

AMENDED IN ASSEMBLY SEPTEMBER 7, 1999

AMENDED IN SENATE AUGUST 26, 1999

AMENDED IN SENATE AUGUST 17, 1999

Senate Constitutional Amendment

No. 7

Introduced by Senators Polanco and Murray Brulte

~~(Principal coauthor: Assembly Member Runner)~~

~~(Coauthors: Assembly Members Hertzberg and
Washington)~~

~~(Coauthors: Senators Alarcon, Hughes, Johannessen, Lewis,
McPherson, Peace, Rainey, and Wright)~~

~~(Coauthors: Assembly Members Anestad, Ashburn, Bates,
Cardenas, Cox, Ducheny, Firebaugh, Florez, Granlund,
Kaloogian, Longville, Maddox, Maldonado, McClintock,
Olberg, Pescetti, Runner, Soto, Strickland, Wright, and
Zettel)~~

February 26, 1999

Senate Constitutional Amendment No. 7—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending ~~Section 4 of Article XI thereof, relating to counties.~~ *Section 19 of Article IV thereof, and by adding Article XXXV thereto, relating to gambling.*

LEGISLATIVE COUNSEL'S DIGEST

SCA 7, as amended, Polanco. ~~Charter—counties: supervisors Tribal-state gaming compacts.~~

Existing provisions of the California Constitution provide that, with the exception of the California State Lottery, the

Legislature has no power to authorize lotteries and is required to prohibit the sale of lottery tickets in this state, and that the Legislature has no power to authorize, and is required to prohibit, casinos of the type currently operating in Nevada and New Jersey. Existing law, the “Tribal Government Gaming Act of 1998,” approved by the voters as Proposition 5 at the November 3, 1998 general election, was recently held unconstitutional by the California Supreme Court in the consolidated cases of Hotel Employees & Restaurant Employees International Union v. Davis (S074850) and Cortez v. Davis (S074851).

This measure would exempt gaming conducted pursuant to its terms from provisions of the California Constitution prohibiting lotteries and casinos, and would substantially reenact the provisions of Proposition 5 as the California Indian Gaming and Economic Self Sufficiency Act of 2000, the provisions of which would be added to the California Constitution, with the following changes:

(1) Proposition 5 required the Governor, as a ministerial act, to agree to the terms of a model tribal-state compact contained therein, and provided that if he or she did not execute this model agreement within 30 days of receiving a request from a tribe to do so, that it would be deemed agreed to, approved, and executed by the State of California.

This measure would include model compact terms, which would constitute the starting point in any negotiations over the terms of a tribal-state gaming compact, but would instead provide that, except with regard to mandatory terms relating to the scope of gaming, the number of gaming devices, the number of gambling facilities, and limitations on trust fund provisions described in (2), the Governor, in his or her discretion as chief executive of the State, would be free to modify or add to these terms as he or she deems necessary to protect the health, safety, and welfare of the people of California, and would be specifically authorized to propose agreements between the tribe and nearby local governments concerning road access, the provision of law enforcement and emergency services, and other considerations as he or she deems warranted, and to encourage the tribe to adopt an ordinance incorporating federal process standards



concerning the representation of gaming employees, collective bargaining, or other conditions of employment on Indian lands.

(2) Proposition 5, in both its model compact provisions and in general, authorized a signatory tribe to operate any lottery game, as well as tribal gaming devices, as defined, and any card game actually operated in any tribal gaming facility on or before January 1, 1998, if operated in accordance with a “players’ pool prize system.” Proposition 5, in its model compact provisions only, also authorized a signatory tribe to operate an off-track horse race wagering facility on the same terms as in specified prior agreements.

This measure would instead provide that all signatory tribes would be authorized to operate any lottery-based game, including Keno, any banking or nonbanking table game played with cards, as defined, any gaming device or slot machine, and off-track wagering facilities, as specified. The measure would include as a mandatory term provisions concerning the number of devices each tribe would be initially entitled to operate, with a minimum of either 975 devices or the actual number it operated in January, 1999, and with a maximum of 1,500 devices, the number of devices it operated in January, 1999, or the actual number of devices operated in January, 1999 by a tribe within a 35-mile radius of the signatory tribe. The measure would also include as mandatory terms, provisions regarding the annual growth of the number of authorized gaming devices, provisions allowing a tribe to operate an unlimited number of gaming facilities on qualified lands, and provisions limiting trust fund dedications to 8% of net win. With regard to the operation of an off-track horse race wagering facility, this measure would contain the same terms as Proposition 5, but would provide that the State Gaming Agency may designate the California Horse Racing Board as the state agency responsible for fulfilling the State gaming agency’s responsibilities under the agreement, and would provide that if the state lacks jurisdiction under federal law to impose the same license fees or charges as it would on nontribal facilities, that an amount equal to those fees or charges would be required to be deducted from wagers made at the tribal facility, with the



actual and reasonable costs of regulatory services to be reimbursed to the designated state agency and the remaining amount to be distributed to the tribe.

This measure would authorize licensed gambling establishments to conduct banking games played with cards, subject to specified limitations and existing statutory limits on expansion, and would provide that a gambling establishment that operates banked games pursuant to this authority would be prohibited from expanding its total number of tables until March 8, 2008.

(3) Proposition 5 provided that a tribal-state gaming compact negotiated and executed by the Governor shall not require action by the Legislature unless the proposed compact, in comparison to the model compact contained therein, expands the scope of class III gaming, creates or confers additional powers on any agency of the state, or infringes upon the power of the Legislature to appropriate and authorize the expenditure of funds from the State Treasury.

This measure would instead provide that, upon execution of a tribal-state gaming compact, the Governor shall submit a copy of the compact, along with a summary of any legislation that may be needed to implement the compact, to both houses of the Legislature and to the Secretary of State. The measure would provide that if the Governor certifies that the compact does not materially differ from the terms authorized by the measure, the Secretary of State would be required to immediately forward the executed compact to the Secretary of Interior in accordance with federal law. The measure would provide that if the Governor certifies that the compact is materially different from the model terms, it would require the Secretary of State to hold the compact pending review by the Legislature, which could reject the compact by a $\frac{2}{3}$ vote of each house. The measure would provide that this review period shall be 30 days, unless the period would end during a joint recess, in which case the period would be extended to the 6th calendar day following the day the Legislature reconvenes. The measure would provide that if a compact requires implementing legislation, the Legislature would be required to promptly enact these changes by statute, in



accordance with the California Constitution, and upon receipt of this statute the Secretary of State would be required to forward a copy of it to the Secretary of Interior.

(4) The model compact contained in Proposition 5 had no defined term during which the compact would remain in force.

This measure would provide that once effective, a gaming compact would remain in effect for 25 years or until terminated by the written agreement of both parties or upon unilateral 60-days notice by the tribe, and could be renewed for an additional 25-year period subject to the requirements of this measure. The measure would provide that the terms of the existing compact would remain in effect until a new compact is executed or until any dispute is resolved as specified.

(5) This measure would provide for the amendment and renegotiation of existing compacts as specified, and would provide that if federal or state law is changed to allow any person, organization, or entity to engage in additional forms of gambling, that the tribe as a matter of right could seek amendment of an existing compact to include that gaming.

(6) This measure would provide that the voters may, by statutory initiative, subsequently prescribe the terms of a model tribal-state compact, which, if requested, would be required to be executed by the Governor and would go into effect without further legislative approval or ratification.

(7) This bill would make various technical and conforming changes.

~~The California Constitution requires that county charters provide for, among other things, a governing body of 5 or more members.~~

~~This measure would provide that, in a county with a population of more than 5,000,000, the charter shall provide for a governing body of 9 or more members, and would limit the expenditures for the board of supervisors and its staff of that county.~~

Vote: 2/3. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

1 ~~Resolved by the Senate, the Assembly concurring, That~~
2



1 RESOLVED BY THE SENATE, THE ASSEMBLY
 2 CONCURRING, *That the Legislature of the State of*
 3 *California at its 1999–2000 Regular Session commencing*
 4 *on the seventh day of December 1998, two-thirds of the*
 5 *membership of each house concurring, hereby proposes*
 6 *to the people of the State of California that the*
 7 *Constitution of the State be amended as follows:*

8 *First—That Section 19 of Article IV is amended to read:*

9 SEC. 19. (a) The Legislature has no power to
 10 authorize lotteries and shall prohibit the sale of lottery
 11 tickets in the State.

12 (b) The Legislature may provide for the regulation of
 13 horse races and horse race meetings and wagering on the
 14 results.

15 (c) Notwithstanding subdivision (a), the Legislature
 16 by statute may authorize cities and counties to provide for
 17 bingo games, but only for charitable purposes.

18 (d) Notwithstanding subdivision (a), there is
 19 authorized the establishment of a California State
 20 Lottery.

21 (e) The Legislature has no power to authorize, and
 22 shall prohibit casinos of the type currently operating in
 23 Nevada and New Jersey.

24 (f) *Subdivisions (a) and (e) shall not apply to gaming*
 25 *conducted in accordance with Article XXXV.*

26 *Second—That Article XXXV is added to read:*

27

28

ARTICLE XXXV

29

30

THE CALIFORNIA INDIAN GAMING AND ECONOMIC SELF-SUFFICIENCY ACT OF 2000.

31

32

33 SEC. 1. *This article, and subdivision (f) of Section 19*
 34 *of Article IV, shall be known and may be cited as “The*
 35 *California Indian Gaming and Economic Self-Sufficiency*
 36 *Act of 2000.”*

37 SEC. 2. (a) *The people of the State of California find*
 38 *that, historically, Indian tribes within the State have long*
 39 *suffered from high rates of unemployment and*
 40 *inadequate educational, housing, elderly care, and health*



1 care opportunities, while typically being located on lands
2 that are not conducive to economic development in order
3 to meet those needs. Federal law provides a statutory
4 basis for conducting licensed and regulated tribal
5 government gaming on, and limited to, qualified Indian
6 lands, as a means of strengthening tribal self-sufficiency
7 through the creation of jobs and tribal economic
8 development. Federal law also provides that certain
9 forms of gaming, known as “class III gaming,” will be the
10 subject of an agreement between a tribe and the state (a
11 “Tribal-State compact”), pursuant to which that gaming
12 will be governed.

13 (b) The people of the State find that uncertainties
14 have developed over various issues concerning class III
15 gaming and the development of Tribal-State compacts
16 between the state and tribes, and that those uncertainties
17 have led to delays and considerable expense. The
18 Tribal-State compact terms set forth in Section 5 of this
19 article (the “Gaming Compact”), including the
20 geographic confinement of that gaming to certain tribal
21 lands, the agreement and limitations on the kinds of class
22 III gaming in which a tribe operating thereunder may be
23 engaged, and the regulation and licensing required
24 thereunder, are intended to resolve those uncertainties
25 in an efficient and cost-effective way, while meeting the
26 basic and mutual needs of the state and the tribes without
27 undue delay. The resolution of uncertainty regarding
28 class III gaming in California, the generation of
29 employment and tribal economic development that will
30 result therefrom, and the limitations on the growth of
31 gaming in California that are inherent therein, are in the
32 best and immediate interest of all citizens of the state.
33 This article has been enacted as a matter of public policy
34 and in recognition that it fulfills important state needs.

35 SEC. 3. (a) The Governor is the designated state
36 officer responsible for negotiating and executing, on
37 behalf of this State, tribal state gaming compacts with
38 federally recognized Indian tribes pursuant to federal
39 law, including but not limited to the Indian Gaming
40 Regulatory Act (18 U.S.C. Sec. 1166 to 1168, incl., and 25



1 U.S.C. Sec. 2701 et seq.) (hereafter “IGRA”), for the
2 purpose of authorizing class III gaming, as defined in
3 IGRA, on Indian lands within this State.

4 If any federally recognized Tribe having jurisdiction
5 over Indian lands in California requests that the
6 Governor enter into negotiations for a tribal-state gaming
7 compact under federal law, the Governor shall enter into
8 those negotiations pursuant to that federal law in good
9 faith, and is authorized and directed to reach agreement
10 and execute that compact on behalf of the State, in
11 accordance with the provisions of this article.

12 (b) Immediately following the completion of these
13 negotiations, the Governor shall submit a copy of any
14 executed tribal-state compact, along with a summary of
15 any legislation that may be needed to implement the
16 compact, to both houses of the Legislature and to the
17 Secretary of State. If the Governor certifies that the terms
18 of the tribal-state compact do not materially differ from
19 the terms set forth in Section 5 of this article, the
20 Secretary of State shall immediately forward the compact
21 to the Secretary of Interior for his or her review and
22 approval in accordance with IGRA. If the Governor
23 certifies that the terms of the compact are materially
24 different from the terms set forth in Section 5, the
25 Secretary of State shall hold the compact for a 30-day
26 period and shall thereafter forward the compact to the
27 Secretary of Interior unless, within that period, the
28 compact is rejected by each house of the Legislature,
29 two-thirds of the membership thereof concurring, and
30 provided that, if this 30-day period ends during a joint
31 recess of the Legislature, this period shall be extended
32 until the sixth calendar day following the day on which
33 the Legislature reconvenes. Notwithstanding the need
34 for any implementing legislation, the Secretary of State
35 shall forward a copy of the executed compact in
36 accordance with the procedures of this subdivision.

37 (c) If a tribal-state compact requires implementing
38 legislation, the Legislature shall promptly enact these
39 changes by means of one or more statutes, in accordance
40 with the California Constitution, and upon passage and



1 receipt of these statutes, the Secretary of State shall
2 forward a copy of the implementation statutes to the
3 Secretary of Interior for his or her review.

4 (d) The Governor is authorized to execute, as a
5 ministerial act on behalf of the state, any additional
6 documents that may be necessary to implement this
7 article or any executed tribal-state compact entered into
8 pursuant to this article.

9 (e) In the event that federal law regarding the process
10 for entry into or approval of tribal-state gaming compacts
11 is changed in any way that would require a change in any
12 procedure under this article in order for a Tribal-State
13 gaming compact to become effective, this article shall be
14 deemed amended to conform to and incorporate that
15 changed federal law.

16 (f) Nothing in this section shall prohibit the voters of
17 this State from subsequently prescribing, by initiative
18 statute, the terms of a tribal-state gaming compact that
19 may be requested by any federally recognized Tribe
20 having jurisdiction over Indian lands, which, if requested,
21 shall be executed by the Governor on behalf of the State
22 without the need for further legislative approval or
23 ratification.

24 SEC. 4. Any state department or agency, or other
25 subdivision of the State providing gaming regulatory
26 services to a tribe pursuant to the terms of this article,
27 including a Gaming Compact entered into hereunder, is
28 authorized to require and receive reimbursement from
29 the tribe for the actual and reasonable costs of those
30 services in accordance with a fee schedule to be agreed
31 to by the tribe and the State. Any funds received from a
32 tribe in reimbursement for those services are hereby
33 continuously appropriated to that department, agency,
34 or subdivision for those purposes. Any disputes
35 concerning the reasonableness of any claim for
36 reimbursement shall be resolved in accordance with the
37 dispute resolution procedures set forth in the Gaming
38 Compact.

39 SEC. 5. The Governor, on behalf of the State of
40 California, is expressly authorized and directed to offer to



1 any federally recognized Indian tribe that is recognized
2 by the Secretary of the Interior as having jurisdiction over
3 Indian lands in California that are eligible for gaming
4 under IGRA, a tribal-state gaming compact containing
5 some or all of the following terms and conditions:

6
7

8 {C}'TRIBAL-STATE GAMING COMPACT
9 {C}Between the{C}(OFFICIAL NAME OF
10 TRIBE),{C}a federally recognized Indian Tribe,{C}and
11 the{C}STATE OF CALIFORNIA

12

13 This Tribal-State Gaming Compact is entered into on
14 a government-to-government basis by and between the
15 (Official Name of Tribe), a federally recognized
16 sovereign Indian tribe (hereafter "Tribe"), and the State
17 of California, a sovereign State of the United States
18 (hereafter "State"), pursuant to the Indian Gaming
19 Regulatory Act of 1988 (P.L. 100-497, codified at 18 U.S.C.
20 Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.)
21 (hereafter "IGRA"), and any successor statute or
22 amendments, and the California Indian Gaming and
23 Economic Self-Sufficiency Act of 2000.

24

25 Section 1.0. PURPOSES AND OBJECTIVES. The
26 terms of this Gaming Compact are designed and
27 intended to:

28 (a) Evidence the good will and cooperation of the
29 Tribe and State in fostering a mutually respectful
30 government-to-government relationship that will serve
31 the mutual interests of the parties.

32 (b) Develop and implement a means of regulating
33 class III gaming on the Tribe's Indian lands to ensure its
34 fair and honest operation in accordance with IGRA, and,
35 through that regulated class III gaming, enable the Tribe
36 to develop self-sufficiency, promote tribal economic
37 development, and generate jobs and revenues to support
38 the Tribe's government and governmental services and
39 programs.



1 (c) Promote ethical practices in conjunction with that
2 gaming, through the licensing and control of persons and
3 entities employed in, or providing goods and services to,
4 the Tribe's gaming operation and protecting against the
5 presence or participation of persons whose criminal
6 backgrounds, reputations, character, or associations
7 make them unsuitable for participation in gaming,
8 thereby maintaining a high level of integrity in
9 government gaming.

10

11 *Sec. 2.0. DEFINITIONS*

12 *Sec. 2.1. "Act" means the California Indian Gaming*
13 *and Economic Self-Sufficiency Act of 2000 (subdivision*
14 *(f) of Section 19 of Article IV of, and Article XXXV of, the*
15 *California Constitution).*

16 *Sec. 2.2. "Applicant" means an individual or entity*
17 *that applies for a Tribal license or State certification.*

18 *Sec. 2.2.5. "Article" means Article XXXV of the*
19 *California Constitution.*

20 *Sec. 2.3. "Banking game played with cards" means a*
21 *game played by natural persons at a table within a gaming*
22 *facility, where the house wagers directly against all*
23 *participants, paying all losers and collecting from all*
24 *winners, but does not include any electronic facsimile of*
25 *such a game, or any other device, except devices*
26 *associated with side parimutuel wagers if authorized by*
27 *compact.*

28 *Sec. 2.4. "Class III gaming" means the forms of*
29 *gaming defined as class III gaming in 25 U.S.C. Sec.*
30 *2703(8) or any amendment or successor thereto, and by*
31 *regulations of the National Indian Gaming Commission.*
32 *For purposes of California law, "class III gaming"*
33 *specifically includes banking games played with cards*
34 *and gaming devices.*

35 *Sec. 2.5. "Gaming activities" means the class III*
36 *gaming activities authorized under this Gaming*
37 *Compact.*

38 *Sec. 2.6. "Gaming Compact" means this compact.*

39 *Sec. 2.7. "Gaming device" means any electronic,*
40 *electromechanical, electrical, or video device that, for*



1 consideration, permits: individual play with or against
2 that device or the participation in any electronic,
3 electromechanical, electrical, or video system to which
4 that device is connected; the playing of games thereon or
5 therewith, including, but not limited to, the playing of
6 facsimiles of games of chance or skill; the possible delivery
7 of, or entitlement by the player to, a prize or something
8 of value as a result of the application of an element of
9 chance; and a method for viewing the outcome, prize
10 won, and other information regarding the playing of
11 games thereon or therewith. "Gaming device," as used in
12 this act, includes devices that are banked by the house
13 and are commonly known as slot machines.

14 Sec. 2.8. "Gaming employee" means any person who
15 (a) operates, maintains, repairs, assists in any gaming
16 activity, or is in any way responsible for supervising
17 gaming activities or persons who conduct, operate,
18 account for, or supervise any gaming activity, (b) is in a
19 category under federal or tribal gaming law requiring
20 licensing, or (c) is a person whose employment duties
21 require or authorize access to areas of the gaming facility
22 that are not open to the public. In defining those
23 categories of persons who are required to be licensed
24 under tribal gaming law, the Tribe shall consider the
25 inclusion of persons who are required to be licensed
26 pursuant to state gaming law.

27 Sec. 2.9. "Gaming facility" means any building or
28 room in which class III gaming activities or gaming
29 operations occur, or in which the business records,
30 receipts, or other funds of the gaming operation are
31 maintained (but excluding offsite facilities primarily
32 dedicated to storage of those records, and financial
33 institutions), and all rooms, buildings, and areas,
34 including parking lots, walkways, and means of ingress
35 and egress associated therewith, provided that nothing
36 herein prevents the conduct of class II gaming (as defined
37 under IGRA) therein.

38 Sec. 2.10. "Gaming operation" means the business
39 enterprise that offers and operates gaming activities.



1 *Sec. 2.11. “Gaming ordinance” means a tribal*
2 *ordinance or resolution duly authorizing the conduct of*
3 *gaming activities on the Tribe’s Indian lands and*
4 *approved under IGRA.*

5 *Sec. 2.12. “Gaming resources” means any goods or*
6 *services used in connection with gaming activities,*
7 *including, but not limited to, equipment, furniture,*
8 *gambling devices and ancillary equipment, implements*
9 *of gaming activities such as playing cards and dice,*
10 *furniture designed primarily for gaming activities,*
11 *maintenance or security equipment and services, and*
12 *gaming consulting services. “Gaming resources” does not*
13 *include professional accounting and legal services.*

14 *Sec. 2.13. “Gaming resource supplier” means any*
15 *manufacturer, distributor, supplier, vendor, lessor, or*
16 *other purveyor of gaming resources to the gaming*
17 *operation or gaming facility, provided that the Tribal*
18 *gaming agency may exclude any such purveyor if the*
19 *subject equipment or furniture is not specifically*
20 *designed for, and is distributed generally for use other*
21 *than in connection with, gaming activities.*

22 *Sec. 2.14. “IGRA” means the Indian Gaming*
23 *Regulatory Act of 1988 (P.L. 100-497, 18 U.S.C. Secs. 1166*
24 *to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) any*
25 *amendments and successors thereto, and all regulations*
26 *promulgated thereunder.*

27 *Sec. 2.15. “Management contractor” means any*
28 *person with whom the Tribe has contracted for the*
29 *management of any gaming activity or gaming facility,*
30 *including, but not limited to, any person who would be*
31 *regarded as a management contractor under IGRA.*

32 *Sec. 2.16. “Net win” means the wagering revenue*
33 *from gaming activities retained by the Tribe after prizes*
34 *or winnings have been paid to players and prior to the*
35 *payment of operating or other expenses. “Net win”*
36 *includes fees collected from players on a per play, per*
37 *amount wagered, or time-period basis, even though these*
38 *fees are not necessarily affected by payments of or for*
39 *prizes or winnings. Any and all fees paid by the tribe to*
40 *the State Gaming Agency, or to any other department,*



1 agency, or subdivision of the State, as reimbursement for
2 the provision of gaming regulatory services shall be
3 deducted from the tribe's wagering revenue in
4 calculating net win.

5 Sec. 2.17. "State" means the State of California.

6 Sec. 2.18. "State gaming agency" means the person,
7 agency, board, commission, or official that the State duly
8 authorizes to fulfill the functions assigned to it under this
9 Gaming Compact. As of the effective date of this Act, this
10 agency is the entity or entities authorized to investigate,
11 approve, and regulate gambling establishments and
12 associated persons pursuant to the Gambling Control Act
13 (Chapter 5 (commencing with Section 19800) of Division
14 8 of the Business and Professions Code) or its successors.
15 In the event no agency is authorized to conduct this
16 function, the State shall designate such an agency by
17 statute. If the State fails to designate an agency
18 authorized to investigate, approve, and regulate gaming
19 licenses, any function assigned to the State gaming
20 agency in this Gaming Compact shall be assumed by the
21 Tribal gaming agency until the State so designates an
22 agency as provided herein.

23 Sec. 2.19. "Tribal Chairperson" means the person
24 duly elected or selected under the Tribe's organic
25 documents, customs, or traditions to serve as the primary
26 spokesperson for the Tribe.

27 Sec. 2.20. "Tribal gaming agency" means the person,
28 agency, board, committee, commission, or council
29 designated under tribal law, including, but not limited to,
30 an intertribal gaming regulatory agency approved to
31 fulfill those functions by the National Indian Gaming
32 Commission, as primarily responsible for carrying out the
33 Tribe's regulatory responsibilities under IGRA and the
34 Tribal gaming ordinance. Any person employed in, or in
35 connection with, the management, supervision, or
36 conduct of any gaming activity may not be a member or
37 employee of the Tribal gaming agency.

38 Sec. 2.21. "Tribal gaming device" means a slot
39 machine or other gaming device operated pursuant to a
40 tribal-state gaming compact.



1 *Sec. 2.22. "Tribe" means the [official name of Tribe],*
2 *a federally recognized Indian tribe.*

3
4 *Sec. 3.0. CLASS III GAMING AUTHORIZED AND*
5 *PERMITTED. The Tribe is hereby authorized and*
6 *permitted to engage in the gaming activities expressly*
7 *referred to in Sections 4.0 to 4.2, inclusive.*

8
9 *Sec. 4.0. SCOPE OF CLASS III GAMING*

10 *Sec. 4.1. Authorized and Permitted Class III*
11 *Gaming. To the extent regarded as forms or types of*
12 *class III gaming, the Tribe is hereby authorized and*
13 *permitted to operate the following gaming activities*
14 *under the terms and conditions set forth in this Gaming*
15 *Compact:*

16 (i) *The operation of Tribal gaming devices, provided*
17 *that these devices shall meet the technical standards*
18 *adopted pursuant to Section 8.1.15.*

19 (b) *The operation of any lottery-based game,*
20 *including, but not limited to, drawings, raffles, match*
21 *games, Keno, and instant lottery ticket games.*

22 (c) *The operation of any banking or nonbanking table*
23 *game played with cards that was actually operated in any*
24 *tribal gaming facility in California on or before March 8,*
25 *2000.*

26 (d) *The simulcasting and offering of off-track betting*
27 *on horse races, if offered in accordance with the terms*
28 *and conditions of the Tribal-State compact between the*
29 *State and the Sycuan Band of Mission Indians that existed*
30 *on March 31, 1997 ("Sycuan compact"), the terms of*
31 *which shall be adjusted for northern California racing if*
32 *required by the geographic location of the Tribe, unless*
33 *the Tribe elects to adopt the provisions of an existing*
34 *compact pursuant to the next sentence. If the Tribe and*
35 *the State have already entered into a compact governing*
36 *off-track wagering, that compact, at the Tribe's option,*
37 *may continue in full force and effect as the off-track*
38 *wagering provisions intended by this section, or the*
39 *Sycuan compact terms and conditions may be substituted*
40 *therefor. The Tribe may notify the State, at the time it*



1 requests to enter into compact negotiations pursuant to
2 Section 3 of this article, or at any later date as the Tribe
3 may deem appropriate, of its election with regard to
4 which off-track wagering compact terms it has elected to
5 enter into. With respect to gaming activities conducted
6 pursuant to this section, the State gaming agency may
7 designate the California Horse Racing Board to fulfill the
8 functions assigned to it under this act, and whichever
9 entity so fulfills these responsibilities may require and
10 receive reimbursement from the tribe for the actual and
11 reasonable costs of those services in accordance with
12 Section 4 of this article. If the State lacks jurisdiction
13 under federal law to impose the same license fees or other
14 charges that it does on nontribal facilities, an amount
15 equal to those fees or charges shall be deducted from any
16 off-track wagers made at the Tribe's facility, with the
17 actual and reasonable costs of regulatory service to be
18 reimbursed to the designated state agency and the
19 remaining amount to be distributed to the Tribe.

20 Sec. 4.2. Authorized Gaming Facilities. The Tribe
21 may establish and operate one or more gaming facilities
22 in which the gaming activities authorized under this
23 Gaming Compact may be conducted, provided that the
24 facilities are located on Indian lands within California
25 over which the Tribe has jurisdiction, and qualify under
26 federal law as lands upon which gaming may lawfully be
27 conducted. The Tribe may combine and operate in those
28 gaming facilities any forms and kinds of gaming
29 permitted under law, except to the extent limited under
30 IGRA or the Tribe's gaming ordinance.

31
32 Sec. 5.0. TRIBAL, STATE, AND LOCAL TRUST
33 FUNDS

34 Sec. 5.1. Conditional Obligation to Contribute to
35 Trust Funds; Contribution Formula. (a) The parties
36 acknowledge that the operation of Tribal gaming devices
37 authorized under this Gaming Compact is expected to
38 occupy a unique place in gaming within the State that is
39 material to the ability of the Tribe and other tribal
40 governments operating under similar compacts to



1 *achieve the economic development and other goals*
2 *intended by IGRA. The Tribe therefore agrees to make*
3 *the contributions to the trust funds described in Sections*
4 *5.2, 5.3, and 5.4, only for as long as it and other tribes that*
5 *have entered into Gaming Compacts are not deprived of*
6 *that unique opportunity. Accordingly, in the event that*
7 *any other person or entity, including, but not limited to,*
8 *the California State Lottery, lawfully operates gaming*
9 *devices within the State at any time after the effective*
10 *date of this Gaming Compact, any and all obligations by*
11 *the Tribe to make the trust fund contributions required*
12 *under Sections 5.2, 5.3, and 5.4 shall immediately and*
13 *permanently cease and terminate. For the purposes of*
14 *this section only, no equipment or type of game played*
15 *thereon or therewith that was authorized to be offered by*
16 *the California State Lottery or any race track in California*
17 *on or before the effective date of this article, may be*
18 *deemed to cause the cessation and termination of those*
19 *trust fund contributions.*

20 *(b) The contributions due under Sections 5.2, 5.3, and*
21 *5.4 shall be determined and made on a calendar quarter*
22 *basis, by first determining the total number of all Tribal*
23 *gaming devices operated by a Tribe during a given*
24 *quarter (“Quarterly Device Base”). Notwithstanding*
25 *any provision in Sections 5.0 to 5.4.2, inclusive, to the*
26 *contrary, the Tribe shall have no obligation to make any*
27 *contribution to any trust fund on the net win derived*
28 *from the first 200 terminals in the Quarterly Device Base;*
29 *shall contribute at one-half of the percentage rates*
30 *specified in Sections 5.2, 5.3, and 5.4 on the net win*
31 *derived from the next 200 devices in the Quarterly*
32 *Device Base; and shall contribute at the full percentage*
33 *rates specified in the above sections on the net win*
34 *derived from any additional devices in the Quarterly*
35 *Device Base. In making those computations, the total net*
36 *win from all devices in the Quarterly Device Base during*
37 *a given quarter shall be included and evenly divided*
38 *among all such devices (“Average Device Net Win”),*
39 *regardless of the actual performance or net win of any*
40 *particular device. The Average Device Net Win shall be*



1 *used as the basis for calculating the foregoing exclusions*
2 *or reductions that are based on the number of terminals*
3 *in the Quarterly Devise Base.*

4 *Sec. 5.2. Nongaming Tribal Assistance Fund.*

5 *Sec. 5.2.1. The Tribe shall participate in a trust fund*
6 *with all other tribes, if any, that enter into Gaming*
7 *Compacts pursuant to this article, into which it shall*
8 *deposit 2 percent of its net win from Tribal gaming*
9 *devices each calendar quarter. The trust fund shall be*
10 *distributed on an equitable basis for education, economic*
11 *development, cultural preservation, health care, and*
12 *other tribal purposes to federally recognized tribes*
13 *located in California that have not participated in any*
14 *form of gaming within the 12-month period preceding*
15 *the anticipated receipt of such trust funds.*

16 *Sec. 5.2.2. The trust shall have a board of 12 trustees,*
17 *consisting of one representative from each of three*
18 *federally recognized tribes in each federal judicial district*
19 *in California, elected by nomination as set forth below*
20 *and a majority vote of those tribal representatives*
21 *attending a meeting at which all federally recognized*
22 *tribes in the district have been given at least 15 days'*
23 *written notice to attend. Each tribe in the district shall*
24 *have one vote. The State shall assist the trust fund in*
25 *assuring that adequate notice is given to all tribes who are*
26 *to be represented at the meeting. Two of the trustees*
27 *from each district shall consist of representatives of tribes*
28 *in the district that have entered into Gaming Compacts*
29 *under the Act, and one trustee shall be from a nongaming*
30 *tribe. If there are no tribes that fit into one category, the*
31 *trustee positions shall be filled by the other category of*
32 *tribes. Gaming tribes shall nominate and elect the gaming*
33 *tribe representatives, and nongaming tribes shall*
34 *nominate and elect the nongaming tribe representative.*
35 *Trustees shall serve for two-year terms, and shall receive*
36 *reimbursement subject to approval by the board of*
37 *trustees for reasonable costs actually incurred to attend*
38 *meetings and serve as a trustee.*

39 *Sec. 5.2.3. All contributions to the fund shall be*
40 *combined on a statewide basis and shall be distributed*



1 from the trust fund on a quarterly basis statewide in
2 accordance with a fair and equitable formula established
3 by the trustees by majority vote. All moneys in the trust
4 fund shall be distributed annually, less reasonable costs of
5 administering the trust fund, which may not exceed 5
6 percent of the moneys contributed to the trust fund in
7 each year; and pursuant to a budget approved by the
8 board of trustees.

9 *Sec. 5.2.4. The first meeting of the trustees shall take*
10 *place within the earlier of 60 days after at least three*
11 *Gaming Compacts have become effective in the*
12 *applicable federal judicial district, or six months following*
13 *the effective date of the first Gaming Compact in that*
14 *district. Distributions that are due from the Tribe prior to*
15 *the formal creation of the trust fund specified herein shall*
16 *be held in trust by the Tribe for such purposes.*

17 *Sec. 5.2.5. Contributions to the fund from the Tribe*
18 *shall be made on the 15th day of the month following the*
19 *close of the second calendar quarter in which this Gaming*
20 *Compact has been in effect, based on the net win in the*
21 *first calendar quarter of operations under the Gaming*
22 *Compact derived from all Tribal gaming devices in the*
23 *Quarterly Device Base, and on the 15th day of the month*
24 *following the close of each calendar quarter thereafter*
25 *(July 15, October 15, January 15, and April 15; hereafter*
26 *“contribution dates”)* based on the second preceding
27 calendar quarter net win.

28 *Sec. 5.3. Statewide Trust Fund.*

29 *Sec. 5.3.1. The Tribe shall participate in a trust fund*
30 *with the other Gaming Compact tribes, if any, into which*
31 *it shall deposit, on a quarterly basis on each contribution*
32 *date, an amount equal to 3 percent of the net win from*
33 *the Tribal gaming devices in the Quarterly Device Base.*
34 *Except as otherwise provided herein, the creation of the*
35 *trust, board of trustees, and method for making*
36 *contributions and distributions shall be identical to the*
37 *manner in which contributions are made, trust funds are*
38 *distributed, and the board of trustees is created and*
39 *administered under Section 5.2, provided that*



1 nongaming tribes may not be represented or vote for
2 trustees on the board.

3 *Sec. 5.3.2. For each quarter, the board of trustees shall*
4 *determine, based on a formula, established with the*
5 *approval of the State, that takes into account the*
6 *population, ratio, and emergency medical needs of*
7 *persons over 55 years of age in each county, a method for*
8 *distributing annually all funds in the trust, except for*
9 *reasonable administrative expenses (including trustee*
10 *costs) not to exceed 5 percent of the amounts contributed*
11 *to the trust fund in each year, and pursuant to a budget*
12 *approved by the board of trustees. The funds in trust shall*
13 *be used solely to supplement emergency medical care*
14 *resources within each county, including, but not limited*
15 *to, those provided by any federally recognized tribes*
16 *within the county, provided that, without increasing that*
17 *3 percent amount, one-half of 1 percent of the net win on*
18 *which the contribution is based shall be used to establish*
19 *or supplement programs within the county that address*
20 *compulsive and addictive gambling.*

21 *Sec. 5.4. Local Benefits Grant Fund.*

22 *Sec. 5.4.1. The Tribe shall establish a trust fund into*
23 *which it shall deposit, on a quarterly basis on each*
24 *contribution date, an amount equal to 1 percent of the net*
25 *win from Tribal gaming devices in the Tribe's gaming*
26 *operation.*

27 *Sec. 5.4.2. Within 60 days after commencing*
28 *operations under this Gaming Compact, the Tribe shall*
29 *invite discussion, on a government-to-government basis,*
30 *with governmental representatives of any city or county*
31 *within the boundaries of which the Tribe's gaming*
32 *facilities are located. Those discussions shall address*
33 *community needs that could be met by grants of funds*
34 *from the trust to any of these cities and counties. Any*
35 *federally recognized tribes within the county that are also*
36 *providing services to meet those community needs shall*
37 *also be included in those discussions and shall be eligible*
38 *for those grants. The procedure and criteria for receiving*
39 *these funds shall be submitted in writing to, and approved*
40 *by, a committee comprised of representatives of each of*



1 *the eligible local community and tribal governments and*
2 *the Tribe. The Tribe shall distribute annually all of the*
3 *trust funds, less reasonable administrative costs of no*
4 *more than 5 percent, in accordance with a distribution*
5 *plan agreed upon by the committee that is fair and*
6 *equitable. Funds not distributed in any year despite good*
7 *faith efforts to do so shall be carried over to the following*
8 *year.*

9

10 *Sec. 6.0. REGULATION OF GAMING*

11 *Sec. 6.1. Tribal Gaming Ordinance. All gaming*
12 *activities conducted under this Gaming Compact shall at*
13 *a minimum comply with a Tribal gaming ordinance duly*
14 *adopted by the Tribe and approved in accordance with*
15 *IGRA.*

16 *Sec. 6.2. Tribal Ownership, Management, and*
17 *Control of Gaming Facility and Gaming Operation. All*
18 *gaming operations and facilities authorized under this*
19 *Gaming Compact shall be owned solely by the Tribe. The*
20 *parties acknowledge that most tribal gaming operations*
21 *and facilities within the State presently are controlled and*
22 *conducted solely by a tribe, and that a goal of the Act is*
23 *to enable all tribes to control and conduct their own*
24 *gaming operations and facilities, provide tribal job*
25 *training and employment, and achieve tribal*
26 *self-sufficiency. Therefore, although the Tribe shall be*
27 *entitled to contract for the management of the gaming*
28 *facility and operation in accordance with IGRA, any*
29 *management contract shall provide that, to the extent*
30 *permitted by law, members of the Tribe will be trained*
31 *for and advanced to key management positions, and that*
32 *a goal of the management contractor is to prepare the*
33 *Tribe to assume the control and conduct of the operation*
34 *and facility.*

35 *Sec. 6.3. Prohibition Regarding Minors. Tribal*
36 *gaming facilities operated pursuant to this Gaming*
37 *Compact shall be subject to the same minimum-age*
38 *restrictions for patrons that currently apply to the*
39 *California State Lottery. If alcoholic beverages are served*
40 *in any area of a Tribal gaming facility operated pursuant*



1 to this Gaming Compact, prohibitions regarding age
2 limits in that area shall be governed by applicable state
3 law.

4 *Sec. 6.4. Licensing Requirements and Procedures.*

5 *Sec. 6.4.1. Summary of Licensing Principles. All*
6 *persons in any way connected with the gaming operation*
7 *or facility who are required to be licensed under IGRA*
8 *and any others required to be licensed under this Gaming*
9 *Compact, including, but not limited to, all gaming*
10 *employees and gaming resource suppliers, must be*
11 *licensed by the Tribal gaming agency. The Tribal gaming*
12 *agency shall have the primary responsibility for licensing*
13 *those persons and entities and for the regulation of the*
14 *gaming operation and facility. The Tribal gaming agency*
15 *shall also certify, through the use of experts and with*
16 *participation by the State gaming agency if it so desires,*
17 *that the gaming facility and any construction to be*
18 *undertaken in regard thereto meet specified building*
19 *and safety standards. The State gaming agency shall be*
20 *provided with licensing application information and*
21 *reports regarding facility inspections and compliance.*
22 *The State gaming agency may review that information*
23 *and object or refrain from objecting thereto. In the event*
24 *that the State gaming agency fails to object to a gaming*
25 *license application within 90 days after receipt of that*
26 *information and notification that the Tribal gaming*
27 *agency intends to issue a temporary or permanent*
28 *license, the State Gaming Agency is deemed to have*
29 *certified that it has no objection to that issuance, but the*
30 *State gaming agency shall be free at any time to revoke*
31 *that certification, or to request the Tribal gaming agency*
32 *to suspend or revoke a gaming license. The dispute*
33 *resolution processes between the State and the Tribe*
34 *provided for herein shall be available to resolve disputes*
35 *between the Tribe and the State regarding those requests*
36 *and building and safety certifications. The parties intend*
37 *that the licensing process provided for in this Gaming*
38 *Compact shall involve joint cooperation between the*
39 *Tribal gaming agency and the State gaming agency, as*
40 *more particularly described herein.*



1 *Sec. 6.4.2. Gaming Facilities. (a) The gaming*
2 *facilities authorized by this Gaming Compact shall be*
3 *licensed by the Tribal gaming agency in conformity with*
4 *the requirements of this Gaming Compact, the Tribal*
5 *gaming ordinance, and IGRA. The license shall be*
6 *reviewed and renewed, if appropriate, every two years*
7 *thereafter. Verification that this requirement has been*
8 *met shall be provided to the State gaming agency. The*
9 *Tribal gaming agency's certification to that effect shall be*
10 *posted in a conspicuous and public place in the gaming*
11 *facility at all times.*

12 *(b) In order to protect the health and safety of all*
13 *gaming facility patrons, guests, and employees, all*
14 *gaming facilities of the Tribe constructed after the*
15 *effective date of this Gaming Compact shall meet the*
16 *building and safety codes of the Tribe, which, as a*
17 *condition for engaging in that construction, shall amend*
18 *its existing building and safety codes if necessary, or enact*
19 *those codes if there are none, so that they meet the*
20 *standards of either the building and safety codes of any*
21 *county within the boundaries of which the site of the*
22 *facility is located, or the Uniform Building Codes,*
23 *including all uniform fire, plumbing, electrical,*
24 *mechanical, and related codes then in effect, provided*
25 *that nothing herein shall be deemed to confer jurisdiction*
26 *upon any county or the State with respect to any*
27 *reference to these building and safety codes.*

28 *(c) Any gaming facility in which gaming authorized*
29 *by this Gaming Compact is conducted shall be licensed by*
30 *the Tribal gaming agency prior to occupancy if it was not*
31 *used for any gaming activities under IGRA prior to the*
32 *effective date of this Gaming Compact, or, if it was so*
33 *used, within one year thereafter. The issuance of this*
34 *license shall be reviewed and renewed every two years*
35 *thereafter. Inspections by qualified building and safety*
36 *experts shall be conducted under the direction of the*
37 *Tribal gaming agency as the basis for issuing or renewing*
38 *any license hereunder. The Tribal gaming agency shall*
39 *determine and certify that, as to new construction or new*
40 *use for gaming, the facility meets the Tribe's building and*



1 safety code, or, as to facilities or portions of facilities that
2 were used for the Tribe's gaming activities prior to this
3 Gaming Compact, that the facility or portions thereof do
4 not endanger the health or safety of occupants or the
5 integrity of the gaming operation.

6 (d) The State gaming agency shall be given at least 30
7 days' notice of each inspection by those experts, and, after
8 10 days' notice to the Tribe, may accompany any
9 inspection. The Tribe agrees to correct any facility
10 condition noted in an inspection that does not meet the
11 standards set forth in subdivision (b). The Tribal gaming
12 agency and State gaming agency shall exchange any
13 reports of an inspection within 10 days after its
14 completion, which reports shall also be separately and
15 simultaneously forwarded by both agencies to the Tribal
16 Chairperson. Upon certification by those experts that a
17 facility meets applicable standards, the Tribal gaming
18 agency shall forward the experts' certification to the State
19 within 10 days of issuance. If the State objects to that
20 certification, the Tribe shall make a good faith effort to
21 address the State's concerns, but if the State does not
22 withdraw its objection, the matter will be resolved in
23 accordance with the dispute resolution provisions of
24 Sections 9.0 to 9.4, inclusive.

25 Sec. 6.4.3. Suitability Standard Regarding Gaming
26 Licenses. In reviewing an application for a gaming
27 license, and in addition to any standards set forth in the
28 Tribal gaming ordinance, the Tribal gaming agency shall
29 consider whether issuance of the license is inimical to
30 public health, safety, or welfare, and whether issuance of
31 the license will undermine public trust that the Tribe's
32 gaming operations, or tribal government gaming
33 generally, are free from criminal and dishonest elements
34 and would be conducted honestly. A license may not be
35 issued unless, based on all information and documents
36 submitted, the Tribal gaming agency is satisfied that the
37 applicant is all of the following, in addition to any other
38 criteria in IGRA or the Tribal gaming ordinance:

39 (a) A person of good character, honesty, and integrity.



1 (b) A person whose prior activities, criminal record, if
2 any, reputation, habits, and associations do not pose a
3 threat to the public interest or to the effective regulation
4 and control of gambling, or create or enhance the dangers
5 of unsuitable, unfair, or illegal practices, methods, or
6 activities in the conduct of gambling or in the carrying on
7 of the business and financial arrangements incidental
8 thereto.

9 (c) A person who is in all other respects qualified to be
10 licensed as provided in this Gaming Compact, IGRA, the
11 Tribal gaming ordinance, and any other criteria adopted
12 by the Tribal gaming agency or the Tribe, provided that
13 any applicant who supplied services or equipment to a
14 tribal gaming operation prior to the effective date of this
15 article, such as, but not limited to, a person who would be
16 deemed to be a gaming employee or gaming resource
17 supplier under this Gaming Compact, or any person who
18 may have been deemed to have violated a law in the
19 exercise of or protection of a tribe's sovereignty rights in
20 connection with fishing, hunting, protection of burial
21 grounds, repatriation of remains or artifacts, or gaming,
22 may not, for that reason, be deemed unsuitable. Nothing
23 herein may be deemed to exempt any applicant from
24 otherwise qualifying for licensing or certification under
25 this Gaming Compact.

26 Sec. 6.4.4. Gaming Employees. Every gaming
27 employee shall obtain, and thereafter maintain, a valid
28 Tribal gaming license, which shall be subject to biennial
29 renewal, provided that in accordance with Section 6.4.9,
30 those persons may be employed on a temporary or
31 conditional basis pending completion of the licensing
32 process.

33 Sec. 6.4.5. Gaming Resource Supplier. Any gaming
34 resource supplier who provides, has provided, or is
35 deemed likely to provide at least twenty-five thousand
36 dollars (\$25,000) in gaming resources in any 12-month
37 period shall be licensed by the Tribal gaming agency
38 prior to the sale, lease, or distribution, or further sale,
39 lease, or distribution, of any gaming resources to or in



1 connection with the Tribe's operation or facility. These
2 licenses shall be renewed at least every two years.

3 *Sec. 6.4.6. Financial Sources.* Any party extending
4 financing, directly or indirectly, to the Tribe's gaming
5 facility or gaming operation shall be licensed by the Tribal
6 gaming agency prior to extending that financing.
7 Licensing shall be effective for no more than two years
8 before a renewal must be obtained, provided that, if a
9 lender's gaming license is revoked or not renewed,
10 reasonable arrangements may be made with regard to
11 payment of any balance due to that lender so as to not
12 impose undue hardship on the Tribe, provided that
13 reasonable attempts shall be made to avoid ongoing
14 conflicts with any licensing standard herein. A gaming
15 resource supplier who provides financing in connection
16 with the sale or lease of gaming resources obtained from
17 that supplier may be licensed solely in accordance with
18 licensing procedures applicable, if at all, to gaming
19 resource suppliers. The Tribal gaming agency may, at its
20 discretion, exclude, from the licensing requirements of
21 this section, financing provided by a federally regulated
22 or state-regulated bank, savings and loan, or other
23 lending institution, a federally recognized tribal
24 government or tribal entity thereof, or any agency of the
25 federal, state, or local government.

26 *Sec. 6.4.7. Processing Tribal Gaming License*
27 *Applications.* Each applicant for a Tribal gaming license
28 shall submit the completed application along with the
29 required information and an application fee, if required,
30 to the Tribal gaming agency in accordance with the rules
31 and regulations of that agency. At a minimum, the Tribal
32 gaming agency shall require submission and
33 consideration of all information required under IGRA,
34 including Section 556.4 of Title 25 of the Code of Federal
35 Regulations, for licensing primary management officials
36 and key employees. For applicants who are business
37 entities, these licensing provisions shall apply to the entity
38 as well as: (i) each of its officers and directors; (ii) each
39 of its principal management employees, including any
40 chief executive officer, chief financial officer, chief



1 operating officer, or general manager; (iii) each of its
2 owners or partners, if an unincorporated business; (iv)
3 each of its shareholders who owns more than 10 percent
4 of the shares of the corporation, if a corporation; and (v)
5 each person or entity (other than a financial institution
6 that the Tribal gaming agency has determined does not
7 require a license under the preceding section) that has
8 provided financing in connection with any gaming
9 authorized under this Gaming Compact, if that person or
10 entity provided more than 10 percent of (a) the start-up
11 capital, (b) the operating capital over a 12-month period,
12 or (c) a combination thereof. For purposes of this section,
13 where there is any commonality of the characteristics
14 identified in clauses (i) to (iv), inclusive, between any
15 two or more entities, those entities may be deemed to be
16 a single entity. Nothing herein precludes the Tribe or
17 Tribal gaming agency from requiring more stringent
18 licensing requirements.

19 Sec. 6.4.8. Background Investigations of
20 Applicants. The Tribal gaming agency shall conduct or
21 cause to be conducted all necessary background
22 investigations reasonably required to determine that the
23 applicant is qualified for a gaming license under the
24 standards set forth in Section 6.4.3, and to fulfill all
25 requirements for licensing under IGRA, the Tribal
26 gaming ordinance, and this Gaming Compact. The Tribal
27 gaming agency may not issue a license until a
28 determination is made that those qualifications have
29 been met. In lieu of completing its own background
30 investigation, and to the extent that doing so does not
31 conflict with or violate IGRA and the Tribal gaming
32 ordinance, the Tribal gaming agency may rely on a State
33 certification of nonobjection previously issued under a
34 Gaming Compact involving another tribe, or a State
35 gaming license previously issued to the applicant, to fulfill
36 some or all of the Tribal gaming agency's background
37 investigation obligation. An applicant for a Tribal gaming
38 license shall be required to provide releases to the State
39 Gaming Agency to make available to the Tribal gaming
40 agency background information regarding the applicant.



1 *The State gaming agency shall cooperate in furnishing to*
2 *the Tribal gaming agency that information, unless doing*
3 *so would violate any agreement the State gaming agency*
4 *has with a source of the information other than the*
5 *applicant, or would impair or impede a criminal*
6 *investigation, or unless the Tribal gaming agency cannot*
7 *provide sufficient safeguards to assure the State gaming*
8 *agency that the information will remain confidential. In*
9 *accordance with Section 4 of this article, the State gaming*
10 *agency may require and recover reimbursement for the*
11 *actual and reasonable costs associated with generating*
12 *this information, including the cost of the original*
13 *investigation.*

14 *Sec. 6.4.9. Temporary Licensing. Notwithstanding*
15 *anything herein to the contrary, if the applicant has*
16 *completed a license application in a manner satisfactory*
17 *to the Tribal gaming agency, and that agency has*
18 *conducted a preliminary background investigation, and*
19 *the investigation or other information held by that*
20 *agency does not indicate that the applicant has a criminal*
21 *history or other information in his or her background that*
22 *would either automatically disqualify the applicant from*
23 *obtaining a license or cause a reasonable person to*
24 *investigate further before issuing a license, or is otherwise*
25 *unsuitable for licensing, the Tribal gaming agency may*
26 *issue a temporary license and may impose such specific*
27 *conditions thereon pending completion of the applicant's*
28 *background investigation as the Tribal gaming agency in*
29 *its sole discretion shall determine. Special fees may be*
30 *required by the Tribal gaming agency to issue or maintain*
31 *a temporary license. A temporary license shall remain in*
32 *effect until suspended or revoked, or a final*
33 *determination is made on the application. At any time*
34 *after issuance of a temporary license, the Tribal gaming*
35 *agency may suspend or revoke it in accordance with*
36 *Sections 6.5.1 and 6.5.5, and the State gaming agency may*
37 *request suspension or revocation in accordance with*
38 *subdivision (d) of Section 6.5.6.*

39 *Sec. 6.5. Gaming License Issuance. Upon*
40 *completion of the necessary background investigation*



1 (including any reliance in whole or in part on a State
2 certification of nonobjection, or a State gaming license
3 under Section 6.4.8), receipt and review of further
4 information as the Tribal gaming agency may require,
5 and as to applicants who are not Tribal members, actual
6 or constructive receipt by the Tribal gaming agency of a
7 certificate of nonobjection by the State gaming agency,
8 and payment of all necessary fees by the applicant, the
9 Tribal gaming agency may issue a license on a conditional
10 or unconditional basis. Nothing in this section shall create
11 a property or other right of an applicant in an opportunity
12 to be licensed, or in a license itself, both of which shall be
13 considered to be privileges granted to the applicant in the
14 sole discretion of the Tribal gaming agency.

15 *Sec. 6.5.1. Denial, Suspension, or Revocation of*
16 *Licenses.* Any application for a gaming license may be
17 denied, and any license issued may be revoked, if the
18 Tribal gaming agency determines that the application is
19 incomplete or deficient, the applicant is determined to be
20 unsuitable or otherwise unqualified for a gaming license,
21 or the State objects to the issuance of that license
22 pursuant to subdivision (c) of Section 6.5.6. Pending
23 consideration of revocation, the Tribal gaming agency
24 may suspend a license in accordance with Section 6.5.5.
25 All rights to notice and hearing shall be governed by
26 Tribal law, as to which the applicant will be notified in
27 writing along with notice of an intent to suspend or
28 revoke the license.

29 *Sec. 6.5.2. Renewal of Licenses; Extensions; Further*
30 *Investigation.* In the event a licensee has applied for
31 renewal prior to expiration of a license and the Tribal
32 gaming agency has, through no fault of the applicant,
33 been unable to complete the renewal process prior to that
34 expiration, the license shall be deemed to be
35 automatically extended until formal action has been
36 taken on the renewal application or a suspension or
37 revocation has occurred. Applicants for renewal of a
38 license shall provide updated material as requested, on
39 the appropriate renewal forms, but, at the discretion of
40 the Tribal gaming agency, may not be required to



1 resubmit historical data previously submitted or that is
2 otherwise available to the Tribal gaming agency. At the
3 discretion of the Tribal gaming agency, an additional
4 background investigation may be required at any time if
5 the Tribal gaming agency determines the need for
6 further information concerning the applicant's
7 continuing suitability or eligibility for a license.

8 *Sec. 6.5.3. Identification Cards.* The Tribal gaming
9 agency shall require that all persons who are required to
10 be licensed wear, in plain view at all times while in the
11 gaming facility, identification badges issued by the Tribal
12 gaming agency. Identification badges must include
13 information including, but not limited to, a photograph
14 and an identification number, which is sufficient to
15 enable agents of the Tribal gaming agency to readily
16 identify the employees and determine the validity and
17 date of expiration of their license.

18 *Sec. 6.5.4. Fees for Tribal License.* The fees for all
19 tribal licenses shall be set by the Tribal gaming agency.

20 *Sec. 6.5.5. Suspension of Tribal License.* The Tribal
21 gaming agency may summarily suspend the license of any
22 employee if the Tribal gaming agency determines that
23 the continued licensing of the person or entity could
24 constitute a threat to the public health or safety or may
25 be in violation of the Tribe's licensing standards. Any
26 right to notice or hearing in regard thereto shall be
27 governed by Tribal law.

28 *Sec. 6.5.6. State Certification Process.* (a) Except
29 for enrolled members of a federally recognized California
30 tribe, who shall be licensed exclusively by the Tribe, upon
31 receipt of a completed license application and a
32 determination by the Tribal gaming agency that it
33 intends to issue the earlier of a temporary or permanent
34 license, the Tribal gaming agency shall transmit to the
35 State gaming agency a copy of all Tribal license
36 application materials together with a set of fingerprint
37 cards, a current photograph, and any releases of
38 information, waivers, and other completed and executed
39 forms as have been obtained by the Tribal gaming
40 agency, unless the State gaming agency waives some or



1 all of those submissions, together with a notice of intent
2 to license that applicant. Additional information may be
3 required by the State gaming agency to assist it in its
4 background investigation, provided that such State
5 gaming agency requirement shall be no greater than that
6 which is typically required of applicants for a State
7 gaming license in connection with nontribal gaming
8 activities and at a similar level of participation or
9 employment. The State gaming agency and the Tribal
10 gaming agency (together with Tribal gaming agencies
11 under other Gaming Compacts) shall cooperate in
12 developing standard licensing forms for Tribal gaming
13 license applicants, on a statewide basis, that reduce or
14 eliminate duplicative or excessive paperwork, which
15 forms and procedures shall take into account the Tribe's
16 requirements under IGRA and the expense thereof.

17 (b) Temporary License Objection. The State gaming
18 agency shall notify the Tribal gaming agency as promptly
19 as possible if it has an objection to the issuance of a
20 temporary license, but the Tribal gaming agency may not
21 be required to await objection or nonobjection by the
22 State gaming agency in issuing a temporary license. Any
23 objection shall be made in good faith, and shall be given
24 prompt and thorough consideration in good faith by the
25 Tribal gaming agency. Nothing herein prevents the State
26 gaming agency from at any time requesting suspension or
27 revocation of a temporary license pursuant to subdivision
28 (d). Any dispute over the issuance of a temporary license
29 shall be resolved in accordance with the procedures set
30 forth in Sections 9.0 to 9.4, inclusive.

31 (c) Background Investigations of Applicants. Upon
32 receipt of completed license application information
33 from the Tribal gaming agency, the State gaming agency
34 may conduct a background investigation to determine
35 whether the applicant is suitable to be licensed in
36 accordance with the standards set forth in Section 6.4.3.
37 The State gaming agency and Tribal gaming agency shall
38 cooperate in sharing as much background information as
39 possible, both to maximize investigative efficiency and
40 thoroughness and to minimize investigative costs. Upon



1 completion of the necessary background investigation or
2 other verification of suitability, the State gaming agency
3 shall issue a notice to the Tribal gaming agency certifying
4 that the State has no objection to the issuance of a license
5 to the applicant by the Tribal gaming agency
6 (“certification of nonobjection”), or that it objects to that
7 issuance. If notice of objection is given, a statement
8 setting forth the grounds for the objection shall be
9 forwarded to the Tribal gaming agency together with the
10 information upon which the objection was based, unless
11 doing so would violate a confidentiality agreement or
12 compromise a pending criminal investigation. If a notice
13 of objection or a certificate of nonobjection is not
14 received by the Tribal gaming agency within 90 days of
15 the first receipt by the State gaming agency of the
16 application information and intent to issue a temporary
17 or permanent license, as provided herein, the State
18 gaming agency shall be deemed to have issued a
19 certificate of nonobjection.

20 (d) Grounds for Requesting Tribal License
21 Revocation or Suspension or Denying State Certification
22 of Nonobjection. The State gaming agency may revoke a
23 State certification of nonobjection if it determines at any
24 time that the applicant or license holder does not meet
25 the standards for suitability set forth in Section 6.4.3. Upon
26 the Tribal gaming agency’s receipt of notice of that
27 action, it shall immediately and in good faith consider the
28 action of the State gaming agency and, if the
29 circumstances warrant it, take action to suspend or
30 revoke the licensee’s Tribal license, unless within seven
31 days of receipt of that notice it has notified the State
32 gaming agency that good cause exists to defer taking that
33 action, including the need for further investigation.
34 Disputes regarding the action taken or not taken in
35 response to the State gaming agency request shall be
36 resolved pursuant to Sections 9.0 to 9.4, inclusive. If at any
37 time the State gaming agency becomes aware of
38 information that would constitute good cause to deny or
39 revoke the Tribal license of any person, including
40 members of federally recognized Indian tribes in



1 California who are exempt from the State review process,
2 it shall convey that information to the Tribal gaming
3 agency promptly after being made aware of that
4 information, and may request that appropriate action be
5 taken by the Tribal gaming agency as to that person.

6 Sec. 6.5. Licenses Required. A person may not be
7 employed by, or act as a gaming resource supplier to, any
8 gaming activity or facility of the Tribe unless that person,
9 if required to be licensed, has obtained all licenses
10 required hereunder.

11

12 Sec. 7.0. TRIBAL ENFORCEMENT OF GAMING
13 COMPACT PROVISIONS

14 Sec. 7.1. On-Site Regulation. It is the responsibility
15 of the Tribal gaming agency to conduct on-site gaming
16 regulation and control in order to enforce the terms of
17 this Gaming Compact, IGRA, and the Tribal gaming
18 ordinance with respect to gaming operation and facility
19 compliance, and to protect the integrity of the gaming
20 activities, the reputation of the Tribe and the gaming
21 operation for honesty and fairness, and the confidence of
22 patrons that tribal government gaming in California
23 meets the highest standards of regulation and internal
24 controls. To meet those responsibilities, the Tribal
25 gaming agency shall adopt regulations, procedures, and
26 practices as set forth herein.

27 Sec. 7.2. Investigation and Sanctions. The Tribal
28 gaming agency shall investigate any reported violation of
29 this Gaming Compact and shall require the gaming
30 operation to correct the violation upon any terms and
31 conditions as the Tribal gaming agency determines are
32 necessary. The Tribal gaming agency shall be
33 empowered by the Tribal ordinance to impose fines or
34 other sanctions within the jurisdiction of the Tribe against
35 gaming licensees or other persons who interfere with or
36 violate the Tribe's gaming regulatory requirements and
37 obligations under IGRA, the Tribal gaming ordinance, or
38 this Gaming Compact. The Tribal gaming agency shall
39 report continued violations or failures to comply with its
40 orders to the State gaming agency, provided that the



1 continued violations and compliance failures have first
2 been reported to the Tribe and no corrective action has
3 been taken within a reasonable period of time.

4 Sec. 7.3. Assistance by State gaming agency. If
5 requested by the Tribal gaming agency, the State gaming
6 agency shall assist in any investigation initiated by the
7 Tribal gaming agency and provide other requested
8 services to ensure proper compliance with this Gaming
9 Compact. The State shall be reimbursed for its reasonable
10 costs of that assistance provided that it has received
11 approval from the Tribe in advance for those
12 expenditures.

13 Sec. 7.4. Access to Premises by State Gaming Agency;
14 Notification; Inspections. Notwithstanding that the
15 Tribe has the primary responsibility to administer and
16 enforce the regulatory requirements, the State gaming
17 agency shall have the right to inspect the Tribe's gaming
18 facilities with respect to class III gaming activities only,
19 and all gaming operation or facility records relating
20 thereto, subject to the following conditions:

21 Sec. 7.4.1. Inspection of public areas of a gaming
22 facility may be made at any time without prior notice
23 during normal gaming facility business hours.

24 Sec. 7.4.2. Inspection of private areas of a gaming
25 facility not accessible to the public may be made at any
26 time during normal gaming facility business hours,
27 immediately after the State gaming agency's authorized
28 inspector notifies the Tribal gaming agency and gaming
29 facility management of his or her presence on the
30 premises, presents proper identification, and requests
31 access to the nonpublic areas of the gaming facility. The
32 Tribal gaming agency, in its sole discretion, may require
33 an employee of the gaming facility or the Tribal gaming
34 agency to accompany the State gaming agency inspector
35 at all times that the State gaming agency inspector is on
36 the premises of a gaming facility. If the Tribal gaming
37 agency imposes such a requirement, it shall require an
38 employee of the gaming facility or the Tribal gaming
39 agency to be available at all times for those purposes.



1 *Sec. 7.4.3. Inspection and copying of gaming*
2 *operation records may occur at any time, immediately*
3 *after notice to the Tribal gaming agency, during the*
4 *normal hours of the facility's business office, provided*
5 *that the inspection and copying of those records may not*
6 *interfere with the normal functioning of the gaming*
7 *operation or facility. Notwithstanding any other*
8 *provision of the law of this State, all information and*
9 *records, and copies thereof, that the State gaming agency*
10 *obtains, inspects, or copies pursuant to this Gaming*
11 *Compact shall be and remain the property solely of the*
12 *Tribe, and may not be released or divulged for any*
13 *purpose without the Tribe's prior written consent, except*
14 *that the production of those records may be compelled by*
15 *subpoena in a criminal prosecution or in a proceeding for*
16 *violation of this Gaming Compact without the Tribe's*
17 *prior written consent, and provided further that, prior to*
18 *the disclosure of the contents of these records, the Tribe*
19 *shall be given at least 10 court days' notice and an*
20 *opportunity to object or to require the redaction of trade*
21 *secrets or other confidential information that is not*
22 *relevant to the proceeding in which the records are to be*
23 *produced.*

24 *Sec. 7.4.4. Whenever a representative of the State*
25 *gaming agency enters the premises of the gaming facility*
26 *for any inspection, that representative shall immediately*
27 *identify himself or herself to security or supervisory*
28 *personnel of the gaming facility.*

29 *Sec. 7.4.5. Any person associated with the State*
30 *gaming agency who is expected to have access to*
31 *nonpublic areas of the gaming facility shall first be*
32 *identified to the Tribal gaming agency by the State*
33 *gaming agency as so authorized, and following a sufficient*
34 *period of time for the Tribal gaming agency to conduct*
35 *a reasonable inquiry into the person's character and*
36 *background, shall be approved before seeking access.*
37 *This approval may not be unreasonably withheld.*
38

1 *Sec. 8.0. RULES AND REGULATIONS FOR THE*
2 *OPERATION AND MANAGEMENT OF THE TRIBAL*
3 *GAMING OPERATION*

4 *Sec. 8.1. Adoption of Regulations for Operation and*
5 *Management; Minimum Standards. In order to meet*
6 *the goals set forth in this Gaming Compact and required*
7 *of the Tribe by law, the Tribal gaming agency shall be*
8 *vested with the authority to promulgate, at a minimum,*
9 *rules and regulations governing the following subjects,*
10 *and to ensure their enforcement in an effective manner:*

11 *Sec. 8.1.1. The enforcement of all relevant laws and*
12 *rules with respect to the gaming operation and facility,*
13 *and the power to conduct investigations and hearings*
14 *with respect thereto and to any other subject within its*
15 *jurisdiction.*

16 *Sec. 8.1.2. The physical safety of gaming operation*
17 *patrons, employees, and any other person while in the*
18 *gaming facility.*

19 *Sec. 8.1.3. The physical safeguarding of assets*
20 *transported to, within, and from the gaming facility.*

21 *Sec. 8.1.4. The prevention of illegal activity from*
22 *occurring within the facility or with regard to the gaming*
23 *operation, including, but not limited to, the maintenance*
24 *of employee procedures and a surveillance system as*
25 *provided below.*

26 *Sec. 8.1.5. The detention of persons who may be*
27 *involved in illegal acts for the purpose of notifying*
28 *appropriate law enforcement authorities.*

29 *Sec. 8.1.6. The recording of any and all occurrences*
30 *within the gaming facility that deviate from normal*
31 *operating policies and procedures (hereafter*
32 *“incidents”). The procedure for recording incidents shall*
33 *(1) specify that security personnel record all incidents,*
34 *regardless of an employee’s determination that the*
35 *incident may be immaterial (all incidents shall be*
36 *identified in writing); (2) require the assignment of a*
37 *sequential number to each report; (3) provide for*
38 *permanent reporting in indelible ink in a bound*
39 *notebook from which pages cannot be removed and in*
40 *which entries are made on each side of each page; and (4)*



1 require that each report include, at a minimum, all of the
2 following:

- 3 (a) The record number.
- 4 (b) The date.
- 5 (c) The time.
- 6 (d) The location of the incident.
- 7 (e) A detailed description of the incident.
- 8 (f) The persons involved in the incident.
- 9 (g) The security department employee assigned to the
10 incident.

11 *Sec. 8.1.7. The establishment of employee procedures*
12 *designed to permit detection of any irregularities, theft,*
13 *cheating, fraud, or the like.*

14 *Sec. 8.1.8. Maintenance of a list of persons barred from*
15 *the gaming facility who, because of their past behavior,*
16 *criminal history, or association with persons or*
17 *organizations, pose a threat to the integrity of the gaming*
18 *activities of the Tribe or to the integrity of regulated*
19 *gaming within the State.*

20 *Sec. 8.1.9. The conduct of an audit of the gaming*
21 *operation, not less than annually, by an independent*
22 *certified public accountant, in accordance with the*
23 *auditing and accounting standards for audits of casinos of*
24 *the American Institute of Certified Public Accountants.*

25 *Sec. 8.1.10. Submission to and prior approval from the*
26 *Tribal gaming agency of the rules and regulations of each*
27 *class III game to be operated by the Tribe, and of any*
28 *changes in those rules and regulations. No class III game*
29 *may be played that has not received Tribal gaming*
30 *agency approval.*

31 *Sec. 8.1.11. Maintenance of a copy of the rules,*
32 *regulations, and procedures for each game as presently*
33 *played, including, but not limited to, the method of play*
34 *and the odds and method of determining amounts paid*
35 *to winners. Information regarding the method of play,*
36 *odds, payoff determinations, and player pool balances*
37 *shall be visibly displayed or available to patrons in written*
38 *form in the gaming facility. Betting limits applicable to*
39 *any gaming station shall be displayed at that gaming*
40 *station. In the event of a patron dispute over the*



1 application of any gaming rule or regulation, the matter
2 shall be handled in accordance with the Tribal gaming
3 ordinance and any rules and regulations promulgated by
4 the Tribal gaming agency.

5 *Sec. 8.1.12. Maintenance of a closed-circuit television*
6 *surveillance system consistent with industry standards for*
7 *gaming facilities of the type and scale operated by the*
8 *Tribe, which system shall be approved by, and may not*
9 *be modified without the approval of, the Tribal gaming*
10 *agency. The Tribal gaming agency shall have current*
11 *copies of the gaming facility floor plan and closed-circuit*
12 *television system at all times, and any modifications*
13 *thereof first shall be approved by the Tribal gaming*
14 *agency.*

15 *Sec. 8.1.13. Maintenance of a cashier's cage in*
16 *accordance with industry standards for such facilities.*

17 *Sec. 8.1.14. A description of minimum staff and*
18 *supervisory requirements for each gaming activity to be*
19 *conducted.*

20 *Sec. 8.1.15. Regulations specific to technical standards*
21 *for the operation of Tribal gaming devices and other*
22 *games authorized herein to be adopted by the Tribe,*
23 *which technical specifications may be no less stringent*
24 *than those approved by a recognized gaming testing*
25 *laboratory in the gaming industry.*

26 *Sec. 8.2. Criminal Jurisdiction. Nothing in this*
27 *Gaming Compact affects the criminal jurisdiction of the*
28 *State under Public Law 280 (18 U.S.C. Sec. 1162) or IGRA,*
29 *to the extent applicable, provided that no gaming activity*
30 *conducted in compliance with this Gaming Compact and*
31 *the Act may be deemed to be a civil or criminal violation*
32 *of any law of the State. Except as otherwise provided*
33 *herein, to the extent the State contends that a violation*
34 *of this Gaming Compact or any law of the State regarding*
35 *the regulation or conduct of gambling has occurred at or*
36 *in relation to the Tribe's gaming operation or facility, the*
37 *violation shall be treated solely as a civil matter to be*
38 *resolved pursuant to Sections 9.0 to 9.4, inclusive.*

39

40 *Sec. 9.0. DISPUTE RESOLUTION PROVISIONS*



1 *Sec. 9.1. Voluntary Resolution; Reference to Other*
2 *Means of Resolution. In recognition of the*
3 *government-to-government relationship of the Tribe and*
4 *the State, the parties shall make their best efforts to*
5 *resolve disputes that occur under this Gaming Compact*
6 *by good faith negotiations whenever possible. Therefore,*
7 *without prejudice to the right of either party to seek*
8 *injunctive relief against the other when circumstances*
9 *require that immediate relief, the parties hereby*
10 *establish a threshold requirement that disputes between*
11 *the Tribe and the State first be subjected to a process of*
12 *meeting and conferring in order to foster a spirit of*
13 *cooperation and efficiency in the administration and*
14 *monitoring of performance and compliance by each*
15 *other with the terms, provisions, and conditions of this*
16 *Gaming Compact, as follows:*

17 *(a) Either party shall give the other, as soon as possible*
18 *after the event giving rise to the concern, a written notice*
19 *setting forth the issues to be resolved.*

20 *(b) The parties shall meet and confer in a good faith*
21 *attempt to resolve the dispute through negotiation not*
22 *later than 10 days after receipt of the notice, unless both*
23 *parties agree in writing to an extension of time.*

24 *(c) If the dispute is not resolved to the satisfaction of*
25 *the parties within 20 days after the first meeting, then a*
26 *party may seek to have the dispute resolved by an*
27 *arbitrator in accordance with this section. "Dispute," for*
28 *purposes of this subdivision, means any disagreement*
29 *between the State gaming agency and the Tribal gaming*
30 *agency in reference to the terms of a tribal-state gaming*
31 *compact executed pursuant to this article, including*
32 *specifically the model provisions of Sections 4.0 to 8.1.15,*
33 *inclusive. Any dispute concerning the reasonableness of*
34 *any claim submitted by the State gaming agency or any*
35 *other department, agency, or subdivision of the State for*
36 *reimbursement of the actual and reasonable costs of*
37 *providing gaming regulatory services under the Gaming*
38 *Compact shall be resolved in accordance with the*
39 *procedures of this subdivision.*



1 (d) Disagreements, other than disputes as defined in
2 subdivision (c), shall be resolved in federal district court
3 and all applicable courts of appeal (or, if those federal
4 courts lack jurisdiction, in any court of competent
5 jurisdiction and its related courts of appeal). The
6 disagreements to be submitted to court action include,
7 but are not limited to, any other dispute, including, but
8 not limited to, claims of breach or failure to negotiate in
9 good faith regarding the terms of this Gaming Compact
10 and any renewal or amendment thereto. In no event may
11 the Tribe be precluded from pursuing any arbitration or
12 judicial remedy against the State on the grounds that the
13 Tribe has failed to exhaust its state administrative
14 remedies.

15 Sec. 9.2. Arbitration Rules. Arbitration shall be
16 conducted in accordance with the policies and
17 procedures of the Commercial Arbitration Rules of the
18 American Arbitration Association, and shall be held on
19 the Tribe's reservation. Each side shall bear its own costs,
20 attorneys' fees, and one-half the cost of the arbitration.
21 Only one arbitrator may be named, unless the Tribe and
22 the State agree otherwise. The decision of the arbitrator
23 shall be binding.

24 Sec. 9.3. No Waiver or Preclusion of Other Means of
25 Dispute Resolution. This section may not be construed
26 to waive, limit, or restrict any remedy that is otherwise
27 available to either party, nor may this section be
28 construed to preclude, limit, or restrict the ability of the
29 parties to pursue, by mutual agreement, any other
30 method of dispute resolution, including, but not limited
31 to, mediation or utilization of a technical advisor to the
32 Tribal and State gaming agencies, provided that neither
33 party is under any obligation to agree to such alternative
34 method of dispute resolution.

35 Sec. 9.4. Limited Waiver of Sovereign Immunity.
36 (a) In the event a dispute is to be resolved in federal
37 court or a court of competent jurisdiction as provided in
38 Section 9.1 of this Gaming Compact, the State and the
39 Tribe expressly consent to be sued therein and waive any
40 immunity therefrom they may have, provided:



1 (1) *The dispute is limited solely to issues arising under*
2 *this Gaming Compact.*

3 (2) *Neither side makes any claim for monetary*
4 *damages (that is, only injunctive, specific performance,*
5 *or declaratory relief is sought).*

6 (3) *No person or entity other than the Tribe and the*
7 *State are parties to such action.*

8 (b) *In the event of intervention by any additional*
9 *party into any such action without the consent of the*
10 *Tribe and the State, the waivers of both the Tribe and*
11 *State provided for herein shall be deemed to be revoked*
12 *and void.*

13 (c) *The waivers and consents provided in Sections 9.0*
14 *to 9.4, inclusive, shall extend to actions to compel*
15 *arbitration, any arbitration proceeding herein, any action*
16 *to confirm or enforce any arbitration award as provided*
17 *herein, and to any appellate proceedings emanating from*
18 *a matter in which an immunity waiver has been granted.*
19 *Except as stated herein, no other waivers or consents to*
20 *be sued, either express or implied, are granted by either*
21 *party.*

22
23 *Sec. 10.0. PUBLIC HEALTH, SAFETY, AND*
24 *LIABILITY*

25 *Sec. 10.1. Compliance. For the purposes of this*
26 *Gaming Compact, the Tribal gaming operation shall*
27 *comply with and enforce standards no less stringent than*
28 *the following with respect to public health and safety:*

29 (a) *Public health standards for food and beverage*
30 *handling in accordance with United States Public Health*
31 *Service requirements.*

32 (b) *Federal water quality and safe drinking water*
33 *standards.*

34 (c) *The building and safety standards set forth in*
35 *Section 6.4.2.*

36 (d) *A requirement that the Tribe carry no less than*
37 *two million dollars (\$2,000,000) in public liability*
38 *insurance for patron claims, and that the Tribe provide*
39 *reasonable assurance that those claims will be promptly*
40 *and fairly adjudicated, and that legitimate claims will be*



1 *paid, provided that nothing herein requires the Tribe to*
2 *agree to liability for punitive damages or attorneys' fees.*

3 *(e) Tribal codes and other applicable federal law*
4 *regarding public health and safety.*

5 *(f) The creation and maintenance of a system that*
6 *provides redress for employee work-related injuries,*
7 *disabilities, and unemployment through requiring*
8 *insurance or self-insurance, or by other means, which*
9 *system includes the right to notice, hearings, and a means*
10 *of enforcement and provides benefits comparable to*
11 *those mandated for comparable workplaces under State*
12 *law.*

13 *Sec. 10.2. Emergency Service Accessibility. The*
14 *Tribal gaming operation shall ensure that it has made*
15 *reasonable provisions for adequate emergency fire,*
16 *medical, and related relief and disaster services for*
17 *patrons and employees of the facility.*

18 *Sec. 10.3. Alcoholic Beverage Service. Standards for*
19 *alcohol service shall be subject to applicable state law.*

20

21 *Sec. 11.0. EFFECTIVE DATE, TERMINATION,*
22 *AND RENEWAL*

23 *Sec. 11.1. Effective Date. A Gaming Compact shall*
24 *take effect upon publication of notice of approval by the*
25 *Secretary of the Interior in the Federal Register in*
26 *accordance with applicable federal law.*

27 *Sec. 11.2. Termination. Once effective, a Gaming*
28 *Compact shall remain in effect for a period of 25 years or*
29 *until terminated by the written agreement of both*
30 *parties, or unilaterally by the Tribe upon 60 days' written*
31 *notice to the Governor.*

32

33 *Sec. 11.3. Renewal. Upon its expiration, any Gaming*
34 *Compact may be renegotiated and renewed for an*
35 *additional 25 years, subject to the requirements of this*
36 *article. Unless a Gaming Compact is terminated pursuant*
37 *to Sec. 11.2, the terms of the existing compact shall remain*
38 *in effect until either a new compact is negotiated and*
39 *executed by the parties, or until any dispute between the*
40 *parties is resolved in accordance with applicable federal*



1 law and the dispute resolution procedures set forth in
2 Sections 9.0 to 9.4, inclusive, of this compact.

3 *Sec. 12.0. AMENDMENTS; RENEGOTIATIONS*

4 *Sec. 12.1. The terms and conditions of this Gaming*
5 *Compact may be amended at any time by the mutual and*
6 *written agreement of both parties in accordance with the*
7 *procedures of Section 3 of this article.*

8 *Sec. 12.2. In the event that federal or State law is*
9 *changed or is interpreted to permit gaming in California*
10 *that was not, as of the effective date of this Gaming*
11 *Compact, permitted for any purpose, to any person,*
12 *organization, or entity, whether caused by the enactment*
13 *of a statute, a final court decision, or a practice of the State*
14 *gaming agency, the Tribe, as a matter of right, may*
15 *request negotiations to amend this Gaming Compact to*
16 *authorize and permit those additional forms of gaming,*
17 *which shall be deemed to be included in the definition of*
18 *gaming activities included herein.*

19 *Sec. 12.3. Process and Negotiation Standards. All*
20 *requests to amend or renegotiate shall be in writing, and*
21 *shall include the activities or circumstances to be*
22 *negotiated together with a statement of the basis*
23 *supporting the request. The parties shall confer promptly*
24 *and determine a schedule for commencing negotiations*
25 *within 30 days of the request. Unless expressly provided*
26 *otherwise herein, all matters involving negotiations or*
27 *other amendatory processes under this section shall be*
28 *governed, controlled, and conducted (a) in conformity*
29 *with the provisions and requirements of IGRA, including*
30 *those provisions regarding the obligation of the State to*
31 *negotiate in good faith and the enforcement of that*
32 *obligation in federal court, as to which obligation and*
33 *actions in federal court the State hereby agrees and*
34 *consents to be sued in that court system, and (b) in*
35 *conformity with the authority of the Secretary of the*
36 *Interior to adopt procedures for the Tribe's engagement*
37 *in class III gaming if no agreement in a Gaming Compact*
38 *can be reached and the State has failed to negotiate in*
39 *good faith. The Chairperson of the Tribe and the*
40 *Governor of the State are hereby authorized to designate*



1 *the person or agency responsible for conducting the*
2 *negotiations, and shall execute any documents necessary*
3 *as a result thereof.*

4 *Sec. 13.0. SEVERABILITY. In the event that any*
5 *section or provision of this Gaming Compact is held*
6 *invalid, or its application to any particular activity is held*
7 *invalid, it is the intent of the parties that the remaining*
8 *sections of this Gaming Compact continue in full force*
9 *and effect, provided that, in the event provisions must be*
10 *added to this Gaming Compact in order to preserve the*
11 *intentions of the parties in light of that invalidity, the*
12 *parties shall promptly negotiate those provisions in good*
13 *faith.*

14
15 *Sec. 14.0. CHANGES IN IGRA. This Gaming*
16 *Compact is intended to meet the requirements of IGRA*
17 *or any successor statute, as in effect on the date this*
18 *Gaming Compact becomes effective. Subsequent*
19 *changes to IGRA that diminish the rights of the State or*
20 *the Tribe may not be applied retroactively to this Gaming*
21 *Compact, except to the extent that federal law validly*
22 *mandates that diminishment without the State's or the*
23 *Tribe's respective consent.*

24
25 *SEC. 6. The gaming authorized pursuant to this*
26 *article, including, but not limited to, the gaming*
27 *authorized pursuant to the Gaming Compact set forth in*
28 *Section 5 of this article, is not subject to any prohibition*
29 *in state law.*

30 *SEC. 7. If any provision of this article or the*
31 *application thereof to any person or circumstance is held*
32 *invalid, that invalidity may not affect other provisions or*
33 *applications of this article that can be given effect without*
34 *the invalid provision or application, and to this end the*
35 *provisions of this article are severable.*

36 *SEC. 8. The Governor is authorized and directed to*
37 *execute any documents that may be necessary to*
38 *implement this article.*

39 *SEC. 9. The substantive provisions of the Gaming*
40 *Compact set forth in Section 5 are hereby incorporated*



1 into state law, and all gaming activities, including but not
2 limited to gaming devices, authorized therein are
3 expressly declared to be permitted as a matter of state law
4 to any Indian tribe that has entered into a tribal-state
5 gaming compact that has been executed by the Governor
6 and implemented in state law in accordance with this
7 article.

8 SEC. 10. Nothing in this article may be construed to
9 limit the right of a federally recognized Indian tribe to
10 request that a Tribal-State compact be negotiated with
11 the state on terms that are different from those set forth
12 in the Section 5 of this article, nor the authority of the
13 Governor on behalf of the state to engage in those
14 negotiations and to reach agreement under IGRA.
15 Nothing in this article may be construed to mean that, in
16 offering the Gaming Compact to Indian tribes in
17 California under Section 5, and, except for assessments by
18 the State as provided therein of those amounts as are
19 necessary to defray its costs of regulating activities as
20 provided under the Gaming Compact, (a) the state is
21 imposing any tax, fee, charge, or other assessment upon
22 an Indian tribe or upon any other person or entity
23 authorized by an Indian tribe as a condition to engaging
24 in a class III activity, or (b) the State is refusing to enter
25 into Tribal-State compact negotiations based upon the
26 lack of authority of the state, or of any political subdivision
27 of the state, to impose such a tax, fee, charge, or other
28 assessment.

29 SEC. 11. (a) The terms specified in Section 5 of this
30 article shall constitute the starting point in any
31 negotiations over the terms of a Tribal-State Gaming
32 Compact between the State of California and any
33 federally recognized Indian tribe located within the State
34 of California. The Governor, in his or her discretion as
35 chief executive of the State and pursuant to his or her
36 authority under Section 3 of this article, shall be free to
37 modify or add to the terms specified in Section 5 as he or
38 she deems necessary to protect the health, safety, and
39 welfare of the people of California, provided that every
40 Tribal-State Gaming Compact entered into pursuant to



1 *this article shall include the following mandatory terms*
2 *and conditions:*

3 (1) *The Tribe shall be authorized and permitted to*
4 *engage in the full scope of class III gaming activities set*
5 *forth in Sections 4.0 to 4.2, inclusive, of the model*
6 *Compact specified in Section 5 of this article;*

7 (2) *There shall be no limit imposed upon the number*
8 *of gaming facilities that the Tribe is authorized to*
9 *operate, as long as all of those gaming facilities are located*
10 *on Indian lands within California over which the Tribe*
11 *has jurisdiction and qualify under federal law as lands*
12 *upon which gaming can lawfully be conducted, and as*
13 *long as the aggregate number of tribal gaming devices*
14 *operated by the Tribe in all of its gaming facilities do not*
15 *exceed the number of gaming devices it is authorized and*
16 *permitted to operate pursuant to the terms of the*
17 *Compact;*

18 (3) *Subject to increase in accordance with paragraph*
19 *(4), the number of tribal gaming devices that the Tribe*
20 *initially shall be entitled to operate pursuant to the terms*
21 *of the Compact shall, at a minimum, be the largest of (1)*
22 *the largest number of gaming devices actually operated*
23 *by the Tribe during the month of January 1999; or (2) 975*
24 *gaming devices. The number of tribal gaming devices*
25 *that the Tribe initially shall be entitled to operate*
26 *pursuant to the terms of the Compact shall, at a*
27 *maximum, be the largest of (1) the largest number of*
28 *gaming devices actually operated by the Tribe during the*
29 *month of January 1999; or (2) 1500 gaming devices; or (3)*
30 *the largest number of gaming devices operated during*
31 *the month of January 1999 by any other federally*
32 *recognized Tribe within a 35-mile radius of any of the*
33 *Tribe's existing or proposed gaming facilities;*

34 (4) *Commencing on the one-year anniversary of the*
35 *effective date of the Compact, the Tribe shall be*
36 *permitted to increase the number of tribal gaming*
37 *devices in operation at its gaming facilities above the*
38 *number initially authorized and permitted pursuant to*
39 *the terms of the Compact by no less than an average*
40 *annual growth rate of 10 percent over the initial 10-year*



1 *period of the Compact. The Compact shall permit the*
2 *Tribe to increase the number of gaming devices by as*
3 *much as 50 percent in any particular year, as long as the*
4 *total number of gaming devices operated by the Tribe at*
5 *the end of the initial 10-year period does not exceed the*
6 *limits set forth in this subdivision. The Compact shall*
7 *provide that any further increases in the number of*
8 *permitted tribal gaming devices following the expiration*
9 *of the initial 10-year period shall be the subject of*
10 *good-faith negotiations between the parties and shall be*
11 *based upon an economic analysis demonstrating that a*
12 *further expansion is warranted; and*

13 (5) *The Compact shall include provisions under which*
14 *the Tribe agrees to contribute to the tribal, state, and local*
15 *trust funds described in Sections 5.2, 5.3, and 5.4 of the*
16 *Compact specified in Section 5 of this article. The*
17 *amounts to be contributed by the Tribe to each of those*
18 *trust funds in accordance with the provisions of Sections*
19 *5.2, 5.3, and 5.4 may be subject to negotiation between the*
20 *Tribe and the Governor, but the Tribe shall not be*
21 *required to contribute in excess of 8 percent of its net win*
22 *from tribal gaming terminals to the aggregate of all trust*
23 *funds. Other than the contributions required to be made*
24 *to those trust funds, the Tribe shall not be required to*
25 *share any of its gaming revenues with the State of*
26 *California as a condition of entering into a Tribal-State*
27 *Gaming Compact, provided that this provision does not*
28 *prevent the State or any subdivision thereof from*
29 *obtaining reimbursement from the Tribe for the actual*
30 *and reasonable costs of providing gaming regulatory or*
31 *other services to the Tribe in accordance with Section 4*
32 *of this article.*

33 (b) *The Governor is specifically authorized to propose*
34 *agreements between the Tribe and nearby local*
35 *governments concerning road access, the provision of law*
36 *enforcement and emergency services, and other*
37 *considerations as he or she deems warranted. The*
38 *Governor may also encourage, but shall not require, the*
39 *Tribe to adopt an ordinance incorporating federal*
40 *process standards concerning the representation of*



1 gaming employees, collective bargaining, or other
2 conditions of employment on Indian lands.

3 SEC. 12. Notwithstanding subdivision (e) of Section
4 19 of Article IV of the California Constitution and any
5 other provision of state law, the Legislature shall
6 authorize licensed gambling establishments in this state
7 to operate and offer for play banking games played with
8 cards, subject to the following conditions:

9 (a) The Legislature shall allow licensed gambling
10 establishments to play only those games that are actually
11 played in tribal casinos pursuant to the terms of a
12 tribal-state compact.

13 (b) These games shall be subject to regulation and
14 limitation by the California Gambling Control
15 Commission, or its successor. In no event shall this section
16 be construed to allow more tables per gambling
17 establishment than are allowed by existing law or to
18 authorize the expansion of gambling in contravention of
19 the requirements of Sections 19950, 19950.1, or 19950.2 of
20 the Business and Profession Code.

21 (c) Until March 8, 2008, no gambling establishment
22 that operates banking card games pursuant to this section
23 or to any statute enacted hereunder shall expand the total
24 number of tables it was authorized to operate prior to the
25 effective date of this article.

26 (d) The Legislature may further reduce the maximum
27 number of banking card game tables that a gambling
28 establishment may operate, or impose additional limits or
29 conditions on the operation of these games, as it deems
30 necessary.

31 ~~the Legislature of the State of California at its 1999-2000~~
32 ~~Regular Session commencing on the seventh day of~~
33 ~~December 1998, two-thirds of the membership of each~~
34 ~~house concurring, hereby proposes to the people of the~~
35 ~~State of California that the Constitution of the State be~~
36 ~~amended by amending Section 4 of Article XI thereof, to~~
37 ~~read:~~

38 ~~SEC. 4. County charters shall provide for:~~

39 ~~(a) A governing body of 5 or more members, elected~~
40 ~~(1) by district, or (2) at large, or (3) at large, with a~~



1 requirement that they reside in a district. In a county with
2 a population of more than 5,000,000, the charter shall
3 provide for a governing body of 9 or more members.
4 Charter counties are subject to statutes that relate to
5 apportioning the population of governing body districts.

6 (b) ~~The compensation, terms, and removal of~~
7 ~~members of the governing body. If a county charter~~
8 ~~provides for the Legislature to prescribe the salary of the~~
9 ~~governing body, the compensation shall be prescribed by~~
10 ~~the governing body by ordinance. In a county with a~~
11 ~~population of more than 5,000,000, the expenditures for~~
12 ~~the members of the board of supervisors and its staff may~~
13 ~~not exceed the amount budgeted for the 1998-99 fiscal~~
14 ~~year, or an amount that has the same proportion as the~~
15 ~~expenditures had to the total county budget in the~~
16 ~~1998-99 fiscal year.~~

17 (c) ~~An elected sheriff, an elected district attorney, an~~
18 ~~elected assessor, other officers, their election or~~
19 ~~appointment, compensation, terms and removal.~~

20 (d) ~~The performance of functions required by statute.~~

21 (e) ~~The powers and duties of governing bodies and all~~
22 ~~other county officers, and for consolidation and~~
23 ~~segregation of county officers, and for the manner of~~
24 ~~filling all vacancies occurring in those offices.~~

25 (f) ~~The fixing and regulation by governing bodies, by~~
26 ~~ordinance, of the appointment and number of assistants,~~
27 ~~deputies, clerks, attachés, and other persons to be~~
28 ~~employed, and for the prescribing and regulating by~~
29 ~~those bodies of the powers, duties, qualifications, and~~
30 ~~compensation of those persons, the times at which, and~~
31 ~~terms for which they shall be appointed, and the manner~~
32 ~~of their appointment and removal.~~

33 (g) ~~Whenever any county has framed and adopted a~~
34 ~~charter, and the charter has been approved by the~~
35 ~~Legislature as provided in this section, the general laws~~
36 ~~adopted by the Legislature pursuant to subdivision (b) of~~
37 ~~Section 1 of this article, shall, as to that county, be~~
38 ~~superseded by that charter as to matters for which under~~
39 ~~this section it is competent to make provision in the~~



1 ~~charter, and for which provision is made in the charter;~~
2 ~~except as otherwise expressly provided in this section.~~
3 ~~(h) Charter counties shall have all the powers that are~~
4 ~~provided by this Constitution or by statute for counties.~~
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