



March 27, 2012

Speaker pro Tempore Darrel Steinberg
Honorable Senator Roderick Wright
California State Senate
State Capitol
Sacramento, CA 94249-0001

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RE: SB 1463 (Wright and Steinberg) Internet Gaming – OPPOSE

The Habematolel Pomo of Upper Lake (“Habematolel”) stand in firm opposition of SB 1463. This bill seeks to legalize internet gaming within the State of California in a manner that would violate the California Constitution, interfere with Tribal-State Compacts and infringe upon the sovereignty of Tribal Governments. For these reasons Upper Lake asks that you withdraw this proposed legislation from consideration.

Article IV, Section 19(e) of the California Constitution prohibits the legislature from authorizing casinos of the style operated in Nevada and New Jersey. As approved by the California voters under Proposition 1a, Section 19(f) gave Tribes the exclusive right to operate casinos within the State, including offering slot machines, lottery games, and banking and percentage card games, pursuant to Tribal-State gaming compacts. The 1999 and subsequent Tribal-State Compacts further defined the exclusive rights of Tribes to operate casino style “Gaming Devices”. SB 1463 disregards Section 19(e) by attempting to legislatively authorize Nevada and New Jersey casino style gaming over the Internet in California. It also undermines Section 19(f) by establishing a framework for the unfettered expansion of casino style gaming over the Internet in California based on the administrative discretion of the Department of Justice, rather than through a comprehensive, careful, and collaborative process involving Tribes, thereby threatening the exclusivity granted by the Constitution and interfering with the sole right of Tribes to operate “Gaming Devices” under the Tribal-State gaming compacts. SB 1463 simply cannot legislatively authorize what the Constitution prohibits and Tribal-State gaming compacts restrict.

SB 1463 wrongfully infringes upon the inherent sovereignty of federally-recognized Tribes. First, the bill requires Tribes to waive sovereign immunity and subordinate to the State’s authority as a condition for gaming license eligibility. SB 1463 also vests the State with regulatory oversight for Internet gaming, thereby stripping Tribes from the role of primary gaming regulators under IGRA and the Tribal-State Compacts. Tribal Gaming Agencies within the State of California are world renowned for innovation, leadership and top-level expertise in the field of gaming regulation, and their regulation of Internet gaming would be no different. That SB 1463 seeks to impose conditions and restrictions on Tribal sovereignty and Tribal Gaming Regulation rather than treating Tribes on a government to government basis, as required under the Indian Gaming Regulatory Act (IGRA) and the Tribal-State Compacts is unacceptable.



Finally, many Tribes in California, like Habematolel, depend upon gaming revenue to fund essential government services for Tribal citizens. The legalization of Internet gaming, and accompanying infringement upon Tribal gaming exclusivity, would erode Tribal gaming revenues and thereby diminish the quantity and quality of government services that can be provided by Tribes to their citizens.

The negative impacts will also be suffered by tens of thousands of California citizens that depend upon the health and success of Tribal gaming operations for their livelihood, including employees of Tribes, vendors for Tribal gaming operations, and nearby businesses who rely on Tribal gaming operations to promote commerce in the region. In Lake County, where our gaming operation is located, gaming facilities are one of the major employee sectors for an area mired in a long-term economic downturn. By moving gamers from brick-and-mortar gaming facilities to their offices and bedrooms, this legislation could undercut one of the few employment growth sectors in the economy of Lake County.

For these reasons, Upper Lake strongly opposes SB 1463. We request the immediate withdrawal of the bill and that the author initiate meaningful consultation between the State and California Tribes regarding how to responsibly introduce Internet gaming into California in a manner that respects the Constitution, Tribal-State Compacts, and Tribal sovereignty and protects tribal gaming operations and California jobs.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sherry Treppa", with a long horizontal flourish extending to the right.

Sherry Treppa
Chairperson
Habematolel Pomo of Upper Lake