



SB 549 (Newman): **SUPPORT**

January 8, 2024

Members of the Assembly,

As tribal leaders, we are writing to support a fair and impartial measure that would resolve a decade-long dispute between tribes and California card clubs. Specifically, SB 549 (Newman) authorizes a limited one-time declaratory and injunctive relief action before the Superior Court of California, County of Sacramento to determine a single issue - whether certain controlled games operated by California card clubs are banking card games that violate California law and infringe upon tribal exclusive gaming rights.

As you are aware, the California constitution - as amended by Proposition 1A in 2000 - granted California federally-recognized Indian tribes the exclusive rights to operate slot machines and banking and percentage card games on Indian lands under compacts negotiated and concluded by the Governor and ratified by the Legislature. Subsequently ratified compacts recognized and relied upon those exclusive gaming rights to enable California tribal governments to operate gaming “in an economic environment free of competition from the operation of slot machines and banked card games on non-Indian lands in California” and further acknowledged that “this unique economic environment is of great value” to the tribes.

These exclusive gaming rights have been vital to tribal governments, providing critical resources to help address the effects of the historic brutality endured by California Native Americans. Gaming has allowed California tribes the means to provide essential government services such as housing, education, public works, healthcare, environmental protections, food programs, cultural preservation, elder care, emergency services, law enforcement, security and more. In addition, limited and non-gaming tribes have benefitted from more than \$1 billion in vital revenues over the last 20 years, thanks to revenue sharing by gaming tribes.

Indian gaming has also served as an important economic engine for California. A 2016 economic impact study found that California gaming tribes directly and indirectly generated the following total economic and fiscal impacts on the California economy: 124,300 jobs; \$20 billion in output; \$9 billion in wages to employees; and \$3.4 billion in taxes and revenue sharing payments to federal, state, and local governments, including nearly \$1 billion to the State of California and \$378 million to local governments.

Seeking to protect the exclusive rights granted by California voters in 2000 that are so vital to survival of many tribal communities, California tribes have attempted to secure enforcement of their exclusive right to operate banking card games for over a decade, including through the initiation of federal and state lawsuits. Those lawsuits, however, were dismissed on procedural grounds, without addressing the merits of whether controlled games operated by California card clubs constitute banked card games in violation of California law and tribal gaming exclusivity. The need for clarity on this question has even further intensified by the recent cardroom moratorium and expansion legislation passed earlier this year. SB 549 will provide Indian tribes clear standing to bring a legal action and finally secure a judicial decision on the merits of this important legal question concerning the interpretation of California law.

Importantly, SB 549 does not pick winners, losers or predetermine any outcome. It simply provides a reasonable solution to a decade old dispute. SB 549 will greatly benefit California tribes, California card clubs, third-party proposition player services providers, and the state by conferring legal standing to secure a clear judicial declaration interpreting California law concerning whether certain controlled games operated by California card clubs using third-party proposition player services providers as banks constitute banking card games that violate California law and tribal gaming exclusivity.

Over 70 Tribal Nations Urge Your SUPPORT on SB 549 (Newman)

Signed:

California Nations Indian Gaming Association (52 Tribal Nation Members)

Tribal Alliance of Sovereign Indian Nations (13 Tribal Nation Members)

California Tribal Business Alliance (6 Tribal Nation Members)

Viejas Band of Kumeyaay Indians

Yoche Dehe Wintun Nation

Barona Band of Mission Indians

Pechanga Band of Indians

Agua Caliente Band of Cahuilla Indians
Rincon Band of Luiseño Indians
Tachi Yokut Tribe
Sycuan Band of the Kumeyaay Nation
Federated Indians of Graton Rancheria
Santa Ynez Band of Chumash Indians
Habematolel Pomo of Upper Lake
Enterprise Rancheria
Chemehuevi Indian Tribe
Tejon Indian Tribe
Santa Rosa Rancheria Tachi Yokut Tribe
Shingle Springs Band of Miwok Indians
Blue Lake Rancheria
Tule River Indian Tribe of California
Redding Rancheria
Pit River
Soboba Band of Luiseño Indians
Mooretown Rancheria
North Fork Rancheria of Mono Indians
Elk Valley Rancheria