# *Stand Up For California!*

"Citizens making a difference"
standupca.org

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August 5, 2005

Honorable Jerome Horton
California State Assembly
State Capitol Room # 2006
Sacramento, CA. 95814
FAX: (916) 319-2151

**RE: Oppose AB 1750 as Currently Written**

Dear Assembly Member Horton and the Governmental Organizations Committee:

Stand Up for California opposes this legislation as currently drafted. This language presents a piecemeal approach to a complex problem. The formula for disbursement of the Special Distribution Fund (SDF) and the Revenue Sharing Trust Fund (RSTF) reveals a crisis in how these funds are used and abused. Where is the funding for providing effective state regulatory oversight of a 19.5 billion dollar and growing industry of which California tribal governments are the major players? The 1999 gaming compacts promise such oversight, for which the public has a reasonable expectation, but the Legislature has, thus far declined to provide adequate funding.

AB1750 ostensibly assists the non-gaming tribes of California by providing the backfill of the RSTF shortfall from the SDF each quarter in equal payments. An act which the tribes state will strengthen their tribal governments and provide needed benefits to their tribal members and promote economic development. However, a number of tribes receiving these moneys are apparently using the funds to promote off reservation gaming schemes. Some of these casino proposals would be located in ***urban or sensitive rural areas*** of the state and many miles upon miles from their established Indian lands.

This raises serious questions as to whether these moneys are being used for the purposes intended by the compacts. Moreover, unforeseen developments have occurred over the last several months due to unscrupulous casino developers entering into partnerships with economically depressed Native people creating internal tribal disputes that have created serious questions respecting whom is entitled to payments from the Revenue Sharing Trust Fund.

The Revenue Sharing Trust Fund was designed to share the gaming proceeds of successful tribes with the poor tribes in California that did not have marketable casino locations and to prevent off reservation gaming. Planned as assistance for providing health care, education and tribal government services, payments from this Fund have in many cases instead been misused to hire gaming attorneys and public relation firms to assist tribes seeking off reservation casinos. ***The language of AB 1750 will only exacerbate the proliferation of urban gaming.***

- This bill affects the SDF by removing a substantial sum of money, 50 million dollars to backfill the RSTF for 2005-2006, a sizable appropriation by any standard. What amount of interest is lost, this year and over time?

- This appropriation affects all other purposes for which the SDF is to be used significantly affecting the cost of county/city services to citizens in surrounding communities opposed to off-reservation casinos proposed in their communities.

- Further, AB 1750 affects the lack of funding for development of necessary State regulatory oversight required by the Compacts. Clearly it is the responsibility of the legislature to ensure funding for regulation of this quickly escalating cash intensive industry.

- **Let me emphasize that the RSTF was intended to promote NON-GAMING economic development. With only a handful of exceptions, this has not happened. If tribes need full quarterly payments to sustain a legitimate non-gaming enterprise, that makes sense. But the sponsors of this bill have brought no evidence that such is the need. Instead, we are seeing (see attached list of abuses).**

Stand Up For California asks that the State Legislature look at the wide-ranging problems and give consideration to the ***'structure and payment formulas'*** of both the RSTF and the SDF. Piecemeal fixes and amendments will only make matters worse. Therefore, until there is hard evidence that AB 1750 would truly assist tribes to promote non-gaming enterprises, we must oppose the bill. Stand Up For California urges a NO Vote on AB 1750.

The RSTF and SDF are state-administered funds and must be used in accordance with designated purposes under compacts and governing statues. A major purpose of the RSTF for which the citizens of California voted in Proposition 1A was intended to prevent the proliferation of off reservation casinos. The purpose of the SDF fund was a ***supplement*** to local intergovernmental agreements mitigating impacts created by casinos. It was not to be used as a political slush fund holding hostage local government and state agencies. Unfortunately, as shown by the attached listing SDF moneys have often been misused for purposes unrelated to the impacts of tribal casino gaming.

For the above reasons, we regretfully must oppose Assembly Bill 1750 in its current form and recommend that the legislature assign the State Auditor or another appropriate investigate agency to examine the purposes for which SDF moneys have been used, so that the legislature may fulfill its responsibility to ensure that the moneys are appropriated and disbursed for the purposes designated in the tribal state gaming compacts and in statute.

Sincerely,

Cheryl A. Schmit – Director
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## LIST OF SDF ABUSES

**Fresno County**

- $150,000 to the county for tattoo removal equipment.
- $25,000 to the county for classroom drug and gang resistance programs.
- $54,000 to the county for an elementary school kids' camp run by the sheriff.

**Madera County**

- $37,000 to six local school districts for field trips and after school programs.
- $37,646 to the Picayune Rancheria for defibrillators and tribal child programs.

**Riverside County**

- $802,500 to Banning, for a new fire engine, six black & white police units, three unmarked units, two police motorcycles, 10 shotguns and 10 handguns. (What is the crime rate in Riverside County?)
- $67,817 to Banning for the beautification of private businesses.
- $10,000 to Desert Hot Springs for additional police traffic patrol in a city that has no tribal casino, but which is adding 10,000 homes over the next three years.
- $107,136 to Indio for the development of a youth master plan, promotional events and a Youth Coordinator.
- $51,210 to Palm Springs for a youth drug and alcohol program.
- $51,210 to Palm Springs for Police Activities League programs.

**Butte County**

- $35,617 to the Butte County Mosquito and Vector Control District for surveillance and control of mosquitoes, including testing of the sentinel chicken flock.
- $31,495 to Oroville for a police department typist.

**San Diego County**

- $1,710,936 to the county to buy the sheriff a medium lift fire/search and rescue helicopter. (Is this helicopter 100 % dedicated to tribal casino incidents? If not, then the SDF should only have funded a justifiable portion of the purchase.)

**Humboldt County**

- $12,138 the county for the Kid's Corner Program.
- $ 3,000 the county for after school programs.

**Inyo County**

- $26,000 to the Lone Pine Fire Department for fire rescue equipment and training (there is no casino near Lone Pine).

**Mendocino County**

- $24,500 to the Hopland Public Utilities District for a new well. There is no casino in the City of Hopland