

## **REPORT: NEW FEDERAL PROPOSAL COULD HAVE DAMAGING IMPACT ON CALIFORNIA ECONOMY**

### ***New Rules Would Lower Standards For Indian Petitioner Groups To Gain Federal Recognition, Paving Way For Surge In Gaming Facilities***

### ***Changes Could Greatly Reduce Local Tax Revenues, Threaten School Budgets & Local Services***

PENRYN, CA – Stand Up for California!, a statewide organization, today unveiled a comprehensive study that finds a federal proposal that would significantly lower the criteria for Indian groups to gain federal recognition would have a damaging effect on California communities. By drastically reducing the long-standing mandatory criteria and lowering the historic evaluation standards for Indian groups petitioning for federal acknowledgement, the U.S. Department of the Interior's (DOI) new rules could:

- Lead to the rapid potential acknowledgment of 34 new Indian tribes in California, an increase of approximately 31 percent in the number of recognized tribal entities;
- Allow many newly recognized Indian governments to assert tribal ownership and jurisdiction over California lands, which would remove them from zoning and land use rules, and from all environmental, public health and safety protections under state and local laws;
- Remove these lands from the tax rolls, resulting in the loss of property tax revenue to local governments, which could have a damaging impact on school districts and local services;
- Cause a rapid increase in gaming facilities, potentially resulting in 22 new casinos in local communities, in particular, in high-density urban areas such as Los Angeles, Orange, San Francisco and Kern counties.

“These rules could have an extremely harmful impact on California families and communities,” said Cheryl Schmit, Director of Stand Up for California! “By drastically lowering the standards and allowing a surge in new, federally-recognized Indian governments, these proposed rules could threaten school district budgets and local services. Californians simply cannot afford to have such damage imposed on us by these ill-considered, hastily-adopted federal rules.”

The revisions in the Proposed Rule issued by the DOI on May 22, 2014 would significantly reduce mandatory criteria and lower the long-standing evaluation standards for Indian groups petitioning for federal acknowledgement. The study, prepared by Dr. Michael L. Lawson, Ph.D., one of the nation's foremost experts on tribal recognition issues, concluded that the changes could result in a dramatic increase in the number of recognized Indian governments in California with the potential acknowledgment of approximately 34 new federal groups in California, a rapid 31% increase in California's 109 currently recognized tribal governments.

The net effect of the proposed rules would be to replace longstanding, clearly defined criteria that have been in effect since 1978 with much more lenient and subjective standards that grant enormous discretion to the Assistant Secretary for Indian Affairs.

“The proposed regulations are an overreach that effectively remove local government input,” said Supervisor David Rabbitt, Chairman, Sonoma County Board of Supervisors. “In California, which has more acknowledgment petitions pending than any other state, they will lead to official recognition of many groups that otherwise would not be eligible for tribal status, development of many more casino facilities, and reduced local land use control. Such significant changes call out for Congressional review.”

“The findings in this report are deeply concerning,” said Diane Dillon, Vice Chair, Board of Supervisors, Napa County. “The final adoption of these rules could drastically alter California’s economic landscape in an unacceptable way. The proposed rules should be carefully studied before California families pay for their harmful effects.”

“The reasons given by the federal government for the hasty issuance of these rules do not justify this disastrous change of long-established national policy. The revised regulations were supposed to be about improving the efficiency of the process, which makes sense, but now involve a stunning relaxing of the historic standards that petitioners must meet,” Schmit added.

“These changes would likely result in an enormous and rapid increase in federally-recognized Indian groups in California, would dramatically increase the number of gaming facilities in the state’s urban and metropolitan areas, as well as cause an increase in expensive and disruptive litigation over land and water rights,” continued Schmit. “In addition, they could create economic hardships for currently recognized non-gaming tribal governments who will experience greater competition for the federal funds allocated annually toward tribal services.”

Previously underdeveloped regions for Indian gaming, such as the metropolitan areas of Los Angeles, Orange, San Francisco and Kern County, are likely to see an influx of new casinos from these newly recognized Indian governments, which would create tremendous traffic congestion in overcrowded areas and greatly increased demands on already burdened county and local services. The acknowledged groups would unfairly compete with California’s non-tribal commercial gaming industry as well as other established businesses, due to their exemption from state and local taxes and regulations. This could result in reduced revenues to the state general fund.

The proposed changes lower or substantially change the criteria which have been the foundation of national policy for the past 36 years, including an astonishing reduction in the evaluation period by 145 years - a two-thirds reduction in the period for tribal existence as now required. The proposal changes the

fundamental rationale and basis for past decisions for recognizing historic Indian governments, of which there are already 109 in California and 566 in the nation. Other changes to the criteria would allow enormous time gaps in evidence, further lowering the standards met by other Indian groups; allow previously-denied petitioners the right to re-petition for recognition, a highly unusual regulatory provision that would undermine the finality of the past review and evaluation process; and loosen the overall requirements in evidence. In addition, the proposed rules would give extraordinary discretion to DOI political appointees to override specific criteria, which could undermine the entire objective review process. Yet the federal government has given no valid reason to adopt these changes in the well-established criteria that have provided a balance between the tribal, state and federal governments since 1978.

“It is astonishing that the federal government would attempt to ram through these rules while providing no impact assessment of the social and economic costs on communities across our state,” Schmit added.

Schmit continued, “It is urgent that we alert California’s leaders and communities to the damaging consequences that could result if these rules are pushed through the federal regulatory process in the next few months.”

The full report can be found at <http://www.standupca.org/stop>

### **About Stand Up for California!**

Stand Up for California! is a statewide organization with a focus on gambling issues affecting California, including tribal gaming, card clubs, horse racing, satellite wagering, charitable gaming and the state lottery. The organization has been involved in the ongoing debate of issues raised by gaming and its impacts for over a decade. Since 1996, it has assisted individuals, community groups, elected officials, members of law enforcement, local public entities and the State of California with respect to gaming. Additionally, Stand Up for California! is recognized and acts as a resource of information to local, state and federal policy makers.