

Protecting Indian Gaming

Prop 27– Corporate Operators

- Harms all California Tribes by losing tribal gaming exclusivity.
- Requires tribes to waive their sovereignty.
- Out-of-state corporations take total control of online sports wagering market
- Allows out-of-state corporations to take money out of the state without any real investment in California jobs or our economy. The **Corporations take 90% of the profits....**
Nearly 100% of profits from tribal casino are recirculated locally.
- Not a “solution to homelessness”.
 - In comparison to what the State put towards homelessness this year alone, these “solution” funds would only equate to 5% of what the State put in.
 - They want us to believe that is the magic 5% contribution is going to somehow make this year’s already budgeted \$7,600,000,000 (\$7.6B) magically work and end homelessness?

Prop 27- Corporate Operators

- Shares only 1.5% of the profits with “poor and disadvantaged” tribes
- Creates the Homeless and Tribes “Fund”, then takes deductions off the top!
 - The Fund must loan the State \$30M so they have money to create the regulatory body... **Tribes and Homeless pay for the regulatory body.**
 - The Fund is used to pay for an annual audit, which is allowed to cost up to \$600,000.... **Tribes and Homeless pay for the annual audit.**
 - The Funds shall first be used to ensure the Division and Department are adequately staff... **Tribes and Homeless annually pay for their staff.**
 - The Funds shall pay for the ongoing regulation of online sports betting... **Tribes and Homeless pay for the ongoing regulatory framework.**
 - After all this, then 8.5% and 1.5% of what’s leftover goes to the Homeless and Tribes. 1.5% divided by nearly 100 tribes doesn’t go too far.

Prop 26- Tribal Retail Only

- Harms all California Tribes by losing tribal gaming exclusivity.
 - Legalizes sports wagering at the four horse tracks. They have the speed-to-market advantage.
 - **THIS IS A WILLFUL SURRENDER OF GAMING EXCLUSIVITY, BY TRIBES**
 - If this initiative is allowed to open that door, who next is going to ask or demand the same right to Class III gaming? How would we stop them from expanding the right? We couldn't!!!
 - We share the revenue, not the right.
- Does not maintain **Class III on only Indian Lands**.
- Has **no branding restrictions**. This allows the Operators to both operate and establish their brand awareness as the CA sports betting leaders, NOT Tribes, which would help their future efforts when they seek full online gaming.

Prop 26- Tribal Retail Only

- Has wide political opposition because it includes a PAGA provision that opponents say it would open the floodgates of frivolous lawsuits, challenging the legality of games the cardrooms offer for play.
 - With the Card Room Moratorium expiring, and all the stakeholders committing to meeting to workout a compromise, if Prop 26 passes it seems likely it will greatly influence the starting point for a compromise.
 - If Prop 26 **doesn't** pass, a Clean or Cleaner Extension is a possible option
 - If Prop 26 **does** pass, Card Rooms are going to want legislation that legitimizes their operations
 - Card club "No" campaign will hurt the image off **ALL** tribes in California. New political pressures can also delay compact amendment process and a diminished public image can jeopardize tribal options for the 2024 ballot.
- Does not guarantee revenue share with the 72 Tribes that are eligible for Revenue Sharing Trust Fund (RSTF)
- The Corporate (Prop 27) and Tribal Retail (Prop 26) are complementary. As written, it doesn't require one to fail. Both can pass and both will go into effect.

Prop 26- Tribal Retail Only

- **Requires tribes to negotiate an amendment** to existing tribal-state gaming compacts
 - Some tribes started negotiations with the State 8 years ago and it ended with suing the State for bad faith negotiations. How long would this take?
 - Horse tracks will be able to offer sports wagering sooner than tribes, giving the horse tracks a speed-to-market advantage. This will also make them the top choice for the out-of-state operators, which will result in them taking a dominating share of the market.
 - Having a template Compact Amendment option in the initiative is the preferred route because it saves time, money, and our sovereignty.
 - **Saves Time - No negotiation with the State. No speed-to-market disadvantage for tribes.**
 - **Saves Money – Only include what IGRA allows**
 - **Saves our Sovereignty – No more being forced to give up our sovereign rights in exchange for the ability to game.**
 - **Ends the State's "Pay-to-Play" approach**