





California Proposition 48, Referendum to Overturn Indian Gaming Compacts (2014)

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Type: [Veto referendum](#)

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California Proposition 48, the Referendum to Overturn Indian Gaming Compacts, is on the November 4, 2014 ballot in California as a veto referendum.

If the measure is approved by the state's voters, it will:

- Ratify AB 277 (Ch. 51, Stats. 2013);
- Ratify two gaming compacts between California and, respectively, the North Fork Rancheria of Mono Indians, and the Wiyot Tribe.

- Exempt execution of the compacts, certain projects, and intergovernmental agreements from the California Environmental Quality Act.

This measure is a veto referendum; this means that a "yes" vote is a vote to uphold or ratify the contested legislation (AB 277) that was enacted by the California State Legislature while a "no" vote is a vote to overturn AB 277.

Text of measure

See also: Ballot titles, summaries and fiscal statements for California's 2014 ballot propositions

Ballot title:^[1]

Indian Gaming Compacts. Referendum.

Official summary:

The long-form summary reads:^[1]

- “ A “Yes” vote approves, and a “No” vote rejects, a statute that:
- Ratifies tribal gaming compacts between the state and the North Fork Rancheria of Mono Indians and the Wiyot Tribe.
 - Omits certain projects related to executing the compacts or amendments to the compacts from scope of the California Environmental Quality Act.^[2]
- ”

The short-form or ballot label summary reads:^[3]

- “ A “Yes” vote approves, and a “No” vote rejects, tribal gaming compacts between the state and the North Fork Rancheria of Mono Indians and the Wiyot Tribe.^[2]
- ”

Fiscal impact statement:^[1]

(Note: The fiscal impact statement for a California ballot initiative authorized for circulation is jointly prepared by the state's Legislative Analyst and its Director of Finance.)

- “
- One-time payments between \$16 million and \$35 million from the North Fork tribe to local governments in the Madera County area to address costs related to the operation of a new casino.
 - Annual payments over a 20-year period averaging around \$10 million from the North Fork tribe to the state and local governments in the Madera County area to address costs related to the operation of a new casino.
- ”

- Increased revenue from economic growth in the Madera County area generally offset by revenue losses from decreased economic activity in surrounding areas.^[2]

Background

Proposition 1A (2000)

See also: *California Proposition 1A, Gambling on Tribal Lands (2000)*

In 2000, Californians approved Proposition 1A, also known as the Gambling on Tribal Lands Amendment. The legislatively-referred constitutional amendment was designed to allow tribes to offer slot machines, lottery games and certain types of card games on Indian lands in California.^[4]

Under Proposition 1A, an American Indian tribe can open a casino with the above stated games if (1) the governor and the tribe reach an agreement on a compact, (2) the legislature approves the compact and (3) the federal government approves the compact.

As of July 2014, the governor, state legislature and federal government have approved compacts with 72 of the state's 109 federally recognized tribes. Also, as of July 2014, 58 tribes operate 59 casinos in California.

Compacts allow for state officials to visit casino facilities, inspect their records and verify that tribal owners are meeting the requirements of their compacts. Compacts generally require tribes to make payments to two state funds:^[4]

1. Revenue Sharing Trust Fund (RSTF): RSTF funds do not support any state programs. Rather, the funds are redistributed to the state's federally recognized tribe that either do not operate casinos or operate casinos with less than 350 slot machines. Each of these tribes may receive \$1.1 million annually from the RSTF.
2. Special Distribution Fund (SDF): SDF funds are used for various programs related to gaming, including assistance to people with gambling problems and making grants to local governments affected by tribal casinos.

North Fork and Wiyot compacts

In 2005, the North Fork Rancheria of Mono Indians submitted a request to the federal government to acquire and put into trust about 305 acres of land in Madera County for the purpose of establishing a casino. In 2011, the federal government determined that this would be in the best interest of the tribe and would not hurt the surrounding communities. The California Legislature passed AB 277, which approved the North Fork compact, as well as a compact with the Wiyot Tribe. The Wiyot compact does not allow the tribe to operate a casino, but allows the tribe to receive a portion of the revenue

generated by North Fork's casino. Gov. Jerry Brown (D) signed the bill in July 2013. The federal government issued final approval for the Wiyot compact in September 2013 and the North Fork compact in October 2013.^[4]

Support for "yes" vote

Note: Supporters are those campaigning to uphold AB 277.

The organization leading the campaign against the referendum is Yes on 48.^[5]

Supporters

- Gov. Jerry Brown (D)
- California Democratic Party^[6]

Arguments

Jerry Brown, governor of California, Tom Wheeler, chairman of the board of supervisors of Madera County, and Robbie Hunter, president of the California State Building & Construction Trades Council, wrote the argument in favor found in the state's official voter information guide:

“ VOTE YES ON PROPOSITION 48 - HELP CREATE THOUSANDS OF JOBS, GENERATE STATE AND LOCAL REVENUES, RESPECT LOCAL CONTROL, AND PROTECT SCENIC WILDLIFE AREAS - AT NO COST TO STATE TAXPAYERS.

Proposition 48 affirms two Compacts negotiated by the Governor, ratified by a bipartisan majority of the State Legislature, and supported by local, state, and federal officials that allow the North Fork Tribe near Yosemite and the Wiyot Tribe near Humboldt Bay to create a single project on Indian land in the Central Valley that will:

- Create thousands of jobs
- Generate business opportunities and economic growth in high unemployment areas
- Retain local control for a strongly-supported community project
- Share revenues with state and local governments and non-gaming tribes
- Promote tribal self-sufficiency
- Avoid potential development in environmentally sensitive areas
- Be located on North Fork Tribe's federally-held historical land

VOTE YES - HELP CREATE THOUSANDS OF GOOD-PAYING JOBS

The project will create over 4,000 jobs as the result of hundreds of millions of dollars in private investment, boosting state and local economies.

”

“Voting YES guarantees good jobs for Californians and new economic opportunities for one of our state’s poorest regions.” - Robbie Hunter, President, California State Building & Construction Trades Council

“We support the North Fork gaming compact to help bring jobs and business to Madera, Fresno, and the entire San Joaquin Valley.” - Central California Hispanic Chamber of Commerce

VOTE YES - SUPPORT LOCAL CONTROL, PUBLIC SAFETY, AND OPPORTUNITY FOR THE CENTRAL VALLEY

Voting YES provides crucial funding for public safety, schools, parks, roads and other public services.

“This project will fund local sheriff, police, fire, and other first responders.” - Sheriff John Anderson, Madera County

“Our region will benefit economically from this project. We can’t allow New York hedge-fund operators with financial ties to a competing casino to determine our economic future. Vote YES to protect local control.” - Tom Wheeler, Chairman, Madera County Board of Supervisors

VOTE YES - PROMOTE TRIBAL SELF-SUFFICIENCY

Vote YES helps California’s tribes help themselves - without costing state taxpayers anything. It strengthens the State’s budget by providing hundreds of millions of dollars in revenue sharing funds for non-gaming tribes, thereby reducing the State’s potential financial liability/

“Tribes throughout California support these agreements. They provide the state with much-needed revenues and provide smaller, non-gaming tribes funding to help Native people become self-reliant.” - Will Micklin, Executive Director, California Association of Tribal Governments

VOTE YES - PROTECT CALIFORNIA’S MOST SCENIC WILDLIFE AREAS

A YES vote avoids potential casino contraction in the Sierra foothills near Yosemite and near the Humboldt Bay National Wildlife Refuge.

“A yes vote on Proposition 48 protects two of California’s most environmentally precious areas.” - Dan Cuning, Yosemite Sierra Visitors Bureau ¹²¹

Donors

Total campaign cash <i>as of August 21, 2014</i>	
Support:	\$328,658
Opposition:	\$4,074,369

One ballot measure campaign committee registered in support of the measure as of August 21, 2014.^[8]

Committee	Amount raised	Amount spent
<u>Yes on Prop. 48. Voters for Central Valley Jobs & Environment</u>	\$328,658	\$0
Total	\$328,658	\$0

The following are the donors to the campaign fighting to uphold AB 277 as of August 21, 2014:^[8]

Donor	Amount
Station Casinos, LLC and North Fork Rancheria of Mono Indians	\$325,000
Democratic State Central Committee of California	\$3,658

Opposition to "yes" vote

Note: Opponents are those campaigning to overturn AB 277.

The organization leading the campaign against of the referendum is Stop Reservation Shopping.^[9]

Opponents

- Stand Up for California^[10]

Arguments

Henry Pera, Fresno County Supervisor, **Manuel Cunha, Jr**, president of Nisei Farmers League, and **Gary Archuleta**, tribal chairman of Mooretown Rancheria, wrote the argument against found in the state's official voter information guide:

“ VOTE NO ON PROP 48. Keep Indian gaming on tribal reservation land only.

Years ago, California Indian Tribes asked voters to approve limited casino gaming on Indian reservation land. They promised Indian casinos would ONLY be located on the tribes' original reservation land. PROP 48 BREAKS THIS PROMISE.

While most tribes played by the rules, building on their original reservation land and respecting the voters' wishes, other tribes are looking to break these rules and build casino projects in urban areas across California. VOTE NO ON PROP 48 TO STOP RESERVATION SHOPPING. Prop 48 would approve a controversial tribal gaming compact that would allow the North Fork Tribe to build an off-reservation, Vegas-style 2,000 slot-machine casino more than an hour's drive from the tribe's established reservation land, closer to major freeways and Central Valley communities.

PROP 48 WILL START A NEW AVALANCHE OF OFF-RESERVATION CASINO PROJECTS. There are already over 60 casinos in California. Enough is enough. Vote No on Prop 48.

Newspapers called for the rejection of this controversial Indian gaming compact:

“While most casinos are still in remote locations, a new push by tribes to purchase additional land at lucrative freeway locations threatens to kick off a whole new casino boom.” *Fresno Bee*, 4/21/13

“This year, it's the North Fork tribe. Others are lined up in the wings to make their bids to build casinos in urban areas.” *Bakersfield Californian*, 9/4/13

“Voters were assured (their approval of gaming) wouldn't trigger a casino boom and that casinos would only be built on recognized Indian territory.” *San Diego Union-Tribune*, 8/11/13

“Now, two casino proposals could open the door to a new era of Indian gaming in the state... which would make these the state's first Indian casinos located off existing reservations.” *Los Angeles Times*, 8/19/12

PROP 48 IS A BAD DEAL FOR CALIFORNIA. Unlike prior Indian gaming

”

compacts this deal provides NO money for California's schools and NO additional money for our state general fund.

PROP 48 DOESN'T CREATE NEW JOBS. The proposed new casino will simply take resources and jobs from nearby casinos and businesses.

Prop 48 is a bad deal for California, but a great deal for the wealthy Las Vegas casino operative who will run the casino. It hired high-priced lobbyists and spent heavily on trying to build off-reservation casinos in California. It has been accused of unfair labor practices and fined by the Nevada Gaming Commission and the Missouri Gaming Commission.

PROP 48 DOESN'T PROTECT THE ENVIRONMENT. It is opposed by Central Valley businesses, farmers, and community leaders because it means MORE air pollution, MORE traffic, and the loss of open space. It also creates a greater burden on an already limited water supply.

Vote No on Prop 48. STOP Vegas-style casinos in our neighborhoods and STOP the avalanche of new off-reservation casinos. ^[21]

—Henry Pera, Manuel Cunha, Jr. and Gary Archuleta, ^[22]

Donors

One ballot measure campaign committee registered in opposition to the measure as of August 21, 2014: ^[23]

Committee	Amount raised	Amount spent
<u>No On Prop. 48 - Keep Vegas-Style Casinos Out of Neighborhoods</u>	\$4,074,369	\$2,957,528
Total	\$4,074,369	\$2,957,528

The following are the donors to the campaign fighting against AB 277 as of August 5, 2014: ^[24]

Donor	Amount
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Table Mountain Rancheria	\$2,028,099
Brigade Capital Management, LLC and Affiliated Entities	\$1,666,769
Riva Ridge Recovery Fund, LLC	\$226,232
DG Capital Management, LLC and Affiliated Entities	\$113,258
Chukchansi Economic Development Authority	\$25,000
Club One Casino, Inc.	\$15,000

Lawsuits

See also: [List of ballot measure lawsuits in 2014](#)

In March 2013, the North Fork Rancheria of Mono Indians filed a lawsuit in the Madera County Superior Court challenging the veto referendum. The petitioners are putting forward two legal arguments against the measure: (1) AB 277 is final because federal law allows tribes to own and operate casinos, as long as state law does not prohibit casino gambling. However, a compact, like AB 277, must be signed by the Governor and approved by the US Secretary of the Interior. Thus, they argue, a ratified compact can not be challenged via veto referendum because the compact has been approved by the federal government pursuant to federal law; (2) A contract between a state and a tribe may not be subject to the initiative and referendum process.^[12]