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THIRD READING

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Bill No: AB 1389  
Author: Blanca Rubio (D)  
Amended: 3/24/26 in Senate  
Vote: 27- Urgency

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PRIOR VOTES NOT RELEVANT

NOTE: On March 24, 2026, the Senate Governmental Organization Committee held an informational hearing on the second amendment to the tribal-state gaming compact between the State of California and the Yurok Tribe of the Yurok Reservation, California.

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**SUBJECT:** Tribal gaming: compact ratification

**SOURCE:** Author

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**DIGEST:** This bill ratifies the second amendment to the Tribal-State Gaming Compact between the State of California and the Yurok Tribe of the Yurok Reservation, California, executed on December 18, 2025.

*Senate Amendments of 3/24/26* ratify the second amendment to the tribal-state gaming compact between the State of California and the Yurok Tribe of the Yurok Reservation, California, executed on December 18, 2025 and add an urgency clause.

**ANALYSIS:**

Existing law:

- 1) Provides, under the Indian Gaming Regulatory Act (IGRA), for the negotiation and conclusion of compacts between federally recognized Indian tribes and the State for the purpose of conducting Class III gaming activities on Indian lands within a State as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments.

- 2) Authorizes expressly a number of tribal-state gaming compacts between the State of California and specified Indian tribes.
- 3) Authorizes the conduct of Class III gaming activities to the extent such activities are permitted by state law, a gaming compact has been concluded by a federally recognized tribe and the State, and the compact has been approved by the Secretary of the Interior.
- 4) Limits the operation of Class III gaming activities to Indian lands acquired on or before October 17, 1988. Provides, for certain exceptions to conduct gaming activities on Indian lands acquired after October 17, 1988.
- 5) Defines “Indian lands” to mean all lands within the limits of any Indian reservation, and any lands title to which is either held in trust by the United States for the benefit of any Indian tribe, or individual, or held by any Indian tribe or individual subject to restriction by the U.S. against alienation and over which an Indian tribe exercises governmental power.
- 6) Requires the State to negotiate to conclude a compact in good faith with an Indian tribe having jurisdiction over the Indian lands upon which the Class III gaming activity is to be conducted. Provides the U.S. district courts with jurisdiction over any cause of action initiated by a tribal government alleging that the State failed to negotiate in good faith to conclude a compact. Prescribes the remedy, mediation supervised by the courts, if it is found that the State failed to negotiate in good faith to conclude a compact.
- 7) Authorizes the Governor, under the California Constitution, to negotiate and conclude compacts, subject to ratification by the Legislature.

This bill:

- 1) Ratifies second amendment to the tribal-state gaming compact between the State of California and Yurok Tribe of the Yurok Reservation, California, executed on December 18, 2025.
- 2) Contains an urgency clause.

## **Background**

*Second Amendment to the Tribal-State Compact Between the State of California and the Yurok Tribe of the Yurok Reservation, California.* The Second Amendment to the Tribal-State Gaming Compact “Amended Compact” between the State of California and the Yurok Tribe of the Yurok Reservation “Tribe” was

executed on December 18, 2025. The Amended Compact extends the provisions of the Tribe's existing 2006 compact to December 31, 2026. All other provisions of the existing compact remain intact.

In 2006, the Tribe entered into a tribal-state compact [SB 106 (Wiggins, Chapter 37, Statutes of 2007)] that authorized the tribe to operate one gaming facility and an additional one at an ancillary facility. The compact authorized the Tribe to operate no more than 99 gaming devices (slot machines) and prohibited anyone under the age of 21 from being present in any room.

Additionally, the 2006 compact contained other provisions relating to: exclusivity; licensing requirements and procedures for employees and gaming suppliers; testing and inspection of gaming devices; rules and regulations for the operation and management of the gaming facility; off-reservation environmental impacts; public and workplace health and safety; and labor provisions. In 2016 the Tribe and the State agreed to amend the 2006 compact's provisions pertaining to mandatory participation in the State workers' compensation program to align the Tribe's compact to more recently agreed upon compacts.

According to the Tribe's website, the Tribe is currently the largest Tribe in California, with more than 5,000 enrolled members. The Yurok Reservation is located in one of the most isolated regions of Northwest California, consisting of lands one mile on each side of the lower forty-four (44) miles of the Klamath River from just above the confluence of the Trinity River at Weitchpec to the mouth of the river as it flows into the Pacific Ocean. Reservation lands include parts of Humboldt and Del Norte Counties, two of the largest land-based counties in the state of California.

Following ratification of its 2006 tribal-state gaming compact, the Tribe opened the Redwood Hotel Casino in 2014 which consists of two separate entities, the Redwood Holiday Inn Express and the Redwood Casino. The Redwood Holiday Inn Express is a 60-room hotel complete with exercise room and pool. The Redwood Casino, located in Klamath, CA, currently hosts 99 Class III machines and includes the Abalone Bar and Grill.

To be effective, an amendment solely to extend the term of a compact requires ratification by the California Legislature, but it does not require approval by the Secretary pursuant to 25 Code of Federal Regulations section 293.5.

*Indian Gaming Regulatory Act.* In 1988, Congress enacted IGRA to provide a statutory basis for the operation and regulation of gaming on Indian lands. IGRA

provides that an Indian tribe may conduct gaming activity on Indian lands if the activity “is not specifically prohibited by federal law and is conducted within a State which does not prohibit such gaming activity.”

IGRA distinguishes between three classes of gaming (Class I, Class II, and Class III) and provides for different forms of regulation for each class. Class I gaming includes “social games” for minor prizes or “traditional forms of Indian gaming.” Class II gaming is defined to include bingo and card games that are explicitly authorized by the laws of the state, or that are not explicitly prohibited by the laws of the state and are played at any location in the State, so long as the card games are played in conformity with those laws and regulations. Class III gaming includes such things as slot machines, casino games, and banked card games such as black jack and baccarat. Class III gaming may only be conducted under terms of a compact negotiated between an Indian tribe and a State.

IGRA was enacted against a legal background in which Indian tribes and individuals generally are exempt from state taxation within their own territory. IGRA provides that with the exception of assessments permitted under the statute, to defray the State’s costs of regulating gaming activity, IGRA shall not be interpreted as conferring upon a State authority to impose any tax, fee, charge, or other assessment upon an Indian tribe to engage in Class III activity. Nor may a State refuse to enter into negotiations based on the lack of authority to impose such a tax, fee, charge, or other assessment.

When a tribe requests negotiations for a Class III compact, IGRA requires the State to negotiate with the Indian tribe in good faith. IGRA provides a comprehensive process to prevent an impasse in compact negotiations, which is triggered when a tribe files suit alleging that the State has refused to negotiate or has failed to negotiate in good faith.

Before 2000, the California Constitution prohibited Class III gaming. In 2000, California voters approved Proposition 1A, which had been proposed by the Governor and passed by the Legislature. Proposition 1A amended the California Constitution to permit the State to negotiate compacts with federally recognized Indian tribes for certain Class III gaming activities. Because non-Indian parties were still forbidden from operating gaming facilities, Proposition 1A granted Indian tribes a “constitutionally protected monopoly on most types of Class III games in California.”

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

**SUPPORT:** (Verified 3/24/26)

California Tribal Business Alliance

**OPPOSITION:** (Verified 3/24/26)

None received

**ARGUMENTS IN SUPPORT:** According to the California Tribal Business Alliance, “AB 1389 does not change the substantive terms of the compact. It simply preserves continuity under the existing framework through December 31, 2026, and the urgency clause appropriately ensures that ratification takes effect immediately to protect the Tribe’s economic development, stability, and self sufficiency at the earliest possible time.”

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3/26/26 13:49:05

\*\*\*\* **END** \*\*\*\*