

BEAR RIVER BAND of the ROHNERVILLE RANCHERIA
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June 1, 2020

The Honorable Bill Dodd
Chairman
Senate Governmental Organization Committee
1020 N Street, Room 584
Sacramento, CA 95814

SUBJECT: Opposition to SCA 6

Dear Senator Dodd,

On behalf of the Bear River Band of the Rohnerville Rancheria, I am writing to express our concerns regarding SCA 6. While well intended to bring in additional revenue to cover the staggering shortfall caused by the COVID-19 pandemic, the bill contains some problematic components that make it difficult to support.

Allowing commercial cardrooms to continue what are currently illegal practices is essentially rewarding these businesses for bad behavior, which is a non-starter in any discussion regarding gaming expansion in California. We have long held that practices at these establishments are tantamount to offering banked card games in violation of Penal Code § 330, and which the California Constitution allows to be offered exclusively by California tribal governments operating under Compacts that have been negotiated by the Governor and ratified by the Legislature. This has not escaped the State Gaming Agency's notice, as the Department of Justice's Bureau of Gambling Control is currently developing guidelines aimed at clarifying which practices are and are not legal in commercial cardrooms. A measure intended to authorize sports wagering should not be used as cover for allowing a practice that infringes on the exclusive tribal gaming rights for which Tribes have made substantial jurisdictional concessions to the state.

Another component of this bill that is extremely problematic for the Tribes is that the measure would allow online gaming, a practice that our organization opposes. Online sports wagering is objectionable to the Tribes for several reasons. First, there is a serious legal question whether Tribes could accept online wagers placed from outside tribal lands; thus, Tribes could be shut out of the state's online sports wagering market altogether. Second, even assuming that there are no legal barriers to tribal participation in the California online sports wagering market, we believe that online sports wagering imposes too high a societal cost. Good public policy and maintaining the support of voters are far more important to California's tribal governments than the possibility that a relatively small number of Tribes may be able to make a few extra dollars.(under the Indian Gaming Regulatory Act, Tribes must have the sole proprietary interest in their gaming activities). Problem gambling proliferation, underage gambling, and threats to established tribal and non-tribal brick and mortar facilities are of serious concern to us.

Also, the measure says nothing about the standards for licensing third-party online service

providers. The California Horse Racing Board licenses racetrack operators, and Tribal Gaming Commissions license tribal gaming facilities, their employees and vendors, but who, and under what standards, will be licensing the third-party service providers whose services undoubtedly would be used to operate sports wagering websites? This is an issue of great concern to the Tribes.

Finally, there are two problematic issues of timing. First, given how much time will be required to implement a well-regulated sports wagering system in California, the measure likely will not provide a significant near-term buffer against the COVID-19 pandemic's current impact on the state's budget.

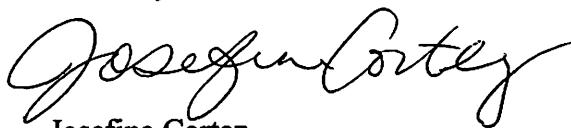
Second, because Tribes will have to negotiate Compact amendments before being able to offer even on-site sports wagering, the measure would impose significant delays to tribal entry into the California sports wagering market, whether on-site or online. Compact negotiations, followed by legislative ratification, followed by review and approval by the Department of the Interior, inevitably takes time -- sometimes even years, and even then, Compacts that are not ratified as urgency measures can be subjected to referendum, as was the case just a few years ago with the North Fork Compact. Meanwhile, the eight websites authorized to racetrack operators and their third-party service providers, will have been given a multi-year head start on entering the market.

Just as the state and local governments have experienced a sharp decrease in revenues, our tribal governments also have experienced a sudden, sharp, and in many cases, total cutoff of the revenues on which we rely to provide our communities with essential governmental services unavailable from other sources. Thus, we understand the state's need to find ways to raise new revenues quickly. However, because any revenue raised from this will likely not reach state coffers until after the pandemic has passed and economic recovery is well underway, it would be less than honest to portray this measure as a quick fix to California's current budget shortfall.

Finally, because this measure likely would have a profound impact on our tribal governments, their citizens, and the tens of thousands of Californians employed by Tribes, there should be meaningful consultation with the Tribes before this legislation advances.

For all of these reasons, we oppose SCA 6.

Sincerely,



Josefina Cortez
Tribal Council Chairwoman

Cc: California State Legislature
Governor Gavin Newsom