to offering the new games.
- 3.4 The Tribe shall be permitted to operate other gaming as may be authorized by State law, upon written amendment of this agreement.

4. Operation of Slot Machines and Pari-mutuel Wagering on Horses and Greyhounds

- 4.1 The Tribe shall operate its gaming activities pursuant to this Compact and the ordinances and regulations enacted by the Tribe's General Council and Gaming Commission which ordinances and regulations shall be at least as stringent as those adopted by the State of South Dakota in SDCL 42-78 and ARSD 20:18, et seq. All such ordinances and regulations shall be made available to the State.
- 4.1.1 No runners may place bets on behalf of any other person(s).

- 4.2 The Tribe shall operate its pari-mutuel wagering on horse and greyhound racing activities pursuant to this Compact and the ordinances and regulations shall be at least as stringent as those adopted by the State of South Dakota.
- 4.3 The Tribal Gaming Commission which shall supervise the gaming activities, issue licenses as provided herein, inspect all premises where gaming is conducted and otherwise be responsible for enforcing the Tribe's Gaming ordinances and regulations. The Commission shall consist of a chairman, Secretary and three members who shall be elected by the General Council.

The Tribal Gaming Commission shall have primary responsibility for the supervision and regulation of gaming conducted under the authority of this Compact. This shall include, but not be limited to the licensing of gaming employees and the inspection and regulation of all gaming devices and pari-mutuel operations. Any discrepancies in the operation and any violation of Tribal Gaming Commission regulations and rules or this Compact shall be immediately reported to the Tribal Gaming Commission and the South Dakota Commission on Gaming for appropriate action by the Tribal Gaming Commission pursuant to the terms of this Compact.

4.4 Disciplinary Action for Misconduct by Licensees

Any suspected violation of any law or rule, adopted in this compact, shall be reported to the Tribal Gaming Commission and the South Dakota Gaming Commission. If either the State or the Tribe concludes that a violation has occurred, the violation will be addressed by the Tribe within (5) days. If, after consultation with the Tribal Gaming Commission and after efforts to resolve any difference of opinion reflecting an appropriate penalty for such violation have been made, the executive director of the South Dakota Commission on Gaming concludes that the disciplinary action undertaken by the Tribal Gaming Commission is inadequate, a more severe penalty shall be imposed by the Tribal Gaming Commission as requested by the executive director of the South Dakota Commission on Gaming.

5. Law Enforcement

5.1 Criminal Jurisdiction

All criminal matters arising from or related to Class III gaming shall be dealt with according to applicable Tribal, State, or Federal law. Nothing in this Compact shall deprive the courts of the Tribe, the United States, or the State of South Dakota of such criminal jurisdiction as each may enjoy under applicable law.

- 5.2 The Tribe has adopted and agrees to adopt gaming ordinances and regulations to regulate gaming which ordinances and regulations are at least as stringent as those statutes and administrative rules adopted by the State of South Dakota to regulate gambling in Deadwood, South Dakota.

The Tribe shall furnish the State with copies of such ordinances and regulations and shall advise the State of any amendment, revision or rescission of the gaming regulations. The Tribe agrees that in no event shall it amend, revise or rescind any gaming regulations which would result in the tribal regulations being less stringent than the statutes and rules adopted by the State of South Dakota.

6. Civil Jurisdiction (other than appeals from the commission)

All civil matters arising from or related to Class III gaming shall be dealt with according to applicable Tribal, State or Federal law. Nothing in this Compact shall deprive the Courts of the Tribe, the United States, or the State of South Dakota of such civil jurisdiction as each may enjoy under applicable law. Nothing in this provision shall be construed to be a waiver of the sovereign immunity of the Yankton Sioux Tribe.

7. Licensing of Gaming Operators and Employees

All individuals who operate or manage a gaming operation at the establishment referred to in paragraph 8.5 shall be licensed by the Tribal Gaming Commission. All individuals employed to work directly with the gaming operation shall be licensed by the commission.

The Tribal Gaming Commission shall have primary responsibility for the licensing of individuals who operate or manage a gaming operation, or who are employed in the tribal gaming operation. Any person seeking to be licensed hereunder shall first submit an application to the Tribal Gaming Commission, which application shall include a written release by the applicant authorizing the Tribal Gaming Commission to conduct a background investigation of the applicant. The Tribal Gaming Commission shall agree to conduct an investigation of the applicant, upon receipt of the executed release and payment of the fee. The Tribal Gaming Commission shall prepare a written report and maintain such report in its records regarding each applicant within 30 days of the receipt of the request and fee or as soon thereafter as practical.

The Commission shall not issue a license to any unsuitable applicant. A suitable applicant is one who is determined suitable by the Tribal Gaming Commission according to the tribal ordinance and in accordance with SDCL Ch. 42-7B and the rules and regulations promulgated by the South Dakota Commission pursuant to State law. Credit shall not be a factor in determining the suitability of an applicant.

8. Regulatory Standards to Gaming

In recognition of the valid public policy interests of the State, which similarly appreciated as desirable by the Tribe, the following regulatory standards are established for gaming operated and played at the establishment referred to in Paragraph 8.5.

8.1 No Credit Extended

All gaming shall be conducted on a cash basis. Except as herein provided, no person shall be extended credit for gaming by the gaming facility operated under this agreement, and

no operation shall permit any person or organization to offer such credit for a fee. This restriction shall not apply to credits won by players who activate play on gaming machines after inserting coins, tokens, tickets or currency into the game, and shall not restrict the right of the Tribe or any other person to offer check cashing or to install or accept bank card or credit card transactions in the same manner as would be normally permitted at any retail business within the State.

8.2 Minimum Age for Players

No person under the age of 21 shall be permitted to play the gaming devices or other games authorized by this compact, and no person under the age of 21 shall be permitted on the premises where gaming is conducted pursuant to this Compact, except for the space allocated for the hotel, the restaurant, the bingo hall and areas required for passage to such spaces; provided however, that persons over the age of 18 and under the age of 21 if employed in the casino in any capacity may be permitted on the premises where gaming is conducted during hours scheduled to work.

8.3 Technical Standards for Gaming Devices

All gaming machines operated and played pursuant to this Compact shall meet or exceed the hardware and software specifications set forth by the South Dakota Commission on Gaming and SDCL 42-7B-43 prior to play. Gaming machine prototypes will be tested and approved prior to play by the State according to State procedures and by the Tribe according to Tribal procedures.

8.4 Approval of Gaming Device

No gaming device shall be operated at the establishment referred to in paragraph 8.5 unless:

- 1) The gaming device is purchased, leased or acquired from a manufacturer or distributor licensed to sell, lease or distribute gaming devices by the State, pursuant to SDCL ch.42-7B and ARSD 20:18; and
- 2) The gaming device, or a prototype thereof, has been tested, approved and certified by a gaming test laboratory as meeting the requirements and standards of this Compact. For the purpose of this Compact, a gaming test laboratory shall be a laboratory agreed to, and designated in writing by, the South Dakota Commission on Gaming and the Tribal Gaming Commission.

8.5 Number of Gaming Devices

The Tribe shall be authorized to operate in the Tribal gaming establishment on trust land located as follows: The West 1500 feet of the South 530 feet of the South half (1/2) of the Southeast quarter (1/4) of Section 36, Township 96 North, Range 65 West of the fifth Principal Meridian, excepting there from 4.14 acres commencing at a point 750 feet East of the Southwest corner of the Southeast quarter (1/4) of Section 36, Township 96 North, Range 65 West; thence North 530 feet to a point; thence East 340 feet to a point; then

South 530 feet to a point; thence West to the point of beginning. Said tract of land contains 14.21 acres, more or less, of trust land. At said description, the Tribe shall be authorized to operate the number of gaming devices as provided for in this compact.

The number of slot machines permitted to be operated under this Compact shall be limited to 500. There shall be no limits placed on the number of blackjack tables, poker tables, craps tables and roulette tables that may be operated.

If the gaming device limits set by state law shall increase, the Tribe may request an increase in the numbers allowed to it and the State and the Tribe shall be required to negotiate in good faith with regard to that request. The parties acknowledge that a request to renegotiate the number of gaming devices under this Section will allow the State and Tribe to raise any gaming matter which it deems appropriate and which could be raised in a negotiating session under the terms of the Federal Indian Gaming Regulatory Act.

The Tribe shall be entitled to have up to ten gaming devices to be used to replace gaming devices which are out of service as a result of mechanical problems. These additional devices are only to be used in such event and shall not be operated in addition to the maximum number of devices authorized by this provision. Further, these additional devices shall meet the requirements of paragraph 8.3 of this Compact.

8.6 Inspection Procedure

South Dakota Commission on Gaming agents shall be authorized to inspect (not to include audits) the tribal gaming establishment in accordance with the laws and rules adopted in the Compact. Any periodic inspection of gaming machines shall only occur if the State inspector is accompanied by a member of the Tribal Gaming Commission, the executive secretary of the Tribal Gaming Commission or a designee. Any such testing shall be carried out in a manner and at a time which will cause minimal disruption of the gaming operation. The Tribal Gaming Commission and the South Dakota Commission on Gaming shall be notified of all such testing and the results of such testing.

In addition to the gaming machine inspections authorized above, any inspections of other gaming devices and the tribal gaming establishment by the State inspectors shall be limited to a maximum of 100 hours per year plus travel. These inspections are specifically authorized to be unannounced and may be in the nature of an undercover inspection. The Tribal Gaming Commission and the South Dakota Commission on Gaming shall be notified of the results of such inspections. Any violations detected pursuant to this paragraph shall be enforced consistent with the procedure contained in the above section entitled Disciplinary Action for Misconduct by Licensees.

8.7 Remedies for Non-Complying Gaming Devices

Upon inspection, pursuant to paragraph 8.6, the State may designate gaming devices which it believes do not comply with tribal or state gaming laws. The machine shall immediately be removed temporarily from play or sealed. Within five days of receipt of such written designation, the Tribe shall either:

Remove the gaming devices from play or take appropriate action to ensure that the Tribe, manufacturer, distributor or other responsible party cures the problem.

Nothing in this section shall limit the rights or remedies available to the parties, under any provision of this Compact or under the IGRA.

8.8 Approval of Pari-Mutuel Wagering Equipment

All equipment used by the Tribe, including electrical or mechanical totalizator board devices, in conducting pari-mutuel wagering shall be of a type and meet the standards for size and information display set forth by the South Dakota Gaming Commission.

The South Dakota Commission on Gaming agents shall be authorized to inspect (not to include audits) the equipment used by the Tribe in conducting pari-mutuel wagering to determine that it is in accordance with the laws and rules adopted in this Compact. Any periodic inspection of pari-mutuel wagering equipment shall only occur if the State inspector is accompanied by a member of the Tribal Gaming Commission, or a designee. Any such inspection shall be carried out in a manner and at a time which will cause minimal disruption of the gaming operation. The Tribal Gaming Commission and South Dakota Commission on Gaming shall be notified of all such inspection and the results of such inspections. If the results of any such inspection reveal that the equipment fails to meet applicable standards, the Tribe will not use such equipment until it meets the applicable standards.

8.9 Limit on Wagers

Gaming operations at the establishment identified in paragraph 8.5 may offer such bet limits as are consistent with the acts of the South Dakota legislature, and rules promulgated by the South Dakota Commission on Gaming and Tribal Gaming Commission.

There shall be no wager limitation on pari-mutuel wagers placed on horse and greyhound races authorized under this Compact.

9. Accounting and Audit Procedures

The Tribe shall adopt accounting standards which meet or exceed those standards established in Chapter 20:18:22 of the South Dakota Rules and Regulations for Limited Gaming.

The Tribe shall conduct independent audits of the gaming operation and provide copies to the State. At the request of the Tribe and at the Tribe's expense, the State may at its discretion audit the tribal operation.

The Tribe shall engage an independent certified public accountant to audit the books and records of all gaming operations conducted pursuant to this Compact and shall make copies of the audit and all current internal accounting and audit procedures available to the State upon written request. The Tribe shall permit the State to consult with the

auditors before or after and audits or periodic checks on procedures which may be contacted by the auditors, and shall allow the State to submit written or oral comments or suggestions or improvements regarding the accounting and audit procedures. Within 30 days of receipt of any written or oral comments, the Tribe shall (a) Accept the comments and modify the procedures accordingly; or (b) respond to the comments with counter proposals or amendments.

10. Contribution of Gaming Proceeds

The Tribe may, in its discretion, contribute a sum to be used to provide public services for the citizens of the area. Such contributions shall be made without consultation with the State, and the State shall bear no obligation or liability for such contributions.

11. Use of Gaming Proceeds

The Tribe hereto agrees that none of the funds generated by gaming conducted under this Compact shall be used by the Tribe or its agents to influence the outcome of any local, state or federal election conducted within the State of South Dakota.

12. Duration

This compact shall become effective upon execution by the Governor of the State and the Tribal Chairperson and Secretary of the Tribe, approval by the Secretary of the Interior, and publication of that approval in the Federal Register pursuant to the IGRA.

The terms of this Compact shall be subject to review at four-year (4) intervals, dating from the effective date of this Compact. One hundred eighty (180) days prior to the expiration of the four-year (4) period, either party to the Compact may give notice to the other party of provisions they believe require review or amendment. Such notice shall be in writing and shall be sent by certified mail to the Governor of the State or Chairperson of the Tribe at the appropriate government office.

Upon receipt of such notice, the parties shall engage in good faith efforts to resolve the issues identified in the notice. The parties shall have one hundred eighty days to negotiate and all further procedures and remedies available under the Indian Gaming Regulatory Act shall apply. The State and the Tribe may agree to extend the one hundred eighty-day period without prejudice to the rights of either party.

In the event the parties are unable to resolve the issues identified in the notice within the 180-day period, upon the expiration of the 180 days unless extended by the parties hereto, this Compact shall terminate and the parties shall be subject to the procedures provided for in the IGRA.

Either party may terminate this Compact upon substantial breach by the other party regardless of any other provision of this Compact. Upon identification of what either party believes to be a substantial breach of the terms of this compact, such party shall

notify the other party in writing, via certified mail, return receipt requested, as to the nature of the substantial breach. The party issuing the notice of noncompliance shall refrain from terminating this compact until 30 days have elapsed from receipt of notice of noncompliance by the party.

13. Personal Injury Remedy For Patrons and Limited Waiver of Sovereign Immunity

During the term of this Compact, the Tribe shall obtain and maintain public liability insurance insuring the Tribe's Class III gaming operation in South Dakota, and their agents and employees, against claims by visitors of the gaming facility for bodily injury or property damage arising out of the operation of the gaming facility. Such insurance coverage shall provide coverage of no less than \$1 million per person and \$1 million per occurrence.

The Tribe hereby agrees to a limited waiver of the tribe's sovereign immunity within the scope of insurance coverage and the policy limits of the insurance coverage, that specifies that the Tribe agrees that it will not assert the defense of sovereign immunity any Court of competent jurisdiction for any claim within the scope of insurance coverage and the policy limits of the insurance. Any insurance policy maintained under this section shall expressly prohibit the insurer from asserting or attempting to assert the defense of sovereign immunity. In addition, the Fort Randall Hotel and Casino as a wholly owned enterprise of the Yankton Sioux Tribe shall be required to name the Yankton Sioux Tribe as an additional insured on the liability insurance required herein and hereunder.

14. General Provisions

The following conditions shall be applicable throughout the term of this agreement:

- 14.1 The parties hereto agree that in the event that a dispute arises as to an interpretation of the provisions of this Compact, in any of the rights, responsibilities or obligations attaching to the parties hereto, either party may commence an action in federal district court for the purpose of resolving such dispute.
- 14.2 The parties hereto agree that the Tribe will be responsible for the costs incurred by the State and associated with the State's performance of its responsibilities as provided for herein. The intent of this Compact is to provide for the reimbursement of the cost and expenses of the State in performing its responsibilities as provided herein. Attached hereto is a schedule of costs marked Appendix A which is incorporated herein by reference as though fully set forth.
- 14.3 Unless otherwise indicated differently, all notices, payments, requests, reports, information or demand which any party hereto shall be in writing and shall be personally delivered or sent by telegram or first class certified or registered United States mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as any party shall hereinafter inform the other party hereto by written notice given as aforesaid.

Notice to the Tribe shall be sent to:

Chairman's Office
Yankton Sioux Tribe
P.O. Box 1153
Wagner, SD 57380

Notice to the State shall be sent to:


Governor's Office
500 East Capitol
Pierre, SD 57501-5070

All notices, payments, requests, reports, information or demand so given shall be deemed effective upon receipt or if mailed, upon receipt or expiration of the third day following the day of mailing, whichever occurs first, except that any notice of change of address shall be effective only upon receipt by the party to whom said notice is addressed.

- 14.4 This agreement is the entire agreement between the parties and supersedes all prior agreements whether written or oral with respect to the subject matter hereof. Neither this agreement nor any provision herein may be changed, waived, discharged, or terminated orally, but only by an instrument in writing.
- 14.5 This agreement may be executed by the parties hereto in any number of separate counterparts with the same effect as if the signatures hereto and hereby were upon the same instrument. All such counterparts shall together constitute but one and the same documents.
- 14.6 The State and/or Tribe may not assign any of its respective right, title, or interest in this agreement, nor may the State and/or the Tribe delegate any of its respective obligations and duties under this agreement, except as expressly provided herein. Any attempted assignment or delegation in contravention of the foregoing shall be null and void.
- 14.7 Nothing in this compact shall be construed to limit the rights or remedies available to the parties hereto under the Indian Gaming Regulatory Act except that the Tribe agrees not to bring suit under the Federal Indian Gaming Act during the life of this compact for failure of the State to compact for gaming other than that specified in this Compact.
- 14.8 This compact shall not be construed to waive or diminish the sovereignty of the Tribe or the State of South Dakota, except as specifically provided by the terms of the Compact set forth above.


IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the day and year first written.

YANKTON SIOUX TRIBE

Date: 7/6/16 By 
Chairman

Date: 7/6/16 By 
Secretary

STATE OF SOUTH DAKOTA

Date: August 16, 2016 By: 
Governor

THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR

BY: Deputy Assistant Secretary-Indian Affairs
(Management)

APPENDIX A

The hourly rate to be paid to the State for its services pursuant to paragraph 14.2 of the attached Compact is fifty dollars (\$50.00). Travel, per diem, and other expenses shall be paid to the State at the rates set out in South Dakota Administrative Rules, ARSD 05:01:02. Should the rates set out in the Administrative Rules be changed during the time of this compact, the rates to be paid to the State shall likewise be altered.