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SEMINOLE ALLIANCE WITH DISNEY ENDS OVER FLORIDA GAMING COMPACT

VIXIO Gambling Compliance
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An alliance between the Walt Disney Company and the Seminole Tribe has imploded after the Seminoles joined forces with Florida's governor to negotiate a new gambling compact.

It was only three years ago when Disney and the Seminoles combined to spend more than \$31m on a successful campaign to pass Amendment 3, a state constitutional change which stripped the Florida legislature of its authority to expand commercial gambling.

The amendment solidified Disney's grip on Florida's tourism market with its theme of family entertainment.

At the same time, Amendment 3 shielded the Seminoles from competition from the commercial casino industry, which has yearned for years to expand its footprint in the Florida market.

The amendment, which passed by more than 70 percent of the vote, empowers voters instead of their duly elected representatives to decide if gambling expands in Florida, although it does not apply to new forms of tribal gaming.

The new Seminole compact would emasculate Amendment 3 by legalizing mobile sports betting throughout Florida, permit certain forms of card games and historical racing machines at parimutuel facilities, and allow the Seminoles to offer more table games such as craps at the tribe's casinos.

Consequently, Disney is no longer an ally of the Seminoles but an adversary, and

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a formidable one at that.

"I don't feel betrayed. The Seminole Tribe's job is to do what it feels is best for the Seminole Tribe," said John Sowinski, who was president of Voters In Charge, the group that led the campaign for Amendment 3 in 2018.

Sowinski may be Florida's most experienced and accomplished communications strategist in opposing gambling expansion.

During the heat of battle on Amendment 3 in the 2018 campaign, pari-mutuel attorney Marc Dunbar of Tallahassee wrote an open letter calling Sowinski "a bully" who had declared war on the gaming industry.

Despite all the hoopla surrounding the new Seminole compact, Sowinski seems quietly confident the potentially historic agreement will not stand.

"If it prevails in the legislature, it almost certainly will not in the courts," Sowinski told VIXIO GamblingCompliance.

"I don't bet, but if I did, I would bet against its ultimate enactment."

R. Daniel Carter, a tribal gaming attorney with the Conner & Winters firm in Tulsa, Oklahoma, said Indian Country is closely monitoring the Seminole compact because the future success of online tribal gaming hinges on the outcome.

"If the Seminole Tribe can prevail in court, it will write the playbook for tribal online gaming in the United States," said Carter, who is a former counsel of the U.S. Senate Indian Affairs Committee.

The importance of legalizing off-reservation bets via a compact as long as they are processed by servers on tribal lands "transcends Indian gaming," Carter told VIXIO GamblingCompliance.

"It would mean an expanded market for tribal gaming, but it would also provide answers to many other jurisdictional disputes," he said.

Sowinski said this issue could come up during the special session of the Florida legislature on the compact. The special session is scheduled to begin on May 17.

"The proposed compact relies on everyone buying into the legal and practical illusion that gambling is occurring on 'tribal lands' regardless of where in Florida the person happens to be, so long as the file server is on tribal lands," Sowinski said.

"This defies common sense and is contrary to the intent of Amendment 3 and a host of federal laws."

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In response to Sowinski's comments, Seminole spokesman Gary Bitner on Tuesday said: "The Seminole Tribe always respects the opinions of others, but strongly believes the new gaming compact is legal and constitutional at both the state and federal levels, and that it is absolutely in the best interests of all Floridians."

To rally support before the special session, the Seminoles released a 60-second television ad on Monday featuring remarks by Republican Governor Ron DeSantis praising the state's relationship with the tribe.

Meanwhile, Democratic Congressman Charlie Crist of Florida announced on Tuesday he will run against DeSantis if the governor seeks re-election in 2022.

Before switching parties, Crist was the Republican Governor of Florida when he signed the first Seminole compact into law in 2010.

There seems to be a growing chorus of tribal gaming executives calling for amending the Indian Gaming Regulatory Act (IGRA) of 1988 to allow tribes to engage in mobile betting.

Carter acknowledged the 33-year-old IGRA may be ripe for change in the digital age.

However, for all its flaws, IGRA helped tribal gaming become a \$34bn industry by annual gaming revenue and amending it could "inject unwanted risk," Carter said.

"There are more delicate ways to provide legal clarity for online tribal gaming, such as letting it play out in courts or asking Congress to exempt tribal gaming from the Unlawful Internet Gambling Enforcement Act (of 2006)," Carter said.

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