

SENATE THIRD READING

SB 1235 (Committee on Governmental Organization)

As Introduced August 18, 2026

Majority vote

SUMMARY

This bill would ratify the following tribal-state gaming compact and amendments to tribal-state gaming compacts entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (IGRA):

- 1) The 5th Amendment to the Tribal-State gaming compact entered into between the State of California and the Picayune Rancheria of Chukchansi Indians of California
- 2) The Tribal-State gaming compact between the State of California and the Fort Mojave Indian Tribe.
- 3) The First Amendment to the Tribal-State gaming compact entered into between the State of California and the Pechanga Band of Indians.

Major Provisions

- 1) Ratify the Fifth Amendment to the Tribal-State compact between the State of California and the Picayune Rancheria of Chukchansi Indians of California, executed on June 11, 2026.
- 2) Ratify the Tribal-State compact between the State of California and the Fort Mojave Indian Tribe, executed on July 20, 2026.
- 3) Ratify the First Amendment to the Tribal-State compact between the State of California and the Pechanga Band of Indians, executed on August 5, 2026.
- 4) 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.
- 5) Declare that it is to take effect immediately as an urgency statute.

Existing Law:

- 1) Provides, under 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 August 11, 2026, the Assembly Committee on Governmental Organization held an informational hearing regarding the content of the tribal-state compacts for the above-mentioned tribes.

Background.

Background on Picayune Rancheria of Chukchansi Indians of California Amended Compact:

On June 11, 2026, 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, 2027.

The preamble to the Compact notes “the Tribe and the State agreed to execute this Fifth Amendment to the Tribal-State Compact between the State of California and the Picayune Rancheria of Chukchansi Indians of California further extending its expiration date in order to extend the term that the Tribe may continue operating Class III gaming on its Indian lands.”

The State of California in 1999 and 2000 entered into over 60 tribal-state gaming compacts with tribes in California pursuant to the 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.

Four 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. Three 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. Two years ago, the State 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. Last year, the State once again agreed to a one-year extension with the Picayune Rancheria of Chukchansi Indians of California, which allowed the Tribe to continue to operate under the terms of their 1999 compact until December 31, 2026. 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 Compact until December 31, 2027, would not preclude the State and the Tribe from agreeing to further extensions should both agree it is appropriate.

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. 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.

Background on Fort Mojave Indian Tribe Compact:

The Tribal-State Gaming Compact (Compact) between the Fort Mojave Indian Tribe (Tribe) and the State was executed on July 20, 2026.

The Fort Mojave Indian Tribe is a federally recognized tribe located along the Colorado River in the vicinity of Needles, California. The Tribe's reservation covers nearly 42,000 acres in the tri-state area of Arizona, California, and Nevada. The Tribe currently operates the Avi Resort and Casino in Laughing, Nevada, and the Spirit Mountain Casino in Arizona. According to the 2018-2022 U.S. Census, there are approximately 1,572 individuals living on the Fort Mojave Reservation or Trust Land, most of whom live in four more or less equal-sized communities.

The Compact authorizes the Tribe to operate a maximum of 1,200 slot machines at no more than two gaming facilities located on eligible Indian lands held in trust for the Tribe.

The Tribe has agreed to pay the State its pro rata share of costs the State incurs for the performance of its duties under the Compact. The Compact does not require the Tribe to pay into the Revenue Sharing Trust Fund (RSTF) or the Tribal Nation Grant Fund (TNGF).

If the Tribe operates 350 or more gaming devices (slot machines), an Impact Mitigation Fund shall be established for purposes of providing assistance to non-tribal law enforcement, emergency services, and service agencies with demonstrated impacts from the gaming facilities and to deposit into the Impact Mitigation Fund one-half of one percent (0.5%) of its Net Win for each fiscal year.

One of the Tribe's gaming facilities can be placed on land acquired in the future, as long as that land is (1) part of a narrow universe of identified parcels near the Tribe's existing reservation and (2) subject to a future two-part determination, including a future Governor's concurrence. This amendment preserves a future Governor's authority to concur or not concur in the future two-part determination, but will avoid the need for a further compact amendment if there is a future two-part determination in which a future Governor concurs.

Certain terms of the Compact related to licensing, regulatory, patron protection, and public health provisions are substantially the same as recent compacts. Specifically, the Compact includes a Tribal Labor Relations Ordinance (TLRO), which provides that gaming may commence only after the Tribe has adopted a TLRO that allows for a secret ballot election and union neutrality.

While the Tribe entered into a tribal-state gaming compact with the State of California in 2004 which authorized the Tribe to operate up to 1,500 slot machines, the Tribe does not operate a casino in California. The Tribe also operates Avi Resort and Casino in Laughlin, Nevada.

The Compact's preamble states, "the State and the Tribe have a legitimate interest in promoting the purposes of the IGRA for all federally recognized Indian tribes in California, whether gaming or non-gaming, and share a joint sovereign interest in ensuring that tribal gaming activities are free from criminal and other undesirable elements."

Once effective (legislative ratification and federal approval required), this Compact will be in full force and effect for 25 years following the effective date.

Key Provisions of the Fort Mojave Indian Tribe Compact:

Scope of Class III Gaming Authorized. The Tribe is authorized to operate up to 1,200 slot machines, banking or percentage card games, and any devices or games that are authorized under state law to the California State Lottery, provided that the Tribe will not offer such games through use of the Internet unless others in the state not affiliated with or licensed by the California State Lottery are permitted to do so under state and federal law. The Tribe can operate off-track wagering on horse races at a satellite wagering facility pursuant to the requirements outlined in the Compact. The Tribe shall not engage in Class III gaming that is not expressly authorized in the Compact.

Authorized Gaming Facility. The Tribe may establish and operate no more than two gaming facilities and engage in Class III gaming only on eligible Indian lands held in trust for the Tribe, located within the boundaries of the Tribe's reservation, and on lands located near Needles, CA, if those lands are placed into trust and such lands are subject to a favorable two-part determination, as specified.

Payments to the Special Distribution Fund (SDF). The Tribe shall pay to the State, on a pro rata basis, the costs the State incurs for the performance of all its duties under this Compact, as

established by the monies appropriated in the annual Budget Act for the performance of their duties under Class III gaming compacts.

Payments to the RSTF or the TNGF. The Compact does not require the Tribe to pay into either the RSTF or the TNGF.

Distribution by Tribe to Local Governments. If the Tribe operates more than 350 gaming devices the Compact requires the Tribe to pay 0.5% of Net Win to an Impact Mitigation Fund and distribute those funds to non-tribal law enforcement, emergency services, and service agencies with demonstrated impacts from the gaming facilities, as specified. The Tribe will distribute funds from the Impact Mitigation Fund to neighboring jurisdictions, public agencies, and local charitable organizations to mitigate impacts upon those entities resulting from the operation of the gaming facilities, or other purposes as the Tribe may see fit, consistent with the request of a recipient.

Exclusivity. Provides that in the event the exclusive right of Indian tribes to operate Class III gaming in California pursuant to the California Constitution is abrogated by the enactment, amendment, or repeal of a state statute or constitutional provision or the conclusive and dispositive judicial construction of a statute or the State Constitution by a California appellate court after the effective date of this Compact, that gaming devices may lawfully be operated by non-Indian entities, the Tribe shall have the right to terminate this Compact, as specified.

Labor Provisions. Provides that the gaming activities authorized by this Compact may only commence after the Tribe has adopted an ordinance identical to the TLRO, referenced as Appendix D of the Compact, and the gaming activities may only continue as long as the Tribe maintains the ordinance. If the Tribe employs 250 or more persons in a tribal casino facility, then the provisions of the TLRO become effective. The TLRO makes it clear that employees shall have the right to self-organization, to form, to join, or assist employee organizations, to bargain collectively through representatives of their own choosing. The TLRO provides for a secret ballot election and union neutrality. After the certification that 30% of the eligible employees in a bargaining unit have expressed an interest in the union, a notice of election shall be issued, and the election shall be concluded within 30 calendar days thereafter. Employees may mail in ballots provided they are received by election day. Union representation requires an affirmative vote of 50% plus one of all votes cast.

Background on Pechanga Band of Indians Amended Compact:

The Pechanga Band of Indians is a federally recognized tribe located in Riverside County, specifically Temecula, California. Temecula is named after Pechanga's ancestors, the Temecula Indians (Temeekuyam), who lived in Temeekunga ("the place of the sun"). The Pechanga Indian Reservation was established by Executive Order of President Chester A. Arthur on June 27, 1882, formally recognizing the Tribe's sovereignty and land-base. The Tribe has over 1,800 members and about 300 tribal member households live on the reservation.

The First Amendment to the Tribal-State Gaming Compact (Amended Compact) between the State of California and Pechanga Band of Indians, a federally recognized Indian tribe was executed on August 5, 2026. The Amended Compact amends an existing 2016 Compact, to avoid potential litigation after the Ninth Circuit's decision in Chicken Ranch (see below). The Amended Compact allows the Tribe to operate an additional 1,000 machines, bringing its total authorization up to 6,500 slot machines. The Amended Compact extends the prior 2016 Compact

by approximately 20 years, through December 31, 2060, in exchange for the Tribe's agreement not to challenge the revenue-sharing terms during the term of the Amended Compact.

In 2016, the Tribe entered into a new tribal-state compact—ratified by AB 2358 (Statutes of 2016)—authorizing up to 5,500 gaming devices (slot machines) at no more than two gaming facilities located on those Indian lands held in trust for the Tribe. Under the terms of the 2016 Compact, the Tribe has agreed to pay into the Special Distribution Fund (SDF) its pro rata share of costs the State incurs for the performance of its duties.

The Tribe's 2016 Compact also requires the Tribe to pay \$21 million to "Local Community Credit Fund (Fund)" which was established to provide funding to local jurisdictions for such things as improved fire, law enforcement, public transit, education, tourism, or other services. Rather than payments into the California Native American Education and Scholarship Fund, the Amended Compact requires the Tribe to pay an additional \$3 million into the Fund beginning on January 1, 2027. Every year thereafter, the Tribe is required to pay an additional \$2 million per year until reaching \$32 million per year. The Amended Compact provides that the Tribe, in its sole discretion, can decrease the annual amount payable into the Fund, provided that the annual amount shall never be reduced by \$21 million. The Amended Compact makes it clear that the Tribe "makes this decision in the exercise of its sovereignty and in furtherance of its longstanding commitment to the beneficial projects and purposed served by the Fund."

The Amended Compact also contains standard clean-up terms to ensure consistency with the Ninth Circuit's 2022 decision in *Chicken Ranch*, which limited the State's ability to negotiate compact provisions concerning environmental review, family law, and broad tort coverage. Additionally, the amendments maintain streamlined, updated procedures for resolving patron disputes and provide clarification on the application of building codes.

The Amended Compact's preamble states, "the Tribe and State recognize the need for flexibility to respond to changing economic conditions, and agree this Amendment will provide for such flexibility; and the Tribe and the State have a common interest in ensuring the RSTF, which benefits non-gaming and limited gaming tribes, is adequately funded.

The Tribe's current compact is scheduled to expire in December 2041. The Amended Compact shall be in full force and effect until December 31, 2060.

The Tribe currently operates the Pechanga Resort and Casino, which first opened in 2002 and currently employs more than 4,600 people. According to the Tribe's website, the Pechanga Resort and Casino has one of the largest casino floors in the country with 200,000 square feet of gaming space that features, 5,500 slot machines, 152 table games, a High Limit Salon and private rooms. The Tribe also operates a golf course, recreational vehicle resort, food mart, and full-service gas station and mini-mart. The Resort and Casino is the Temecula Valley's number one employer and the second-largest private employer in the County.

Key Provisions of the Pechanga Band of Indians Amended Compact:

Additional Gaming Devices Authorized. The Amended Compact authorizes the Tribe to operate up to 6,500 Gaming Devices (slot machines). The Tribe's 2016 Compact authorized the Tribe to operate up to 5,500 slot machines.

Definition of Gaming Facility. The Amended Compact changes the definition of “Gaming Facility” to mean the buildings or structures in which Class III gaming, as authorized by this Compact is conducted. This change is consistent with recent tribal-state compacts and aligns with the Chicken Ranch Decision.

Lands Eligible for Gaming. The Tribe may establish and operate not more than two gaming facilities and engage in Class III gaming only on eligible Indian lands held in trust for the Tribe, located within the boundaries of the Pechanga Reservation as those boundaries exist as of the execution date of this Amended Compact and on which Class III gaming may lawfully be conducted under IGRA, as legally described in, and represented on the map at Appendix A hereto. The Amended Compact deletes a prohibition against the second gaming facility having more than 500 gaming devices.

Use of Special Distribution Funds. Revenue placed in the SDF shall be available for appropriation by the Legislature for the purposes specified in California Government Code section 12012.85 consistent with IGRA.

Environmental Impact Analysis. Consistent with the Chicken Ranch Decision, the Amended Compact deletes provisions in the 2016 Compact that required the Tribe to prepare a tribal environmental impact report analyzing the potentially significant off-reservation environmental impacts of the construction of a Gaming Facility.

Deletion of California Native American Education and Scholarship Fund. The Amended Compact deletes the requirement that the Tribe pay \$3 million into the California Native American Education and Scholarship Fund which was created to provide scholarships for non-gaming and limited-gaming tribes.

Additional Payments to the Local Community Credit Fund. The Tribe’s 2016 Compact requires the Tribe to pay \$21 million to “Local Community Credit Fund (Fund)” which was established to provide funding to local jurisdictions for such things as improved fire, law enforcement, public transit, education, tourism, or other services. Rather than payments into the California Native American Education and Scholarship Fund, the Amended Compact requires the Tribe to pay an additional \$3 million into the Fund beginning on January 1, 2027. Every year thereafter, the Tribe is required to pay an additional \$2 million per year until they reach \$32 million per year. The Amended Compact provides that the Tribe, in its sole discretion, can decrease the annual amount payable into the Fund, provided that the annual amount shall never be reduced by \$21 million. The Amended Compact makes it clear that the Tribe “makes this decision in the exercise of its sovereignty and in furtherance of its longstanding commitment to the beneficial projects and purposed served by the Fund.”

Economic Downturn. The Amended Compact provides that in the event that the Tribe’s annual gross gaming revenue decreases by 20% or more in a given fiscal year, the Tribe shall no longer be required to pay the annual amounts into the Fund until the Tribe’s annual gross gaming revenues has recovered to the level at which it was before the decrease of 20% or more.

Child and Spousal Support Orders. Like recent compacts and consistent with the Chicken Ranch Decision, the Amended Compact deletes current provisions in the Tribe’s 2016 Compact that require the Tribe, with respect to the earnings of any person employed at the gaming facility, to comply with all earnings withholding orders for support of a child, spouse, or former spouse.

Covenant not to Sue. The Amended Compact prohibits both the Tribe and the State from directly or indirectly initiating, or participating in any action or lawsuit challenging the enforceability of the definitions in the Compact, except as expressly mutually agreed to by both parties.

Additionally, both parties shall not encourage, assist, or cause any person, organization, or entity to do so. The Amended Compact also prohibits the Tribe from directly or indirectly initiating or participating in any action or lawsuit arising from or relating to the validity or enforceability of the Compact's provisions relating to the SDF, the RSTF, or the TNGF, regardless of any subsequent court or administrative interpretation of the validity of those provisions under IGRA for the duration of the term of this Compact.

Insurance Coverage and Claims. The Amended Compact deletes current tort law provisions in the Tribe's 2016 Compact and instead requires the Tribe to establish written procedures for the disposition of tort claims arising from personal injury or property damage alleged to have been suffered by any person who is a patron of the gaming facility. The Tribe is required to provide coverage in an amount no less than \$10 million per occurrence.

Patron Disputes. The Tribal Gaming Agency shall promulgate regulations governing patron disputes over the play or operation of any game, including any refusal to pay to a patron any alleged winnings from any gaming activities, which regulations must meet minimum standards, as described.

Withdrawal or Expiration of Pending Amendment. The parties agree that the Tribe may choose to withdraw this First Amendment at any time prior to ratification by the California Legislature. In that event, or if this First Amendment does not take effect by December 31, 2026 (unless the Tribe and the State agree in writing to extend that date) for any other reason, it shall be deemed null and void, and the 2016 Compact shall remain in full force and effect as it existed prior to this First Amendment.

Extension of Compact. The Tribe's current compact is scheduled to expire in December 2041. The Amended Compact shall be in full force and effect until December 31, 2060.

Additional Background Information:

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.

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. Tribal-state compacts cannot be presented to the Legislature for ratification until the tribe provides the Governor with written proof of the signatory's authority and formal ratification by the tribal governing body. The federal government must approve the compact. Pursuant to IGRA, the Secretary may disapprove a proposed compact only if it violates IGRA, any other provision of federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligation of the United States to Indians. 25 U.S.C. Section 2710(d)(8)(B).

Indian Gaming Regulatory Act. In 1988, Congress enacted the Indian Gaming Regulatory Act (IGRA) to establish a statutory framework for the operation and regulation of gaming on Indian lands. Under IGRA, an Indian tribe may conduct gaming activities on its lands if the activity “is not specifically prohibited by federal law and is conducted within a State that 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 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 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."

Rincon Decision. In 2004, the Rincon Band of Mission Indians sued the State of California in federal court after negotiations for a new gambling agreement with then-Governor Schwarzenegger fell apart. The Tribe believed the Governor was violating federal law by insisting that tribes pay money into the state's General Fund in exchange for more slot machines.

In July 2011, the U.S. Supreme Court declined to review a Ninth Circuit Court's decision that ruled the state could not require the Rincon Band tribe to pay a percentage of slot machine revenue into California's General Fund for more gaming devices. The Ninth Circuit had affirmed a lower court decision that the new financial concessions were nothing more than a state tax on tribal casino revenues, which is prohibited by IGRA. The court concluded that a “non-negotiable, mandatory payment of 10% of net win into the State treasury for unrestricted use yields public revenue and is [therefore] a tax and that the court was therefore required to consider the State’s demand as evidence of bad faith under IGRA’s statutes.”

The Rincon decision has changed the dynamics of tribal-state compact negotiations in California.

Chicken Ranch Rancheria Decision. In 2021, the Chicken Ranch Rancheria of Me-Wuk Indians, along with four other tribes—the Blue Lake Rancheria, Chemehuevi Indian Tribe, Hopland Band of Pomo Indians, and Robinson Rancheria—filed suit against the State of California and Governor Gavin Newsom. The tribes alleged that the state violated IGRA by failing to negotiate new Class III gaming compacts in good faith.

According to the complaint, California insisted on compact terms covering family law, environmental regulation, and tort liability—subjects that the tribes argued were outside IGRA’s limited scope, which allows negotiation only on matters directly related to the operation of gaming activities. In July 2022, the Ninth Circuit Court of Appeals upheld the district court’s finding that California’s demands exceeded IGRA’s bounds and therefore constituted bad-faith negotiation. The court ordered the parties to move forward under IGRA’s remedial process. Under that process, if the parties are ultimately not able to agree on a compact, a mediator reviews each side’s “last best offer” and selects the proposal that best aligns with federal law, and the U.S. Department of the Interior (through the Assistant Secretary for Indian Affairs) issues Secretarial Procedures regulating the tribe’s gaming operation without state involvement.

This outcome was viewed by Indian tribes as a significant affirmation of tribal sovereignty and a rejection of state overreach in tribal gaming regulation. The Governor’s office believes the terms of this Compact are consistent with this court decision.

According to the Author

The Compact’s preamble notes that “the Tribe and the State have concluded that these compacts protect the interests of the Tribe and its members, the surrounding community, and the California public, and will promote and secure long-term stability, mutual respect, and mutual benefit.”

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Unknown.

VOTES

SENATE FLOOR: 38-0-2

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Menjivar, Seyarto

ASM GOVERNMENTAL ORGANIZATION: 18-0-3

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

ABS, ABST OR NV: Carrillo, Macedo, Valencia

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

VERSION: August 18, 2026

CONSULTANT: Eric Johnson / G.O. / (916) 319-2531

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