

Flandreau Sioux Tribe sues state on gambling compact

Pierre – The Flandreau Santee Sioux Tribe has filed a federal lawsuit alleging that Gov. Mike Rounds and other state officials have unfairly prevented the tribe from adding more slot machines at its casino in Flandreau.

The lawsuit alleges that the state has negotiated in bad faith as the tribe pursues a longer gambling compact that allows more slot machines.

The tribe is seeking a court order declaring that the state has violated the federal law on Indian gambling and a constitutional provision that guarantees equal protection under the law.

While state officials have refused to let each Indian casino have more than 250 slot machines, they have allowed the number of slot machines in Deadwood casinos and the number of video lottery machines in casinos statewide to skyrocket, according to the lawsuit.

The lawsuit, filed Monday in federal court in Sioux Falls, asks a judge to require that the state and tribe agree on a new gambling compact within 60 days or face mediation. It also asks for a court order requiring the state to give the tribe the same privileges granted to other forms of gambling in South Dakota.

The complaint and exhibits filed with the court total 845 pages.

Officials from many of the Sioux tribes in South Dakota have complained in recent years that the state was refusing to negotiate in good faith as they sought new gambling compacts.

Clarence Skye, executive director of United Sioux Tribes, said he believes other tribes will wait and see what happens in the Flandreau Sioux Tribe lawsuit before deciding whether to file their own lawsuits.

Tribal officials have been frustrated because the governor will not meet with them to discuss the dispute on gambling compacts, Skye said. „I’ve tried everything, and I’m still sitting on the outside and not getting anywhere.“

A 1988 federal law says tribes can generally conduct the same kind of gambling that is allowed elsewhere in the state, but a tribe first has to negotiate a gaming compact with the state. Tribes began negotiating compacts to run their own casinos after a state constitutional amendment allowed casinos to start operating in Deadwood in 1989.

Eight of the nine Sioux tribes in South Dakota have gambling compacts. The Cheyenne River Sioux Tribe is the only one without a casino.

A number of tribes have complained that the state’s refusal to let them add slot machines is preventing them from gaining revenue needed to finance nongambling projects.

Rounds did not respond immediately to a request for comment on Tuesday, but he has said in the past that the state was negotiating in good faith with tribes. The South Dakota Constitution allows only limited gambling, he said.

„I also have to weigh their interests in unlimited gaming or significantly increased number of machines with what is required in our constitution, which is limited gaming,“ the governor said last year.

However, the lawsuit said Deadwood gambling and the state video lottery are not very limited.

About 3,000 slot machines are authorized in the casinos in

Deadwood, a historic town in the northern Black Hills, and about 8,500 video gambling machines are allowed in licensed video lottery casinos statewide, according to the lawsuit.

Meanwhile, the state has refused to let tribal casinos exceed 250 slot machines, the lawsuit said. Compacts in Minnesota and Iowa set the number of slot machines at what the market can bear, according to the suit.

The Flandreau Sioux Tribe's Royal River Casino sometimes loses customers because people refuse to wait in line for slot machines and instead drive to nearby casinos in Minnesota and Iowa, the lawsuit said.

The tribe said it sought to gain additional machines and extend the compact to 20 years so it could secure financing to build a hotel, resort, water park, family recreation center and event center to draw entertainment acts. The state has offered a six-year compact.

One proposal by the tribe would have allowed one slot machines for each USD 34,000 invested in the complex, but the state rejected that suggestion, according to the lawsuit.

„The state's intransigence prevents the tribe from raising the capital necessary to develop high quality facilities sufficient to attract tourists and customers from areas beyond the borders of the state and denies the tribe the economic benefits provided to all other citizens of the state,“ according to the lawsuit.

„This cripples the tribe's ability to stimulate significant economic development, especially in rural areas,“ the tribe's lawyers wrote.