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Catawbas, North Carolina Approve Compact

Agreement Allows State to Share in Casino Proceeds

KINGS MOUNTAIN, NC – The Catawba Nation and the State of North Carolina signed a compact today that allows the state to share in revenues generated by the new Two Kings Casino Resort, which will be located in the City of Kings Mountain, Cleveland County, NC. The casino will be operated by the Catawbas.

"On behalf of the Catawba Nation, I sincerely thank Governor Roy Cooper and his team for their thoughtful collaboration in creating this compact, which is the key step in bringing economic benefits and thousands of jobs from our casino project to the citizens of North Carolina," said Catawba Chief Bill Harris.

Chief Harris continued, "I would also like to thank Secretary of State Elaine Marshall and Attorney General Josh Stein for their review and signoff of the compact. With work on the compact completed, we will advance the project from the site preparation phase to vertical construction of an introductory casino gaming facility to open this Fall."

In March 2020, the U.S. Department of the Interior, following a thorough, years-long review, took 17 acres of land into trust status in Cleveland County, North Carolina, for the Catawba Nation. The action recognized the Catawba Nation's historical and ancestral ties to its aboriginal lands throughout North Carolina, as evidenced by names such as Catawba County and Catawba College, as well as in the six counties, including Cleveland County, specifically identified by Congress as part of the Catawba's service area. The compact acknowledges this connection to North Carolina as well.

In addition to creating revenue for the State of North Carolina, the casino will help fund a Catawba-backed education fund that will benefit environmental conservation, provide educational support for members of federal and state recognized tribes and support local communities "to assist in economic development for public services, recreation, entertainment and community economic development and foster employment opportunities on or near Catawba Indian lands", among other things.

Upon hearing the news of the compact, Kings Mountain Mayor Scott Neisler stated, "Kings Mountain will become a major economic engine in North Carolina. We look forward to creating thousands of good jobs for our hardworking local people. We thank the Catawba Nation for extending their hand of partnership in making this dream a reality."

Cleveland County Officials also commend the signing of the compact. "We support the State of North Carolina recognizing the casino project's tremendous economic benefit to Cleveland County. We are pleased that a compact has been signed that establishes a collaborative partnership with this tribe and the State of North Carolina," said Cleveland County Manager Brian Epley.

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Frequently asked questions:

What is a compact and what does it mean to the project?

Under federal law (the Indian Gaming Regulatory Act) there are three forms of gaming, Class I (which are traditional and social games subject only to Tribal authority), Class II (with are various forms of bingo subject only to Tribal and Federal authority), and Class III (which are all other forms of gaming--generally casino-type gaming--which is subject to Tribal, State and Federal authority). While the Catawba Indian Nation can move forward on the development of Class I and II gaming, it must negotiate a Class III gaming compact with the State in order to have Class III gaming. That compact then must be approved by the Department of the Interior.

North Carolina and the Catawba Indian Nation have reached agreement on a Class III gaming compact that establishes a regulatory framework for the Nation's Class III gaming activities, protects public safety and provides for certain payments to the State and to a community foundation. That compact will now go to the Department of Interior for final review and approval. It is not anticipated that this compact will pose any special difficulties as it is closely modelled after a compact that Interior has approved for another Tribal Nation.

What will the revenues be to the state of NC?

The payments to the State are similar to what is provided in the Cherokee Compact. There are three streams of funds that benefit the state and surrounding communities, as well as tax benefits from the casino/resort activities:

- For an exclusive right for live table gaming in certain counties the state will receive a percentage of the Nation's live table gaming revenue that is projected to eventually reach \$5-10 million/year.
- To defray the State's costs associated with sports and horse wagering oversight a flat fee of \$191,000.

- To be transferred to a foundation for the benefit of the Catawba, other state and federally recognized tribes, and the local community an amount that begins at \$1 million/year, but on full development will reach \$7.5 million/year.
- Tax generation. The casino/resort will generate may millions in state tax revenues through vendor and employee taxation. In addition, the Nation has agreed to make payments in lieu of taxes to Cleveland County.