

New 2016 Compacts

Provisions that benefit local jurisdictions
in the United Auburn Indian Community's
newly amended compact

In 2004 and 2006, nine tribes with casinos in marketable locations negotiated new compact terms with Governor Schwarzenegger so that they could increase the number of slot machines above the limits imposed in the 1999 compacts.

Governor Schwarzenegger wanted more money for the state, so in return for lifting the slots cap, he negotiated for payments to the General Fund that amounted to about \$370 million per year in the aggregate.

By 2015, the United Auburn Indian Community was paying more than \$42 million per year to the General Fund.

The Rincon Band won a legal challenge against these payments under the federal Indian Gaming Regulatory Act, which prohibits states from charging a tax or fee in return for tribes engaging in Class III gaming. In 2011, the US Supreme Court refused to hear the state's appeal.

While the Rincon case did not directly affect the existing compacts, the future of these payments was in question. Local governments should benefit.

Last summer, UAIC negotiated an amended compact with Governor Brown that has since been followed by similar provisions for the Santa Ynez Band of Mission Indians, the Pala Band of Mission Indians and the Jackson Rancheria.

Placer County Supervisor Robert Weygandt was our lead witness in support at our legislative hearings, and every city in Placer County sent enthusiastic letters of support.

So what does this new compact offer?

For the UAIC, the overall annual payment to the state was reduced from \$42 million to \$36 million.

AND

UAIC can take credits against those payments of up to \$18 million per year in two main categories: 1) local infrastructure and 2) miscellaneous investments and local payments.

CATEGORY 1: LOCAL INFRASTRUCTURE

The tribe may take credits of up to \$9 million per year for payments by the tribe to Placer County, state agencies and other local jurisdictions for purposes of financing infrastructure projects, including but not limited to construction, repair, maintenance and improvements of structures and facilities, on non-Indian lands in Placer County that benefit the tribe's gaming operation and the surrounding community.

Over the 25-year life of the compact, UAIC will invest \$225 million in Placer County infrastructure, none of which may be located on the tribe's trust lands.

CATEGORY 2: MISCELLANEOUS INVESTMENTS AND LOCAL PAYMENTS

The tribe may take additional credits of up to \$9 million per year for **miscellaneous investments**, including:

Non-gaming investments and development projects that diversify the tribe's general revenues OR have a cultural, social or environmental value.

Renewable energy projects that do not use conventional power sources.

Capital improvements and operating expenses for health care facilities that serve tribal members, other Indians and non-Indians.

CATEGORY 2: LOCAL PAYMENTS

Fire and law enforcement payments to local jurisdictions that serve the off-reservation needs of the tribe and community residents.

Payments in lieu of property taxes, sales taxes, and hotel taxes for casino, casino retail and casino hotel.

Payments to government agencies that operate in Placer County for operating expenses and capital improvements.

Grants to other Indians for educational, cultural and vocational purposes or to other federally recognized tribes for governmental or general welfare purposes.

SIMILAR PROVISIONS IN THE NEW SANTA YNEZ, PALA,
BARONA AND VIEJAS COMPACTS

The tribes will pay a percentage of their net win on slot machines to the state, 60% of which may be credited for:

Payments or the value of services provided to the county and local jurisdictions of improved **fire, law enforcement, public transit, education, tourism,** and **other improvements** that serve the surrounding community.

Non-gaming related capital investments and **economic development projects** that have cultural, social, or environmental value OR diversify the sources of revenue for the Tribe's general fund

Investments in **renewable energy, water conservation** or **recycling projects.**

Support for **facilities that provide health care services to tribal members and people in the surrounding community.**

WHAT OTHER TRIBES ARE SEEKING AMENDED COMPACTS?

FOR SURE:

The 45 tribes that are still operating under a 1999 or 2000 compact.

Jamul (San Diego County); Yoche Dehe (Yolo County)

MOST LIKELY:

Pechanga, Morongo, and Agua Caliente (Riverside County)

San Manuel (San Bernardino County)

MAYBE?

Lytton (Contra Costa County)