

## II. REVIEW OF EVIDENCE

### A. Origins of the Hudson Casino Proposal

Although Indian tribes have conducted games such as bingo for years, there has been a dramatic increase in gaming activity among Indian tribes since the late 1980s. From 1988 to 1996, about 110 of the 554 federally-organized tribes in the United States opened a total of 230 gambling facilities, more than half of which were full-fledged casinos.<sup>13</sup> By 1997, Indian gaming comprised approximately three percent of all U.S. gaming, with approximate gross revenue of \$6 billion and approximate net revenue of \$750 million. Gaming has become the largest source of income for some tribes, exceeding revenue from agriculture, and from oil, gas and mineral resources.

Gaming has brought new-found wealth to many tribes, but the benefits of gaming have not accrued equally to all tribes – in particular, not to those tribes located far from lucrative urban markets. Tribes with remote on-reservation casinos have sometimes sought to have land taken into trust for their benefit closer to urban areas, where gaming is generally more successful.

For tribes that have benefitted from gaming, the proceeds have permitted them to alleviate the high unemployment rates among their members, and to modernize the housing and infrastructure on their reservations. In addition, a few tribes have opted to make per capita distributions to members from tribal revenues, ranging from modest benefits to hundreds of

---

<sup>13</sup>O'Brien, Timothy L., *Bad Bet: The Inside Story of the Glamour, Glitz and Danger of America's Gambling Industry* at 138 (1998). The General Accounting Office reports roughly consistent statistics. According to the GAO Report, *Tax Policy: A Profile of the Indian Gaming Industry* at 3, 6 (May 1997), as of Dec. 31, 1996, 184 of the 555 tribes in the United States were operating 281 gaming facilities.