

## CONCURRENCE IN SENATE AMENDMENTS

AB 1527 (Soria)

As Amended June 23, 2025

2/3 vote. Urgency

**SUMMARY**

Would ratify the Fourth Amendment to the Tribal-State Gaming Compact entered into between the State of California (State) and the Picayune Rancheria of Chukchansi Indians of California (Tribe), executed on June 4, 2025, which would further extend its expiration date to December 31, 2026.

**Senate Amendments**

- 1) Gut and amend the previous Assembly version of the bill.
- 2) Ratify the Fourth Amendment to the Tribal-State Gaming Compact entered into between the State and the Tribe, executed on June 4, 2025 in order to extend the term that the Tribe may continue to operate Class III gaming on its Indian lands.
- 3) Provide 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.
- 4) Add an urgency clause.

*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 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 (U.S.) 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.

## COMMENTS

Note: On September 2, 2025, the Assembly Governmental Organization Committee held informational hearing on the content of the Fourth Amendment to the tribal-state gaming compact between the State of California and the Picayune Rancheria of Chukchansi Indians of California, executed on June 4, 2025, entered into in accordance with the federal Indian Gaming Regulatory Act of 1988.

### *Brief History and Background.*

On June 4, 2025, the State of California agreed to a one-year extension with the Picayune Rancheria of Chukchansi Indians of California (Tribe), which is still operating under their original 1999 Tribal-State Gaming Compact, to allow the Tribe to operate under the terms of their 1999 Compact until December 31, 2026. The preamble to the Compact notes that this Fourth Amendment is not intended by the Tribe or the State to alter any terms of the 1999 Compact, except to extend the termination date and allow the Tribe to continue operating Class III gaming on its Indian lands.

The Tribe is 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.

The State of California in 1999 and 2000 entered into over 60 tribal-state gaming compacts with tribes in California pursuant to the Indian Gaming Regulatory Act (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 agreed to a one-year extension of gaming compacts with three tribes, including the Picayune Rancheria of Chukchansi Indians. The extensions allow these tribes to continue operating under the terms of their original 1999 compacts through December 31, 2025. Although most tribes with 1999 compacts have since negotiated new agreements, a small number continue to operate under the original terms.

The 1999 Compact allows, but does not require, the State and the 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.

According to the Compact's preamble, the Tribe desires to offer for play in its existing gaming facilities off-track satellite wagering on various horse racing. This Fourth Amendment allows the Tribe and the State to negotiate an agreement governing the conduct of such wagering at the Tribe's gaming facility. (Appendix C)

Today, the Tribe operates the Chukchansi Gold Resort & Casino in Coarsegold, California. According to its official website, guests are invited to enjoy "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 resort features a 73,000-square-foot gaming floor, featuring 2,000 slot machines and a selection of 40 table games. For added convenience, 20 electric vehicle charging stations are located on the first and fourth levels of the parking garage.

#### *Additional Background Information.*

*Indian Gaming Regulatory Act.* In 1988, Congress enacted the 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 further provided for general regulatory oversight at the federal level and created the National Indian Gaming Commission (NIGC).

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. All other games are Class III, except for certain social or traditional forms of gaming. Class III games include, but are not limited to the following: baccarat, blackjack, slot machines, and electronic or electromechanical facsimiles of any game of chance. 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."

*Compact Ratification.* The State Constitution, as amended by Proposition 1A of March 2000, permits Indian tribes to conduct and operate slot machines, lottery games, and banked and percentage card games on Indian land. These gambling activities shall only occur if:

- 1) The Governor and an Indian tribe reach agreement on a compact;
- 2) The Legislature approves the compact, and,
- 3) The federal government approves the compact.

The Governor is the designated State officer responsible for negotiating and executing, on behalf of the State, Tribal-State gaming compacts with federally recognized Indian tribes located within the State of California. Following completion of negotiations, the Governor shall submit a copy of any executed Tribal-State compact to both houses of the Legislature for ratification and shall submit a copy of the executed compact to the Secretary of State. The Compact provides that it shall not be presented to the Legislature for a ratification vote until the Tribe has provided the written proof and will provide written proof to the Governor the tribal governing body has ratified it.

#### **According to the Author**

The Compact's preamble notes, "This Fourth Amendment is not intended by the Tribe and the State to change any terms of the 1999 Compact except for extending the termination date, as provided."

#### **Arguments in Support**

The Compact's preamble states that nothing in this Fourth Amendment, the 1999 Compact, or the First, Second, or Third Extensions shall preclude the State and the Tribe from entering into another amendment to further extend the date in section 11.2.1, subdivision (a) of the 1999 Compact."

#### **Arguments in Opposition**

None received

### **FISCAL COMMENTS**

Unknown

**VOTES:****ASM GOVERNMENTAL ORGANIZATION: 22-0-0**

**YES:** Blanca Rubio, Davies, Alvarez, Berman, Bryan, Carrillo, Dixon, Fong, Gabriel, Gipson, Macedo, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Sanchez, Solache, Soria, Ta, Valencia, Wallis

**ASSEMBLY FLOOR: 76-0-3**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Chen, McKinnor, Papan

**UPDATED**

VERSION: June 23, 2025

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