
THIRD READING

Bill No: AB 1527
Author: Soria (D), et al.
Amended: 6/23/25 in Senate
Vote: 27 - Urgency

PRIOR VOTE NOT RELEVANT

NOTE: On August 26, 2025, the Senate Governmental Organization Committee held an informational hearing on the fourth amendment between the State of California and the Picayune Rancheria of Chukchansi Indians of California, executed on June 4, 2025.

SUBJECT: Tribal gaming: compact ratification

SOURCE: Author

DIGEST: This bill ratifies the amendment to the tribal-state gaming compact entered into between the State of California and the Picayune Rancheria of Chukchansi Indians of California (Tribe), executed on June 4, 2025.

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 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.

- 3) 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.
- 4) 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.
- 5) Authorizes the Governor, under the California Constitution, to negotiate and conclude compacts, subject to ratification by the Legislature.

This bill:

- 1) Ratifies the amendment to the tribal-state gaming compact entered into between the State of California and the Tribe, executed on June 4, 2025.
- 2) Provides that, in deference to tribal sovereignty, certain actions are not deemed projects for purposes of the California Environmental Quality Act (CEQA); and, stipulate, except as expressly provided, that none of the provisions shall be construed to exempt a city, county, or city and county, or the Department of Transportation, or any state agency or local jurisdiction, from CEQA requirements.
- 3) Contains an urgency clause.

Background

On June 4, 2025, the State of California agreed to a one-year extension with the Tribe which is still operating under their original 1999 compact, to allow the Tribe to operate under the terms of their 1999 compact until December 31, 2026.

The State of California in 1999 and 2000 entered into over 60 tribal-state gaming compacts with tribes in California pursuant to IGRA. These compacts are collectively referred to as the 1999 Compacts. The 1999 Compacts were for an initial 20-year term, with a termination date of December 31, 2020. However, the 1999 Compacts included an automatic 18-month extension to June 30, 2022.

Three years ago, the State of California agreed to an additional 18-month compact extension with approximately 26 tribes that allowed them to operate under the

terms of their 1999 compact until December 31, 2023. Two years ago, the State of California agreed once again to a one-year compact extension with 22 tribes who are still operating under their original 1999 compacts to allow them to operate under the terms of their 1999 compacts until December 31, 2024. Last year, the State of California once again agreed to a one-year compact extension with three tribes, including the Picayune Rancheria of Chukchansi Indians of California, which allowed these tribes to operate under the terms of their 1999 compacts until December 31, 2025. A majority of the tribes with 1999 Compacts now have new compacts, but there are a handful of tribes that are still operating under the 1999 Compacts.

The 1999 Compacts allow, but do not require, the State and a tribe to amend the term of the Tribe's 1999 Compact by mutual and written agreement. To be effective, an amendment solely to extend the term of a 1999 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. The amendment to extend the 1999 Compacts until December 31, 2026 would not preclude the State and the 1999 Compact tribes from agreeing to further extensions should both agree it is appropriate.

The Picayune Rancheria of Chukchansi Indians of California are a federally recognized Indian tribe established by executive order in 1988 by the United States Government. The Picayune Rancheria, founded in 1912 and located in Coarsegold, California, covers 160 acres in Madera County and serves as the tribal land.

Today the Tribe operates the Chukchansi Gold Resort and Casino in Coarsegold, California. According to the casino's internet website, patrons can immerse themselves "in the dynamic atmosphere of our Firehouse Lounge and directly in front of California Market Buffet, where high-energy gaming awaits in a smoke-free haven." The casino boasts a 73,000 square-foot gaming floor and features 2,000 slot machines as well as a selection of 40 table games. Additionally, the facilities include 20 electric vehicle charging stations on the first and fourth floors of the parking garage.

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 8/26/25)

None received

OPPOSITION: (Verified 8/26/25)

None received

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