

Stand Up For California!

“Citizens making a difference”

www.standupca.org

P.O. Box 355
Penryn, CA 95663

May 5, 2008

Honorable Tom Torlakson
Chairman Senate Appropriations Committee
State Capitol Room 5050
Sacramento, CA. 95814
Fax: 916-445-2527

RE: OPPOSE Senate Bill 1201

Dear Senator Torlakson:

Stand Up For California opposes Senate Bill 1201. By permitting compacted tribes to attain a greater number of slot machines than were permitted under the compacts bargained for in 1999 without a compact amendment, S.B. 1201 would deprive State Government of vitally needed new revenue resources during the worst State budget deficits experienced in modern times. The potential loss year-on-year would likely amount to hundreds of millions of dollars, and could exceed one billion dollars.

The bill, if enacted, would also cost local governments the much needed mitigation fees they get under the renegotiation of new compact amendments. As is now well known, the 1999 tribal-state compacts have numerous serious shortcomings. The economic and social costs to citizens, local government and state agencies resulting from the inadequate and not-well-thought-out provisions of the 1999 compacts demanded that the State of California renegotiate all of these compacts whenever tribes provide an opportunity by requesting changes, such as additional authorized slot machines.

In July of 2002, the California State Association of Counties in conjunction with the California State Sheriffs Association and the California League of Cities released their Survey of Tribal Gaming Impacts on County Governments. That survey found the local government cost burden due to Indian casinos amounts to \$20 million annually in just 8 counties.¹

¹ **From the 2002 CSAC Survey:** There are currently 54 operational casinos maintained by 53 tribal governments in 34 counties. More Indian casinos are planned. In the 34 counties impacted by tribal gaming only 18 agreements with tribes to address mitigations have been reached. Only a handful of these are comprehensive and address the concerns of the greater community. One County, San Diego, has 8 casinos and a slot arcade, the most of any jurisdiction in the State. Statewide as of 2002, Indian casinos have cost the counties more than \$200 million in non-reimbursed road, water, sewage, and fire and law enforcement costs. Tribal governments are not required to pay local or state taxes on their businesses or property. Nor are they required to collect sales taxes, a portion of which goes to local communities. Tribal hotels pay no transient occupancy tax and tribal enterprises do not pay business license fees. Yet these governments use the services of their local jurisdictions [e.g., police and fire, roads]

S.B. 1201 would in most cases eliminate the opportunity to renegotiate the 1999 compacts and address the serious and critical monetary and *no monetary benefit* amendments vital to the well-being and future relationships of tribes, the state, local government and the next door neighbors of tribal gaming facilities. Renegotiated compacts have corrected the failures of the 1999 agreements and addressed the serious concerns of patron protections, employee rights, environmental concerns and infrastructure development coupled with the role of local government. Moreover, the State has begun to insert the necessary language to provide for adequate regulation of this multi-million dollar and still expanding industry.

Please list Stand Up For California as opposed to this socially and fiscally irresponsible measure.

Sincerely,

Cheryl A. Schmit – Director
916-663-3207
schmit@hughes.net
www.standupca.org

CC: Committee on Appropriations – Bob Franzoia, Staff Director, Room 2206
Senator Jim Battin – Fax: 327-2187

transferring the cost of these services to the revenue pools of local governments. County or City general funds are dependent on citizens and businesses that pay local and state tax.