
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

Senator Susan Rubio

Chair

2025 - 2026 Regular

Bill No: AB 2539 **Hearing Date:** 6/9/2026
Author: Ramos
Version: 2/20/2026 Introduced
Urgency: No **Fiscal:** No
Consultant: Felipe Lopez

SUBJECT: Tribal-state gaming compacts: ratification

DIGEST: This bill extends the review period for tribal-state gaming compacts submitted during a joint recess from the 15th day to the 20th day after the Legislature reconvenes. Current law provides that any tribal-state gaming compact, executed after the 1999 compacts, is deemed ratified if the compact is substantially similar to a previously approved compact, unless either house of the Legislature rejects the compact within 30 days of its submission. If the 30-day review period expires during a joint recess of the Legislature, current law extends the review period until the 15th day following the Legislature's reconvening.

ANALYSIS:

Existing law:

- 1) Provides, under the federal Indian Gaming Regulatory Act of 1988 (IGRA), for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands with the state.
- 2) Authorizes the Governor to negotiate and conclude tribal-state gaming compacts, subject to ratification by the Legislature.
- 3) Provides that any other tribal-state gaming compact entered into between the state and a federally recognized Indian tribe that is executed after September 10, 1999, is ratified if it is identical in all material respects to any of the compacts expressly ratified by these provisions and if the compact is not rejected by each house of the Legislature within 30 days of the date of the submission of the compact to the Legislature by the Governor. If the 30-day period ends during a joint recess of the Legislature, existing law extends the period to reject the compact until the 15th day following the day that the Legislature reconvenes.

This bill extends the review period for tribal-state gaming compacts submitted during a joint recess from the 15th day to the 20th day after the Legislature reconvenes.

Background

Author Statement. According to the author's office, "this bill makes a technical change allowing for additional time if a compact is before the legislature and the exclusive period ends during recess. This would provide an additional five days of the current 15 following when the legislature reconvenes."

Indian Gaming Regulatory Act. In 1988, Congress enacted the Indian Gaming Regulatory Act (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 as including 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 blackjack 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 Governor 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 Process in California. The California Constitution, as amended by Proposition 1A in 2000, authorizes federally recognized Indian tribes to conduct and operate slot machines, lottery games, and banked and percentage cards games on Indian lands, provided that all of the following conditions are met:

- 1) The Governor and an Indian tribe enter into a tribal-state compact;
- 2) The Legislature approves the compact; and
- 3) The federal government approves the compact.

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. Existing law provides that any other tribal-state gaming compact, executed after the 1999 Compacts, is deemed ratified if the compact is identical in all material respects to a compact previously ratified by statute, unless either house of the Legislature rejects the compact within 30 days of its submission. If the 30-day review period expires during a joint recess of the Legislature, existing law extends the review period until the 15th day following the Legislature’s reconvening.

This bill extends the review period for tribal-state gaming compacts submitted during a joint recess from the 15th day to the 20th day after the Legislature reconvenes.

Prior/Related Legislation

AB 2695 (G.O. 2012) would have repealed and renumbered sections of the Government Code relating to Indian gaming into one stand-alone Title in the Government Code. (Held in the Senate Inactive File)

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

SUPPORT:

None received

OPPOSITION:

None received