



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

March 20, 2018

The Honorable Gary H. Dahms
Chair
Senate Commerce and Consumer Protection
Finance and Policy
95 University Avenue West
Minnesota Senate Building, Room 2111
St. Paul, Minnesota 55155

The Honorable Joe Hoppe
Chair
House Commerce and Regulatory Reform
Room 543, State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155

Re: Report to the Legislature on the Status of Indian Gaming in 2017

Dear Chairs Dahms and Hoppe:

This report is submitted in accordance with Minnesota Statutes, section 3.9221, subdivision 5, which provides:

The governor, the attorney general, and the governor's designated representatives shall report to the house of representatives and senate committees having jurisdiction over gambling regulation annually. This report shall contain information on compacts negotiated, and an outline of prospective negotiations.

The statute also specifies:

If the governor appoints designees to negotiate under this subdivision, the designees must include at least two members of the senate and two members of the house of representatives, two of whom must be the chairs of the senate and house of representatives standing committees with jurisdiction over gambling policy.

Minnesota Statutes, section 3.9221, subdivision 2.

There have been no requests to negotiate new compacts, or renegotiate existing compacts pursuant to the federal Indian Gaming Regulatory Act during 2017. Thus, there is nothing to report regarding the negotiation of compacts, or an outline of prospective negotiations.

According to the Minnesota Department of Public Safety's Alcohol and Gambling Enforcement Division ("AGED"), AGED and the Mille Lacs Band of Ojibway completed one technical amendment in 2017 to the Tribal-State compact, which allows for server-supported game systems. Mille Lacs has not instituted the technology yet, as it will go hand and hand with casino floor updates (hard cabling beneath the floor). The technical amendment effects the delivery of game software. It allows the casino to download the game software via a secured server rather than via a thumb drive, flash drive, or CD.

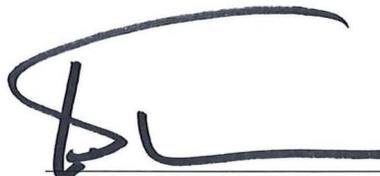
Because of the extravagant graphics, sound cards, and promotional rounds, downloading game software via thumb drive, flash drive, or CD can take upwards of 40-60 minutes at each slot machine. The use of a secured server to download game software is expeditious and is an advantage to the tribe.

The technical amendment also allows AGED remote access for a “view-only” of the slot management systems to ensure that only Minnesota approved games are being downloaded and to ensure the payout percentages are in compliance with the Tribal State compact. The view only access is advantageous to AGED because AGED will have the ability to investigate and respond to consumer complaints efficiently and quickly.

Sincerely,



Mark Dayton
Governor



Lori Swanson
Attorney General