



## **Federal Gaming Law Impact on Alabama Gambling Expansion**

The proposed gambling expansion bills mandate the Governor's negotiation of a compact with PCI for "any and all activities allowable under the IGRA (Indian Gaming Regulatory Act)". Therefore, sports-wagering and digital casino betting would be allowed on tribal lands in Alabama if either the House or Senate bill passes.

Since a compact negotiated pursuant to IGRA is a creature of federal law and federal law pre-empts state law, sports-betting and digital betting would be allowed statewide because IGRA states that compacts can govern bets placed both on and off tribal lands if the servers are located on tribal lands.

There have been questions as to the impact of the 2023 Florida Flagler decision, but the situation provides no comfort that PCI wouldn't have a monopoly on sports-betting and digital betting in Alabama since the Seminole tribe continues to conduct online bets in Florida regardless of the decision (of note: PCI announced that they hired the Seminole CFO this week).

The Flagler decision merely held that the Secretary of the Interior had no obligation to disapprove the Florida/Seminole compact b/c the Department of Interior isn't bound by state law. Regardless, the Flagler decision is pending before the United States Supreme Court, so it is premature to rely on a ruling either way.

In addition, new federal regulations were issued in March 2024; they specifically state that state compacts... "may address activities occurring off of Indian lands".

Federal law contemplates that even if an Ivey/PCI compact was silent on explicit permission for off-land gambling operations, the Alabama Legislature could legislate (without a constitutional change) that online gambling shall be "deemed" to occur on tribal land if the server is located there. However, the current proposed amendment seems to give PCI additional authorization to force a compact for online betting for all Class III gambling (sports-betting, digital casino games, and online instants). Thus, the passage of either the Senate or House bills would have the impact of at least a 1.49 million % increase in gambling access across the state of Alabama by allowing gambling operations on every phone, computer, and device in the state.

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