

Tribal Casino Revenue Sharing in Other States

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Issue

Provide an overview of the maximum casino revenue sharing percentages that tribes provide in other states.

Revenue Sharing in Other States

The federal Indian Gaming Regulatory Act (IGRA) sets out the process for federally recognized Indian tribes to operate casinos under tribal-state compacts or federal procedures. Compacts and federal procedures contain various provisions on casino regulations and may include a revenue sharing agreement with the state where the casino is located. The IGRA prohibits revenue sharing agreement terms that are viewed as a state tax or fee on the tribal gaming revenue ([25 U.S.C. § 2710\(d\)\(4\)](#)). When reviewing a revenue sharing provision for IGRA compliance, the federal government evaluates whether (1) the state's offer has a "meaningful concession" for the revenue sharing (e.g., gaming exclusivity) and (2) the concession provides the tribe with a substantial economic benefit.

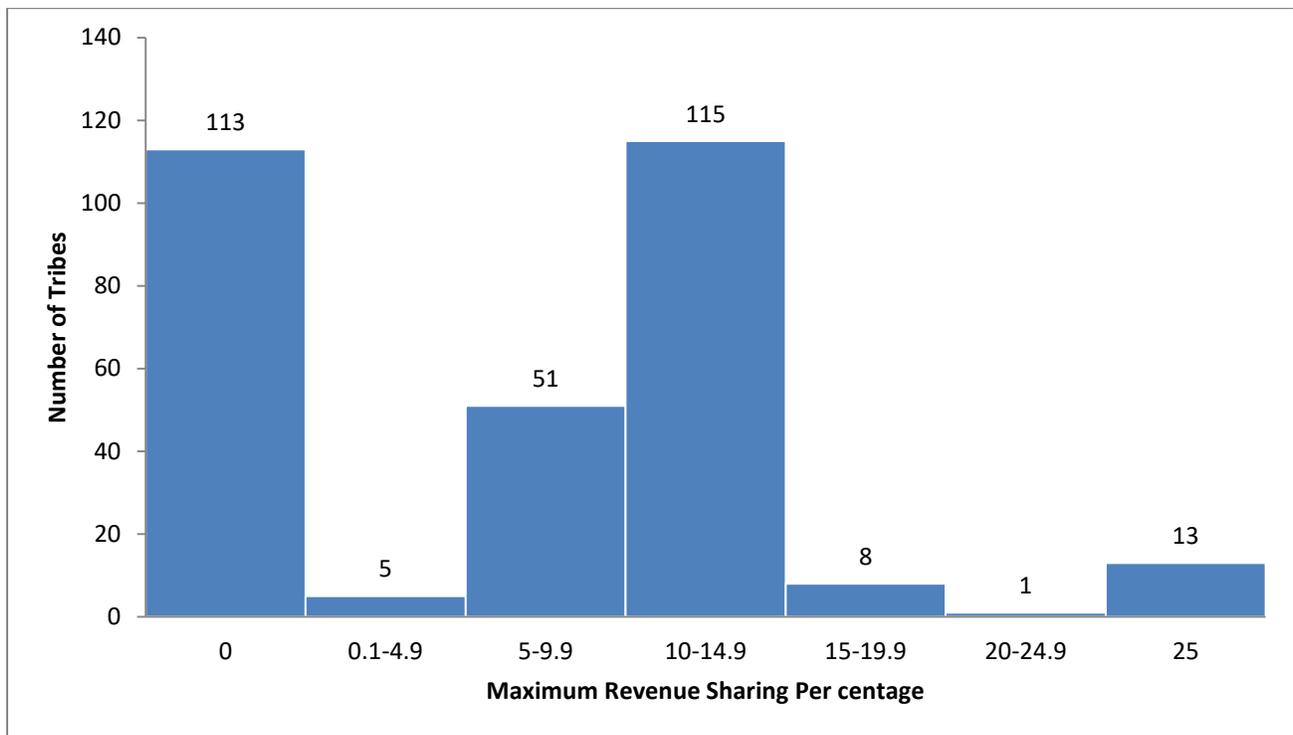
Based on data from a 2015 Government Accountability Office (GAO) [report](#) and our review of the data available on the U.S. Department of the Interior Indian Affairs [website](#), approximately 63% (193 of 306) of the tribal compacts, federal procedures, or their amendments (hereinafter "compact") contain revenue sharing provisions under which the federally recognized tribe shares a percentage or a fixed amount of its casino revenue with the state where it is located. These revenue sharing provisions include various payment structures. For example, they may require tribes to pay states a fixed amount or a flat percentage of all gaming revenues, or an increasing

percentage as gaming revenues rise. Sometimes the percentages change depending on the year, with the tribe paying a lower percentage in first few years and a higher percentage in subsequent years.

Of the 193 compacts that include revenue sharing provisions, most involve payments tied to gaming revenues and include a maximum payment percentage that range from 2% to 25% of all or a portion of gaming revenues.

Chart 1 provides the maximum revenue sharing percentages of the tribal compacts.

Chart 1: Maximum Revenue Sharing Percentages in Other States



Sources: GAO [report](#) and our review of compacts from October 2014 to 2019 using the U.S. Department of the Interior Indian Affairs [website](#)

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