

SANTA ROSA RANCHERIA TACHI TRIBE

A FEDERALLY RECOGNIZED TRIBE

Leo J. Sisco
Chairman

Robert Jeff II
Vice Chairman

Candida L. Cuara
Secretary

Dena Baga
Treasurer

Crystalgrace Ignacio/Patricia Lewis
Delegates

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 Santa Rosa Rancheria, Tachi-Yokut Tribe I am writing to express our concerns regarding SCA 6. As a Tribe facing dire financial conditions due to the COVID-19 pandemic, we understand the State is facing similar budget shortfalls and searching for ways to make ends meet. However, it is frustrating to see an amendment to a bill as important as SCA 6 brought to the Governmental Organization Committee (the "Committee") in such a rush and with so little time to review the language.

We have identified a number of serious legal flaws in the bill, in addition to many practical concerns that make the proposal impossible for us to support. As you are aware, tribal governments recently formed a coalition to bring forward a referendum that would allow for legalized sports betting in a manner that would: 1) be consistent with the Indian Gaming Regulatory Act, 2) include established horseracing operations in a manner that would better protect existing tribal exclusivity, as currently set forth in Tribal-State Gaming Compacts and the California Constitution, and 3) provides for oversight of California cardrooms that operate games that are currently prohibited in the State. It would behoove the Committee to utilize the language from the Tribal Coalition's ballot measure if it seeks to advance a measure that will garner full tribal support because it has been vetted and also provides a framework that is workable and legally defensible.

The proposed draft amendments to SCA 6, however, do not track the language from the Tribal Coalition draft. Instead, it proposes a structure that will not only undermine California tribal gaming operations, but create a framework that will likely lead to a corporate-run gambling monopoly in the State that will someday overtake Tribal Gaming in California. The current draft SCA 6 will open the door to corporations such as network television companies, AT&T or Verizon, creating partnerships with online sports betting operators such as FanDuel, Draft Kings, and Caesar's/MGM – and working with professional sports franchises, such as the NFL and NBA to establish online and brick-and-mortar gaming enterprises that will spell the beginning of the end of Indian Gaming in California. In the end, even the cardrooms will not be able to keep

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up with these mega-corporations as the Legislature is lobbied by big-money gaming interests. As these global gaming companies become entrenched in California and forever change gaming as we know it here, they will develop databases of tribal and cardroom gaming patrons and will target market to them in a way that no tribal or cardroom can compete with. It will be “game over” for tribal gaming in California.

In addition to these general, but very strong concerns, we are providing you with direct feedback on the following:

- 1) Any funds that result from SCA 6 will not be seen in California for many years because of litigation that will inevitably be filed to challenge it, and the time needed to build and implement a well-regulated sports wagering system in California. Any suggestion that this is in response to, or in some way to help fix the State budget as a result of COVID-19 is false.
- 2) Unlike other states where tribal gaming exclusivity is actually meaningful and upheld by State actors, SCA 6 will lock Tribal governments out of any real benefit from the bill. In other states, tribal gaming operators are granted exclusive state licenses to operate online sports betting platforms with geo-fencing to allow for more tribal groups to participate. The State licensing regime allows tribal governments to operate the online sports betting platforms outside of Indian Country, in geo-fenced jurisdictions, which avoids any conflicts with the IGRA. This proposal does the nothing to allow tribal governments to participate in online sports betting because the four urban area racetracks will have already tapped the online betting market across the state before a single tribe has a federally-approved compact. There are no protections for tribes in the current draft of SCA 6.
- 3) Your proposed bill to expand Nevada-style games to card rooms would effectively repeal exclusive gaming rights affirmed for California Indian tribes by 65% of the voters in March 2000 through Proposition 1A.
- 4) The IGRA specifically prohibits the assessment of a tax on a tribal gaming operation and SCA 6 contains a 1% tax on tribal gaming revenue, which is an illegal tax.
- 5) The SCA 6 Fact Sheet erroneously states that under your bill, card rooms would be authorized to “continue to play the games they are currently authorized to play.” The claim is patently false. If it were true, there would be no need to take such an extreme action as amending the constitution. In fact, the Attorney General has made clear that certain card room games violate the law, and is in the process of reviewing their game activities. This is why the Bureau of Gambling Control recently issued “concept” regulatory language intended to stop the illegal game practices at card rooms.
- 6) As it relates to sports wagering, as you know, more than 24 tribes in California are supporting an initiative constitutional amendment to authorize sports wagering in the State. Our measure is the product of months of collaboration and hundreds of conversations with voters to identify a

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viable proposal to legalize sports wagering. Public opinion research has consistently demonstrated opposition to the notion of *online* sports wagering, which is why our proposal approaches the matter in an incremental and responsible way. Voters have real and deep concerns about online betting and problem gambling and preventing access by children, among other things. The sports wagering provisions of your measure are also objectionable and pose serious legal questions.

7) 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.

Our Tribe has also been severely impacted by the COVID-19 crisis. Like state and local governments, we too are reeling from the unprecedented toll this pandemic has had on our government and our economies, which came to a complete halt in mid-March when we voluntarily closed our businesses. Thus, it is deeply disappointing to see the introduction of a bill to chip away at our rights in the midst of this crisis.

For all of these reasons, we oppose SCA 6.

Sincerely,



Leo Sisco
Chairman
Santa Rosa Rancheria, Tachi-Yokut Tribe