
THIRD READING

Bill No: AB 221
Author: Ramos (D) and Valencia (D), et al.
Amended: 8/29/25 in Senate
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 15-0, 6/24/25

AYES: Padilla, Archuleta, Ashby, Blakespear, Cervantes, Choi, Dahle, Hurtado, Jones, Ochoa Bogh, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson

ASSEMBLY FLOOR: 70-0, 5/29/25 - See last page for vote

SUBJECT: Tribal Nation Grant Fund

SOURCE: California Nations Indian Gaming Association
Tribal Alliance of Sovereign Indian Nations

DIGEST: This bill makes various changes to the Tribal Nation Grant Fund (TNGF) and the processes used by the TNGF Panel (Panel) for awarding grants from the fund's available resources and for distributing funds to eligible tribes, as specified. Specifically, this bill revises the grant distribution by authorizing the Panel to award grants as specific distribution grants to fund a specifically described purpose or project, or as equal shares grants for distribution to eligible tribes in equal amounts, as specified.

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) Authorizes the Governor, under the California Constitution, to negotiate and conclude compacts, subject to ratification by the Legislature.
- 4) Establishes the TNGF, administered by the California Gambling Control Commission (commission), for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. Under existing law, moneys in the TNGF are available, upon appropriation by the Legislature, for the discretionary distribution of funds to nongaming and limited-gaming tribes, as specified. The law requires an eligible tribe requesting a grant to submit an application on a form approved by the Panel and provided by the commission.
- 5) Provides a request for a grant shall be made by submitting an application to the commission on a form approved by the panel and provided by the commission. Unless prohibited by a tribal-state gaming compact or the panel, an eligible tribe may apply for more than one grant, but shall submit a separate application for each grant proposal. Two or more eligible tribes may apply for one grant by submitting a joint application.
- 6) Specifies that a grant shall be used to fund a specifically described purpose or project generally relating to self-governance, developing a self-determined community, and economic development in the application, as defined.
- 7) Provides that an eligible purpose may include, but not limited to, development of curricula in a tribal language or culture, housing, support for compliance with the federal Indian Child Welfare Act, vocational training, community development, investments in tribal schools and colleges, support of tribal government institutions and tribal courts, nongaming economic diversification, or investment in public health, information technology, renewable energy, water conservation, cultural preservation or awareness, educational programs, or scholarships.
- 8) Authorizes the Panel, in its discretion and based upon the purpose or project set forth in the application, to require an eligible tribe to encumber or expend any or all of a grant within a specified period of time, as described. Existing law requires each eligible tribe and each individual applying on behalf of each

eligible tribe to agree to return to the fund any amount of a grant not encumbered or expended, as specified.

- 9) Prohibits grants from being used to pay a per capita distribution to tribal members or an investment in a purpose or project related to any gaming operation or activity.
- 10) Requires the Commission to prepare and post on its Internet Web site a report detailing the status of grants and other distributions made from the TNGF for the previous fiscal year.
- 11) Requires the Governor's Tribal Advisor, to provide an annual report to the Legislature on the status of the TNGF relating to the program's activities and resources needed to maintain the program, as specified.
- 12) Establishes the Indian Gaming Revenue Sharing Trust Fund (RSTF) and the Indian Gaming Special Distribution Fund (SDF) in the State Treasury for the receipt and deposit of money's received by the state from Indian tribes pursuant to terms of tribal-state gaming compacts entered into with the State of California, as specified.

This bill:

- 1) Provides that grants may be made as specific distribution grants to fund a specifically described purpose or projects, or as equal shares grants for distribution to eligible tribes in equal amounts. An eligible tribe may apply for both types of grants.
- 2) Requires that a request for a specific distribution grant shall be made by submitting a specific distribution grant application on a form developed by the Panel.
- 3) Provides that a specific distribution grant shall be used to fund specifically described purposes or project generally relating to self-governance, developing or sustaining a self-determined community, and economic development, as specified.
- 4) Requires that a request for an equal shares grant shall be initially be made by submitting an equal shares grant application on a form developed by the Panel, as specified. Each year thereafter, the application shall automatically renew

subject to the Panel's annual independent verification that the applicant is an eligible tribe.

- 5) Requires that an equal shares grant shall be used to fund purposes generally related to self-governance, developing or sustaining a self-determined community, and economic development.
- 6) Requires that an application form developed for an equal shares grant shall include both of the following:
 - a) Information necessary to establish that the applicant is an eligible tribe.
 - b) A certification from the eligible tribe that the funds shall be used for self-governance, developing or sustaining a self-determined community, or economic development, and shall not be used for prohibited purposes, as defined.
- 7) Requires the Panel to meet to consider grant applications at least annually. To the extent required by applicable tribal-state gaming compacts or Class III gaming secretarial procedures, the Panel shall award grants on a competitive application basis, as specified.
- 8) Requires the Panel to distribute as equal shares grants \$600,000 per eligible tribe, or at least 85% of the available moneys in the fund, whichever is greater, to all eligible tribes that submitted a completed grant application or whose application was automatically renewed by the deadline established by the Panel.
- 9) Authorizes the Panel to distribute as specific distribution grants the remaining available moneys in the fund that were not distributed to eligible tribes that submitted a completed specific distribution grant application by the deadline established by the Panel. The Panel may award a specific distribution grant in an amount less than requested in an application.
- 10) Removes the authority of the Panel to require an eligible tribe to encumber or expend any or all of a grant within specified period of time.
- 11) Redefines "eligible tribe" to also include a tribe with a class III gaming secretarial procedures.

- 12) Defines “equal shares grant” to mean an annual grant awarded by the Panel to an eligible tribe in an amount that is equal to that which is awarded to other eligible tribes.
- 13) Defines “specific grant” to mean a grant awarded by the Panel to an eligible tribe for a specific purpose.
- 14) Makes technical and clarifying changes.

Background

Author’s Statement. According to the author’s office, “the Tribal Nation Grant Fund was established as a means for federally recognized tribes to fund effective self-governance and other vital tribal programs. However, the current structure in place has struggled to provide the consistent funding needed to sustain these programs, which include housing, support for compliance with the Indian Child Welfare Act, investments in tribal schools and colleges, investment in public health, public safety, cultural preservation, or educational programs. With AB 221, we aim to streamline the system to provide equal annual grants to eligible federally recognized tribes, which would support funding for these vital tribal programs. This is crucial for economically disadvantaged tribes, which only emphasizes the importance of streamlining the system to ensure they get the funding needed.”

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."

Compact Ratification in California. The California State Constitution, as amended by Proposition 1A in 2000, permits Indian tribes to conduct and operate slot machines, lottery games, and banked and percentage card games on Indian land. These gambling activities can 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 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 is required to 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.

Tribal Nation Grant Fund. The TNGF is a fund created through many of the California tribal-state compacts for the purposes of effective self-governance, self-determined community, and economic development. The 2012 tribal-state gaming

compact between the State of California and the Federated Indians of Graton Rancheria was the first compact to provide for the TNGF. Since that time, numerous tribal-state compacts have included the TNGF.

In September 2018, Governor Jerry Brown signed AB 880 (Gray, Chapter 801, Statutes of 2018) which established the TNGF in law. The bill also established, within state government, the Panel that is composed of nine total members, and the Tribal Nation Grant Fund program, through which the panel may award grants and make other distributions from the fund to eligible tribes, as defined, with the assistance from the Tribal Advisor, the Bureau of Gambling Control, and the Commission, as specified. Only non-gaming and limited gaming (350 or fewer gaming devices) tribes in California are eligible for these funds. Approximately 72 tribes are eligible for participation in the program.

Eligible tribes can apply for more than one grant, and more than one eligible tribe can apply jointly, but the funds cannot be used for gaming or per capita payments. Eligible purposes or projects may include, but are not limited to, development of curricula in a tribal language or culture, housing, support for compliance with the federal Indian Child Welfare Act, vocational training, community development, investments in tribal schools and colleges, support of tribal government institutions and tribal courts, non-gaming economic diversification, or investment in public health, information technology, renewable energy, water conservation, cultural preservation or awareness, educational programs, or scholarships.

The Panel of tribal leaders, with the assistance of the Governor's Tribal Advisor, is responsible for awarding grants and other distributions from the fund to eligible tribes and for creating the policies for the administration of the TNGF program, pursuant to the provisions of the TNGF authorizing legislation.

In fiscal year 2019-20, the Panel established the Equal Distribution Grant as the first grant under the TNGF program. Designed to be as accessible as possible while remaining compliant with the law, the initial grant was approved at \$400,000 per eligible tribe. Tribes were encouraged to apply based on the priorities, needs, and opportunities specific to their communities. The Panel awarded 65 grants of \$400,000 each to eligible tribes, funding various programs and projects for a total distribution of \$26 million. Several of these grants were later redirected to eligible purposes to address challenges related to COVID-19, as specified. Since fiscal year 2021-22, the Panel has continued to award Equal Distribution Grants annually through the TNGF program. The grants have ranged each year from \$450,000 to \$600,000 per eligible tribe.

The Panel created the COVID-19 Emergency Grant to enable tribes to quickly prepare for and respond to the threat of the COVID-19 virus. Funds from this grant were allocated to develop programs, procure essential supplies, and implement measures based on public health guidance to address the pandemic's impact. Under this initiative, 62 tribes each received \$245,000 in funding.

In fiscal year 2022-23, the Panel created the Emergency Response Grant for eligible tribes to respond to and provide relief for the immediate impacts of unexpected situations that threaten the health and safety of tribal communities and require emergency action. Tribes were able to use Emergency Response Grant funds to fund programs, procure supplies, and respond to or provide relief for the immediate impacts of unexpected situations that threaten the health and safety of tribal communities and require emergency action. This grant was available on a rolling basis and tribes could apply for up to \$100,000 per emergency event. Nine tribes were awarded grants by the Panel.

In fiscal year 2022-23, a Capacity Building Grant was established to support eligible tribes in strengthening their ability to pursue and secure sustainable community and economic development. The Panel awarded \$500,000 to 37 eligible tribes, resulting in a total grant distribution of \$18.5 million. Additionally, the Panel approved an Equal Distribution Grant for eligible tribes. Each tribe received \$450,000, with a total of more than \$11 million awarded among 25 eligible tribes. Eligible tribes were required to be in compliance with all outstanding TNGF grants.

In 2024, Equal Distribution Grants were designed to ensure maximum accessibility while adhering to legal requirements. The approved amount was set at \$600,000 per eligible tribe. Applications meeting the Grant's minimum requirements were approved through a vote by the Panel during their June 2024 meeting. Eligible tribes were required to be in compliance with all outstanding TNGF grants.

Under AB 221, eligible non-gaming and limited gaming tribes who apply would receive annual equal grants of \$600,000, or at least 85% of the available monies in the fund, whichever is greater. The grants would be used to fund effective self-governance, self-determined community, economic development, and other vital tribal programs and services including housing, support for compliance with the Indian Child Welfare Act, vocational training, investments in tribal schools and colleges, investment in public health, public safety, renewable energy, water conservation, cultural preservation or awareness, educational programs, or scholarships, and more. These equal grants would be distributed on a quarterly

basis and are projected to increase revenue sharing payments to eligible tribal governments by nearly 55%.

The author states that “a consistent equal distribution grant from the TNGF would help stabilize funding for eligible tribal governments. This would augment the existing \$1.1 million distribution from the RSTF, pursuant to tribal-state gaming compacts, by \$600,000 or more per year. AB 221 will not result in new costs to the state.”

Definitions of Gaming or Non-Gaming Tribe. A “Non-Gaming Tribe” is a federally recognized tribe in California, with or without a tribal-state Class III gaming compact or Secretarial Procedures, that has not engaged in, or offered, Class II gaming or Class III gaming in any location whether within or without California, as of the date of distribution to such tribe from the Revenue Sharing Trust Fund or the Tribal Nation Grant Fund, or during the immediately preceding 365 days.

A “Limited-Gaming Tribe” is a federally recognized tribe in California that has a Class III gaming compact with the State or Secretarial Procedures but is operating fewer than a combined total of 350 gaming devices in all of its gaming facilities or other facilities wherever located, or does not have a Class III gaming compact but is engaged in Class II gaming, whether within or without California, during the immediately preceding 365 days.

Revenue Sharing Trust Fund. Existing law creates in the State Treasury the RSTF for the receipt and deposit of moneys derived from gaming device license fees that are paid into the RSTF pursuant to the terms of specified tribal-state gaming compacts for the purpose of making distributions to non-compacted California tribes (e.g., federally-recognized non-gaming tribes and tribes that operate casinos with fewer than 350 slot machines). Revenue in the RSTF is available to the Commission, upon appropriation by the Legislature, for making distributions of \$1.1 million annually to non-compact tribes. The RSTF was created as part of the 1999 compacts, which, in conjunction with the passage of Proposition 1A, created gaming compacts with approximately 60 California tribes. Non-compact tribes are considered third-party beneficiaries of the 1999 compacts.

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

According to the Senate Appropriations Committee, unknown fiscal impact to the Gambling Control Commission for workload associated with administering the TNGF. The Commission notes there may be workload associated with managing

and tracking an ever-growing number of grants. This increased workload may be absorbable, to the extent the Commission may streamline TNGF distribution workload with its other fund distribution responsibilities.

SUPPORT: (Verified 8/28/25)

California Nations Indian Gaming Association (Co-source)

Tribal Alliance of Sovereign Indian Nations (Co-source)

Agua Caliente Band of Cahuilla Indians

Barona Band of Mission Indians

Big Valley Band of Pomo Indians

Cahuilla Band of Indians

California Chamber of Commerce

CDP Rural Caucus

Elk Valley Rancheria, California

Enterprise Rancheria

Federated Indians of Graton Rancheria

Habematolel Pomo of Upper Lake

Iipay Nation of Santa Ysabel

Karuk Tribe

Middletown Rancheria

Morongo Band of Mission Indians

North Fork Rancheria of Mono Indians of California

Pechanga Band of Indians

Pit River Band

Pulikla Tribe of Yurok People

Redding Rancheria

Santa Rosa Rancheria of Tachi Yokuts Tribe

Santa Ynez Band of Chumash Indians

Scotts Valley Band of Pomo Indians

Soboba Band of Luiseno Indians

Sycuan Band of the Kumeyaay Nation

Table Mountain Rancheria

Tejon Indian Tribe

Tule River Indian Tribe of California

Twenty-nine Palms Band of Mission Indians

Viejas Band of Kumeyaay Indians

Yocha Dehe Wintun Nation

Yuhaaviatam of San Manuel Nation

Yurok Tribe

OPPOSITION: (Verified 8/28/25)

None received

ARGUMENTS IN SUPPORT: According to the California Nations Indian Gaming Association, “following months of statewide discussions, tribal leaders reached consensus on the need to simplify and streamline the TNGF grant process. This new streamlined system would provide equal annual grants, paid quarterly, to all eligible federally recognized nongaming and limited gaming tribes that apply. Under AB 221, eligible tribes who apply would receive annual equal grants of \$600,000, or at least 85% of the available moneys in the fund - a nearly 55% increase in revenue sharing payments to eligible tribal governments. This funding would support vital tribal programs including effective self-governance, economic development, housing, vocational training, tribal education, public health and safety, renewable energy, water conservation, cultural preservation, and scholarships.”

ASSEMBLY FLOOR: 70-0, 5/29/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, 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, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Stefani, Ta, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Alvarez, Bryan, Chen, Nguyen, Sharp-Collins, Solache, Soria, Tangipa, Ward

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9/2/25 17:50:00

**** **END** ****