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To: Chief Fiscal Officers

From: Division of Local Government and School Accountability

Subject: Accounting for Indian Gaming Compact and Settlement Agreement Revenue

Please provide copies of this bulletin to others who may need this information.

Purpose of Bulletin

The purpose of this bulletin is to provide guidance related to the accounting for moneys received or distributed by local governments as a result of Indian Gaming Compacts or Settlement Agreement.

Background

In 1988 Congress passed the Indian Gaming Regulatory Act (IGRA) permitting federally recognized "Indian tribes" the ability to conduct gaming activities under certain circumstances.¹ Traditional forms of Indian gaming are within the exclusive jurisdiction of the Indian tribes and are not subject to IGRA. IGRA allows bingo, pull tabs, lotto, punch boards, tip jars, and certain card games on tribal land. These activities may be regulated by the tribe, or in some instances, in conjunction with the National Indian Gaming Commission. All other forms of tribal gaming are regulated in accordance with IGRA, which requires, among other things, that the gaming be conducted in conformance with State-Tribal gaming compacts.

Today, in New York State, the Oneida Nation, the St. Regis Mohawk Tribe and the Seneca Nation of Indians operate full-scale casinos. All three tribes have reached State-Tribal gaming compacts with the State of New York. Contained in two of the compacts, and in one case, a settlement agreement, are exclusivity agreements, in which the Nation or Tribe agrees to contribute to the State a portion of the proceeds from the operation and conduct of each category of Gaming Device for which exclusivity exists. The State, in turn, may make financial agreements with certain local governments to allow the State to share a portion of the revenue.² Those local governments generally may choose to share a portion of the revenue with other local governments or school districts.

¹ See 25 USC §2701 *et seq.*)

² As part of a settlement agreement among the Oneida Nation, the State and the Counties of Madison and Oneida, the State is required to share a portion of the revenue with the Counties of Oneida and Madison.

Account Codes

The new revenue code **3014 – St Aid VLT/Tribal Compact Moneys** should be used when a local government receives revenue from the State directly as a result of a compact or agreement reached with the State. This code will be activated as of December 31, 2014.

The preexisting expenditure code **1987.4 – Distribution of VLT/Tribal Compact Moneys** should be used when a local government distributes a portion of compact revenues to another local government or school district. This code will remain active.

The preexisting revenue code **2725 – VLT/Tribal Compact Moneys** should be used by a local government or school district that receives a share of this revenue from another local government. This code will remain active. It will be activated for school districts beginning with the 2014-15 ST-3.

Additional Information

If you have questions pertaining to the accounting requirements described in this bulletin, please contact the State Comptroller's regional office that serves your local government or school district.