DEPARTMENT OF THE INTERIOR

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of approved tribal-state compact.

SUMMARY: Pursuant to 25 U.S.C. 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100–497), the Secretary of the Interior shall publish, in the Federal Register, notice of approved Tribal-State Compacts for the purposes of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority has approved a Tribal-State Compact between the Upper Sioux Indian Community and the State of Minnesota executed on 4/6/90.

DATES: This action is effective November 26, 1990.

ADDRESSES: Office of Legislative Affairs, Bureau of Indian Affairs, Department of the Interior, MS–4641, 1849 C Street, NW., Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Joel Starr, Bureau of Indian Affairs, Washington, DC (202) 208–5706.

Dated: November 19, 1990.

Stan Speaks,

Assistant Secretary—Indian Affairs.

[FR Doc. 90–27635 Filed 11–23–90; 8:45 am]

BILLING CODE 4310–02–M

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

NOV 16 1990

Dean Blue, Chairperson
Upper Sioux Board of Trustees
P.O. Box 147
Granite Falls, Minnesota 56241

Dear Chairperson Blue:

I am in receipt of the tribal-state compact concluded between the Upper Sioux Community and the State of Minnesota, accompanied by requisite tribal resolution and ordinance authorizing the compact process.

Pursuant to my delegated authority and section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497; 25 U.S.C. 2701 et seq.), I approve the compact.

Section 11(d), (25 U.S.C. 2710) of the Gaming Act requires that the Chairman of the National Indian Gaming Commission approve tribal resolutions authorizing Class III gaming. However, no Commission exists to date. In this interim period, it is the position of the Department of the Interior that the tribal resolutions meet the requirements of the Act. When the Commission is established, the tribe shall then submit its resolutions for approval by its Chairman.

The compact shall take effect upon publication in the Federal Register of notice of my approval pursuant to section 11(d)(3)(B).

I wish the Tribe and the State success in this economic endeavor.

Sincerely,

(sgd) Stanley Speaks

Acting Assistant Secretary - Indian Affairs

Enclosures

Identical letter to: Rudy Perpich, Governor
State of Minnesota
130 Capitol Building
St. Paul, Minnesota 55102

CC: Minneapolis Area Office

BCC: Sec'y Surname, Sec'y RF(2), BIA Surname, 120Chron, 101A, 100, IA/00, Hold
120:JSTARR:dmh:X5706:11/15/90:D2:COMPACTMEMO1

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TRIBAL-STATE COMPACT
FOR CONTROL OF CLASS III VIDEO GAMES OF CHANCE
ON THE UPPER SIOUX COMMUNITY RESERVATION
IN MINNESOTA

TRIBAL-STATE COMPACT
FOR CONTROL OF CLASS III VIDEO GAMES OF CHANCE
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WHEREAS, the State of Minnesota (hereinafter "State") and the Upper Sioux Community, (hereinafter "Community") are separate sovereigns, and each respects the laws of the other sovereign; and

WHEREAS, the Community exercises governmental authority within the Upper Sioux Community Reservation (hereinafter "Reservation"), which, for purposes of this Compact, means those lands within the current boundaries of the Upper Sioux Community Reservation and any other "Indian lands", as defined by the Indian Gaming Regulatory Act, over which the Community exercises governmental authority; and

WHEREAS, the Congress of the United States has enacted the Indian Gaming Regulatory Act (hereinafter "IGRA"), Public Law 100-497, 102 Stat. 2467, 25 U.S.C. Sections 2701 to 2721 (1988) creating a mechanism through which the several States and Indian tribal governments may allocate jurisdiction and control of Class III gaming activity which occurs on their lands; and

WHEREAS, the State of Minnesota pursuant to Minnesota Laws 1989, Chapter 44, April 20, 1989, authorized the Governor or his representatives to negotiate with regard to compacts with the several Indian tribal governments in the State of Minnesota; and

WHEREAS, the Governor has appointed Senator Ron Dicklich, Representative Becky Kelso and Dorothy McClung, Minnesota Department of Revenue Attorney to negotiate Tribal-State Compacts with Indian tribal governments in the State of Minnesota; and

WHEREAS, the Community is a federally recognized Indian tribal government which is duly qualified to conduct certain types of Class III gaming on its lands;

NOW THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Community and the State enter into the following compact.

Section 1. Findings and Declaration of Policy

1.01 Findings

As the basis for this Compact, the State and the Community have made the following findings:

1.02 This Compact shall govern the licensing, regulation and operation of video games of chance within the Reservation. Video games of chance are defined as electronic or electromechanical video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette, line-up symbols and numbers, or other common gambling forms, which are activated by the insertion of a coin, token, or currency, and which award game credits, cash, tokens, or replays, and contain a meter or device to record unplayed credits or replays.

1.03 The purposes of this Compact generally are to provide the Community with the opportunity to operate video games of chance in a way that will benefit the Community economically, that will insure fair operation of the games, and that will minimize the possibilities of corruption and infiltration by criminal influences.

1.04 The Community has the right to license and regulate gaming activity on its lands in accordance with the IGRA and this compact.

1.05 A principal goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and strong tribal government;

1.06 The State and the Community find it to be consistent with the IGRA, and the public health, safety and welfare to regulate video games of chance pursuant to this Compact.

1.07 The Community has the intention to operate video games of chance pursuant to this compact.

1.1 Declaration of Policy

1.2 In the spirit of cooperation, the State and the Community hereby set forth in joint effort to carry forward and implement the terms of the IGRA regarding video games of chance within the Reservation.

1.3 The State recognizes the positive impacts that gaming may provide to the Community. The Community may utilize gaming generated financial resources to fund programs that provide various vital services to Community residents. These programs may include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, and economic development. The State also recognizes that the positive economic effects of such gaming enterprises may extend beyond tribal governments to the tribe's neighbors and surrounding communities, and may help to foster mutual respect and understanding among Indians and non-Indians.

1.4 The Community and the State, through this compact and the regulations incorporated herein, shall attempt, in good faith, to address the legitimate common concerns of both parties.

Section 2. Duration and Renegotiation

2.1 Duration

This compact shall become effective upon execution by the Governor of the State, ratification by the Community, approval by the Secretary of the Interior and publication of that approval in the Federal Register pursuant to the IGRA. This compact is entered into pursuant to the IGRA, State law and Community law. Minnesota Laws 1989, Ch. 44, subd. 4 is incorporated herein by reference. It is the intent of the State that, if the Minnesota Legislature prohibits the operation or use of video games of chance for all purposes as against public policy and as a matter of criminal law, this section shall not be construed to provide for continued operation by the Community of video games of chance pursuant to this compact. It is the intent of the Community that, if the Minnesota Legislature prohibits the use of video games of chance for all purpose as against public policy and as a matter of criminal law, this section shall not be construed to prohibit the continued operation by the Community of video games of chance pursuant to this compact. As provided in Minn. Laws 1989, Ch. 44, subd. 4, in the event of a request for a renegotiation or a new compact, the existing compact will remain in effect until renegotiated or replaced.

2.2 Renegotiation

The State or the Community may, by appropriate and lawful means, request negotiations to amend, replace or repeal this compact. In the event of a request for renegotiation or the negotiation of a new compact, this compact shall remain in effect until renegotiated or replaced. Such requests shall be in writing and shall be sent by certified mail to the Governor of the State or the Chairman of the Community at the appropriate governmental office. If such a request is made by the Community, it shall be treated as a request to negotiate pursuant to the IGRA. The parties shall have 180 days to negotiate, and all further procedures and remedies available under the IGRA shall thereafter apply. The State and the Community may agree to extend the 180 day period without prejudice to the rights of either party under this section.

Section 3. Allocation of Jurisdiction

3.1 Tribal and State Jurisdiction Over Video Games of Chance

For purposes of this compact, the Community shall exercise exclusive civil jurisdiction over Community members, and the Community and the State shall exercise concurrent civil jurisdiction over non-Community members. The State pursuant to P.L. 280, 18 U.S.C. 1162 has criminal jurisdiction over the Upper Sioux Community reservation. This jurisdiction is concurrent with federal criminal jurisdiction under the IGRA and other applicable law. Nothing in this compact shall be construed to limit this state and federal criminal jurisdiction.

Section 4. Regulatory Standards for Video Games of Chance

4.1 Common Interest

In recognition of the valid public policy interests of the State, which are similarly appreciated as desirable by the Community, the following regulatory standards are established for video games of chance operated and played within the federally recognized boundaries of the Community.

4.2 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 any video gaming facility operated within the Community, and no operator 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 video games of chance after inserting coins or currency into the game, and shall not restrict the right of the Community 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.

4.3 Minimum Age for Players

No person below the age of 18 on the date of gaming shall be permitted to play any video game of chance. If any person below the age of 18 plays and otherwise qualifies to win any video game which requires notice and payout by the operator of the facility, the prize shall not be paid, and the estimated amount wagered during the course of the game shall be returned to the minor.

4.4 Inspection

Agents of the Department of Public Safety of the State of Minnesota, or their designated representatives, shall upon the presentation of appropriate identification, have the right to gain access, without notice during normal business hours, to all premises used for the operation of video games of chance, or the storage of video games of chance or equipment related thereto, and may inspect all premises, equipment, records, documents, or items related to the operation of video games of chance in order to verify compliance with the provisions of this compact. Inspections made pursuant to this section shall not be conducted in a manner which disrupts normal business operations and shall be conducted by agents who maintain the highest security clearance available within the Department of Public Safety.

4.5 Non-Complying Video Games of Chance

The following are declared to be non-complying video games of chance:

(1) all video games of chance to which the agents of the Department of Public Safety of the State of Minnesota or their designated representatives have been denied access for inspection purposes;
(2) all video games of chance operated in violation of this compact.

4.6 Demand for Remedies for Non-Complying Video Games of Chance

Video games of chance believed to be non-complying shall be so designated, in writing, by the Commissioner of the Department of Public Safety. Within 5 days of receipt of such written designation, the Community shall either:

(1) accept the finding of non-compliance, remove the video games of chance from play, and take appropriate action to ensure that the Community, manufacturer, distributor or other responsible party cures the problem; or

(2) contest the finding of non-compliance by so notifying the Commissioner of Public Safety in writing, and arrange for the inspection of the contested equipment, or single example thereof, by an independent gaming test laboratory as provided in section 6 within three days of the receipt of the finding of non-compliance. If the independent laboratory finds that the video game of chance or related equipment is non-complying, the non-complying video game of chance and related equipment shall be permanently removed from play

unless modified to meet the requirements of this Compact. Video games and related equipment removed from play and modified pursuant to this section may be returned to play only after inspection by the Department of Public Safety, under the guidance of the independent gaming test laboratory; or

(3) contest the finding of non-compliance by: (1) filing an appropriate action in federal district court; or (2) if the Court declines jurisdiction, contest the finding of non-compliance before the National Indian Gaming Regulatory Commission; or (3) if the Commission declines jurisdiction, contest the finding of non-compliance in a court of competent jurisdiction. If a court or the commission finds that the video game or related equipment is non-complying, it shall be removed from play. Video games or related equipment removed from play pursuant to this section may be returned to play only after inspection by the Department of Public Safety or an independent laboratory performing such services for the State.

Nothing in this section shall limit the rights or remedies available to the parties under the IGRA.

Section 5. Background Investigations and Licensing of Employees and Managers

5.1 Background Investigations Prior to Employment

The Community, prior to placing a prospective employee whose responsibilities include the operation or management of video games of chance, shall obtain sufficient information and identification from the applicant to permit the State to conduct a background check on the applicant. This information shall be provided in writing to the State Commissioner of Public Safety, along with the standard fee, who shall conduct the background check and provide a written report to the Community regarding each applicant within 30 days of receipt of the request. The Community may employ any person who represents in writing that he or she meets the standards set forth in this section, but must not retain any person who the Department of Public Safety reports has been: (a) convicted of a felony within five years of starting employment with the Community; or (b) convicted of a felony or gross misdemeanor involving fraud, misrepresentation or gambling. Criminal history data compiled by the Bureau of Criminal Apprehension of the State Division of Gambling Enforcement on prospective employees shall, subject to applicable state or federal law, be released to the Community as part of the report regarding each applicant.

5.2 Background Investigations of Employees During Employment

Each person in the Community whose responsibilities include the operation or management of video games of chance shall be subject to periodic review comparable to that required for initial employment as provided in section 5.1 by the State Department of Public Safety, which review shall take place at least annually commencing with the date of employment. The Community shall provide sufficient information to the State Commissioner of Public Safety to permit the State to conduct the background check on the employee. The Department of Public Safety shall conduct the necessary investigation within 30 days of written request therefor, subject to the standard fee, and shall provide a written report regarding each employee. Employees found to have been convicted of violations described in Section 5.1 shall be dismissed.

5.3 Licensing and Discipline of Employees

All personnel employed by the Community whose responsibilities include the operation or management of video games of chance shall be licensed by the Community. The Community shall publish and maintain a procedural manual for such personnel, which includes disciplinary standards for breach of the procedures.

5.4 Qualifications of Lessors of Video Games of Chance

Prior to entering into any lease agreement, the Community shall obtain sufficient information and identification from the proposed lessor, and all persons holding any direct or indirect financial interest in the lessor or the lease agreement, to permit the State to conduct a background check on those persons. The information shall be provided in writing, along with the standard fee, to the State Commissioner of Public Safety, who shall conduct the background check and provide a written report to the Community regarding each applicant within 30 days of receipt of the request. The Community shall not enter into any lease agreement for video games of chance or related equipment with any person or entity if the State Department of Public Safety determines that the lessor, or any manager or person holding a direct or indirect financial interest in the lessor or the proposed lease agreement, has been convicted of a felony within the previous five years, or has been convicted of a felony or a gross misdemeanor involving fraud, misrepresentation or gambling.

Section 6. Technical Standards For Video Games of Chance

6.1 Testing and Approval of Video Games of Chance

No video game of chance may be purchased, leased or otherwise acquired by the Community unless: (1) the video game of chance is purchased, leased or acquired from a manufacturer or distributor licensed to sell, lease or distribute video games of chance by the Community pursuant to Section 6.13; and (2) the video game of chance, or a prototype thereof, has been tested, approved or certified by a gaming test laboratory as meeting the requirements and standards of this compact. For purposes of this compact, a gaming test laboratory is a laboratory agreed to and designated in writing by the State Commissioner of Public Safety and the Community as competent and qualified to conduct scientific tests and evaluations of video games of chance and related equipment. A laboratory operated by or under contract with the states of Minnesota, or Nevada, or New Jersey, or South Dakota constitutes a designated gaming test laboratory.

6.2 Application for Approval of Prototype Video Game of Chance

The Community shall provide or require that the manufacturer provide to the gaming test laboratory two copies of video game of chance illustrations, schematics, block diagrams, circuit analyses, technical and operation manuals, program object and source codes and hexadecimal dumps (the compiled computer program represented in base 16 format) and any other information requested by the gaming test laboratory.

6.3 Testing of Video Game of Chance

If required by the gaming test laboratory, the Community shall require the manufacturer to transport, not more than two working models of the video game of chance and related equipment to a location designated by the laboratory for testing, examination and analysis. The Community shall require the manufacturer to pay for any and all costs for the transportation, testing, examination, and analysis. The testing, examination, and analysis may include the entire dismantling of the video games of chance and related equipment and some tests may result in damage or destruction to one or more electronic components of the devices. If required by the laboratory, the Community must require the manufacturer to provide, specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis.

6.4 Report of Test Results

At the conclusion of each test, the laboratory shall provide to the State Commissioner of Public Safety and the Community a report that contains findings, conclusions and a determination that the video game of chance and related equipment conforms or fails to conform to the technical requirements and standards set forth in this compact. If modifications can be made which would bring the video game or related equipment into compliance, the report may contain recommendations for such modifications.

6.5 Modifications of Approved video games of chance

The manufacturer or distributor shall assemble and install all video games of chance and related equipment in a manner approved and licensed by the Community. No modification to the assembly or operational functions of any video game of chance or related equipment may be made after testing and installation unless a gaming test laboratory certifies to the State Department of Public Safety and the Community that the modified video games of chance conforms to the standards of this Compact. All proposed modifications shall be described in a written request made to the State Commissioner of Public Safety, the gaming test laboratory and the Community, which contains information describing the modification, the reason therefor and all documentation required by the laboratory. In emergency situations where modifications are necessary to prevent cheating or malfunction, the laboratory may grant temporary certification of the modifications for up to 15 days pending compliance with this section.

6.6 Conformity to Technical Standards

The Community shall require the manufacturer or distributor to certify, in writing, to the community and to the State Commissioner of Public Safety that, upon installation, each video game of chance placed in a gaming facility within the Community: (1) conforms precisely to the exact specifications of the video game of chance prototype tested and approved by the gaming test laboratory; and (2) operates and plays in accordance with the technical standards set forth in sections 6.9 and 6.10 of this compact.

6.7 Existing Video Games Of Chance

Video games of chance, or prototypes thereof, operated within the community on or before the effective date of this compact must be tested and approved by a gaming test laboratory as required in section 6 on or before

October 30, 1990. Notwithstanding the foregoing, if the existing video games of chance cannot comply with the technical standards of this compact by October 30, 1990 due to circumstances beyond the control of the Band, the existing video games of chance shall be brought into compliance or replaced with complying equipment at the earliest date possible, but in no instance later than June 1, 1991.

6.8 Information to be Provided

Prior to the installation of any video game of chance acquired by the Community after the effective date of this compact, and as soon as possible but in no event later than October 30, 1990 for any video game of chance operated within the Community on or before the effective date of this compact, the Community shall require that the manufacturer or distributor provide to the State Commissioner of Public Safety:

(1) a list of all states in which the distributor or manufacturer from whom the video games of chance were acquired or leased is licensed, the license numbers (if license numbers are issued) and operative dates of the license(s); and

(2) identification numbers or codes for each video game of chance placed in the Community.

6.9 Hardware Requirements for Video Games of Chance

Video games of chance operated within the Community must be licensed by the Community and meet the following specifications:

(1) No Physical Hazard. Electrical and mechanical parts and design principals may not subject a player to any physical hazards.

(2) Surge Protectors. A surge protector must be installed for all power which is fed to the device.

(3) Battery Back-up. A battery back-up, or an equivalent, for the electronic meters must be capable of maintaining accurate readings for 180 days after power is discontinued from the device for all information regarding:

(a) current and total tallies of amounts wagered and paid out;
(b) records of access to the logic board compartment;
(c) records of access to the cash and coin compartment;

(d) such other data as may be required by written regulation of the Community.

The back-up device shall be located within the locked logic board compartment and shall not be accessible to the manufacturer or distributor after the initial installation of the equipment.

(4) Power Switch. A power switch must be located in an accessible place within the interior of the game which controls the electrical current used in the operation of the game.

(5) Resistance to Electromagnetic Interference. The operation of the video game of chance, including the coin drop and other such component parts, must not be adversely affected by static discharge, radio frequency interference or other electromagnetic interference.

(6) Approved Coin and Bill Acceptors. At least one electronic or mechanical coin acceptor must be installed in or on each video game of chance. The devices may also contain bill acceptors for denominations determined by the Community. Prior to operation within the Community, all models of coin and bill acceptors installed must have been tested and approved in writing by a gaming test laboratory as provided in Seciton 6.

(7) Secure Cabinets. The internal space of the video game of chance shall not be readily accessible when the door is closed and sealed.

(8) Secure Electronic Components. Logic Boards and software Electronically programmable read only memory chips (hereinafter EPROMS) and other logic control components shall be located in a separate compartment within the video game of chance and that compartment shall be locked with a different key or combination than that used for the main cabinet door.

(9) Secure Cash Compartment. The coin and currency compartment shall be secured with a different key or combination than that used for the main cabinet door.

(10) No hardware Modification of Pay Tables or Payouts. No hardware switches (DIP Switches) may be installed which alter the pay tables or payout percentages for the game.

(11) Printed Record of Credits and Payouts Required. A single printing mechanism must be capable of printing an original ticket and retaining an exact, legible copy within the game, which records the following information when credits accrued on the game are redeemed for cash:

(a) the number of credits; (b) value of the credits in dollars and cents; and (c) any other data required by the Community.

(12) Identification Plates Required. Each video game of chance shall have an unremovable identification plate on the exterior of the cabinet which contains the following information:

(a) Manufacturer;
(b) Serial Number;
(c) Model Number;
(d) License stamp and number issued by the Community certifying compliance with the technical standards set forth in this Compact.

(13) Rules of Play and Possible Winnings Displayed. The rules of play for each game must be prominently displayed on the game screen or the cabinet face. The Community shall not permit the display of any rules of play which are incomplete, confusing, or misleading. Each game must display the coins or credits wagered and the credits awarded for the occurrence of each possible winning combination based on the amount wagered. All information required by this section must be kept under glass or other transparent substance and at no time shall stickers or other such materials be placed on the machine face which obscure the rules of play or the operational features of the game.

(14) Operation as Part of Telecommunications Network. The hardware requirements above shall not be construed to prevent the operation of the video game of chance as part of a local or telecommunications area network with an aggregate prize or prizes. A video game of chance capable of bidirectional communication with external associated equipment must utilize communication protocol which insures that erroneous data or signals will not adversely affect the operation of the device.

(15) Security Tape for EPROMS. Upon installation, the Community shall affix or cause to be affixed to the EPROM of each video game of chance a strip of security tape, capable of evidencing the removal of the EPROM if the EPROM is removed from the circuit board. The security tape shall be secured and available only to the authorized personnel of the Community. The Community shall maintain accurate and complete records of the identification number of each EPROM installed in each video game of chance.

(16) No Credit Card Meters Permitted. No video game of chance may be equipped with a device which permits the

player to use a credit card rather than currency or coin to activate the game.

6.10 Software Requirements for Video Games of Chance

Video games of chance operated within the community must meet the following specifications:

(1) Software Requirements for Randomness Testing. Each video game of chance must have a true random number generator which will determine the occurrence of a specific symbol or a specific number to be displayed on the video screen where such symbol, card, or number is wholly or partially determinative of the outcome of a game. A selected process will be considered random if:

(a) Chi-Square analysis.
Each symbol, card, stop position, or number position which is wholly or partially determinative of the outcome of a game, satisfies the 99 percent confidence limit using the standard chi-square analysis.

(b) Runs Test.
Each symbol, card, stop position or number does not as a significant statistic produce detectable patterns of game elements or occurrences. Each symbol, card, stop position or number will be regarded as random if it meets the 99 percent confidence level with regard to the "runs test" or any generally accepted pattern testing statistic.

(c) Correlation Analysis.
Each pair of symbol, card, stop positions or number positions is independently chosen without regard for any other symbol, card or number drawn within that game play. Each pair of symbol, card or number positions is considered random if it meets the 99 percent confidence level using standard correlation analysis.

(d) Serial Correlation Analysis.
Each symbol, card, stop position or number is independently chosen without reference to the same symbol, card, stop position or number in the previous game. Each symbol, card, stop position or number position is considered random if it meets the 99 percent confidence level using standard serial correlation analysis.

(e) Live game correlation.
Video games of chance that are representative of live gambling games must fairly and accurately depict the play of the live game.

(2) Software Requirements for Percentage Payout.
Each video game of chance must meet the following maximum and minimum theoretical percentage pay out during the expected lifetime of the game.

(a) Games Not Affected by Player Skill.
Video games of chance with game outcomes not affected by player skill shall payout a minimum of 80 percent and not more than 95 percent of the amount wagered, including replays. For the video game of keno and other similar games, the theoretical payout percentage requirements apply to each number of spots marked, but in no instance less than 75 percent for each wager.

(b) Video Games That Are Affected by Player Skill.
Video games that are affected by player skill, such as draw poker and blackjack, shall payout a minimum of 83 percent and no more than 98 percent of the amount wagered, including replays. This standard is met when using a method of play which will provide the greatest return to the player.

(3) Minimum Probability Standard for Maximum Payout.
Each video game of chance must have a probability of obtaining the maximum payout which is greater than 1 in 17,000,000 (ONE IN SEVENTEEN MILLION) for each play.

(4) Software Requirements for Continuation of Game After Malfunction.
Each video game of chance must be capable of continuing the current game with all current game features after a game malfunction is cleared automatically or by an attendant.

(5) Software Requirements for Play Transaction Records.
Each game shall maintain electronic accounting meters. Such meters shall be maintained at all times, whether or not the game is being supplied with external power. The following information must be recorded and stored on meters capable of maintaining totals no less than eight digits in length:

(a) Total number of coins inserted (the meter must count the total number of coins, or the equivalent value if a bill acceptor is used, which are inserted by players);
(b) Number of Credits Wagered;

(c) Number of Credits Won;
(d) Credits paid out by Printed Ticket Voucher or cash paid by the device.

The following information must be recorded and stored on meters capable of maintaining totals no less than six digits in length:

(e) Number of Times the Logic Area was accessed;
(f) Number of Coins or Credits Wagered in the Current Game;
(g) Number of Coins or Credits Wagered in the last complete, valid game; and
(h) Number of cumulative credits representing credits won and money inserted by a player but not collected, commonly referred to as the credit meter.

(6) No Automatic Clearing of Accounting Meters. No video game of chance shall have a mechanism or program which will cause the electronic accounting meters to automatically clear. The electronic accounting meters may be cleared only after written records of the readings before and after the clearing process are taken by the Community, which shall also record the reason the meter was cleared.

6.11 Accounting and Audit Procedures.

The Community shall engage an independent certified public accountant to audit the books and records of all video gaming 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 Community shall permit the State to consult with the auditors before or after any audits or periodic checks on procedures which may be conducted by the auditors, and shall allow the State to submit written or oral comments or suggestions for improvements regarding the accounting and audit procedures. Within 30 days of receipt of any written or oral comments, the Community shall: (a) accept the comments and modify the procedures accordingly; or (b) respond to the comments with counterproposals or amendments. The State shall pay for any additional work performed by the auditors at the request of the State.

6.12 Amendments to Hardware and Software Requirements for Video Games of Chance.

The technical standards set forth in section 6.9 and 6.10 shall govern the operation of video games of chance unless amended pursuant to Section 2 of this compact or pursuant

to the procedures set forth in this section. For purposes of this section, amendments to sections 6.9 and 6.10 may be made only upon the written recommendation for, and detailed explanation of, the proposed amendment by the gaming test laboratory designated pursuant to section 6.1. The State Commissioner of Public Safety and the Chairman of the Community may thereafter, by mutual written agreement, amend the technical standards contained in sections 6.9 and 6.10 of this Compact.

6.13 Community Licensing.

The Community shall only issue licenses to manufacturers of video gaming equipment holding a valid license from the states of Minnesota, or New Jersey, or Nevada, or South Dakota. The Community shall only issue licenses to distributors of video gaming equipment holding a valid license from the states of Minnesota, or New Jersey, or Nevada, or South Dakota. In the event that the State of Minnesota, or the States of New Jersey, or Nevada, or South Dakota, suspend, revoke, or refuses to renew a license of a manufacturer or distributor similarly licensed by the Community, such action shall be grounds for similar action by the Community and the Community shall suspend, revoke or refuse to renew the license issued by the Community.

6.14 Definitions

(1) "Chi-squared analysis" is the sum of the squares of the diffence between the expected result and the observed result.

(2) "Runs test" is a mathematical statistic which determines the existence of recurring patterns within a set of data.

(3) "Symbol position" means first symbol drawn, second symbol drawn, in sequential order, up to the 20th number drawn.

(4) "Video games of chance" means electronic or electomechanical video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette, line-up symbols and numbers, or other common gambling forms, which are activated by the insertion of a coin, token, or currency, and which award game credits, cash, tokens, or replays, and contain a meter or device to record unplayed credits or replays.

Section 7. Reservation of Rights Under the IGRA

The State and Community agree that by entering into this compact, the Community shall not be deemed to have waived its right to initiate and pursue the procedure provided by section 11(d)(7) of the IGRA with respect to the State's refusal to enter into a compact on other forms of Class III gaming, and neither the State nor the Community shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

Section 8. Severability

Each provision, section, and subsection of this compact shall stand separate and independent of every other provision, section, or subsection. In the event that a court of competent jurisdiction shall find any provision, section, or subsection of this compact to be invalid, the remaining provisions, sections, and subsections of the compact shall remain in full force and effect.

Dated: August 30, 1990

STATE OF MINNESOTA

RUDY PERPICH
Governor

Dated: August 30,1990

UPPER SIOUX COMMUNITY

Chairman

Dated: 11/16/90

Acting Assistant Secretary - Indian Affairs