

SA2004RF0005, AmDT.  
#1-NS

February 3, 2004

By Facsimile & Overnight Delivery

The Honorable Bill Lockyer  
Attorney General of the State of California  
1300 I Street  
Sacramento, CA 95814

Attn.: Tricia Knight, Initiative Coordinator

Re: The Indian Gaming Fair-Share Revenue Act of 2004 (No.SA2004RF0005)  
Initiative Constitutional Amendment and Statute – Technical Amendment

Dear Ms. Knight:

I am the proponent of the proposed initiative measure entitled "The Indian Gaming Fair-Share Revenue Act of 2004," which was initially filed with your office on January 20, 2004. Enclosed herewith is a revised version of the proposed measure that incorporates a minor technical amendment clarifying certain language in proposed subdivision (h)(1) of article IV, section 19. The amendment makes no substantive changes to the version of the initiative that was submitted on January 20, 2004.

Pursuant to article II, section 10(d), of the California Constitution and section 9002 of the California Elections Code, I continue to request the preparation of a title and summary of the chief purposes and points of the proposed measure. I understand that due to the timing and non-substantive nature of this amendment, no additional filing fee is required and no additional time will be necessary for the preparation of the title and summary. Per your request, I have signed and attached a new statement required pursuant to Elections Code section 9608.

As before, you are hereby authorized to direct all further inquiries and correspondence regarding this proposed measure to the following persons:

Gene Raper  
74924 Country Club Drive, #150-88  
Palm Desert, CA 92260  
(760) 778-7413

Fredric D. Woocher, Esq.  
Strumwasser & Woocher LLP  
100 Wilshire Blvd., Ste. 1900  
Santa Monica, CA 90401  
(310) 576-1233

~~Yours~~ truly,

Richard M. Milanovich

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FEB 04 2004

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

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I, Richard Milanovich, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Richard M. Milanovich

Dated this 3rd day of February, 2004

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ATTORNEY GENERAL'S OFFICE

**THE INDIAN GAMING FAIR-SHARE REVENUE ACT OF 2004**

**SECTION 1. Title**

This Act shall be known as the "Indian Gaming Fair-Share Revenue Act of 2004."

**SECTION 2. Findings and Purpose**

The People of the State of California hereby find and declare as follows:

(a) The purpose of the People of the State of California in enacting this measure is to provide a means for California Indian tribes to contribute their fair share of gaming revenues to the State of California. Both the People of California and California Indian tribal governments desire for tribes to assist in restoring financial integrity to the State by contributing an amount that is equivalent to what any private California corporation pays to the State on the net income it earns from its lawful business activities.

(b) In March 2000, the People of the State of California adopted Proposition 1A, which authorized the Governor to negotiate tribal-state gaming compacts with federally recognized Indian tribes for the operation of slot machines and certain casino games on tribal lands in California in accordance with federal law. Proposition 1A was enacted by the People in recognition of the fact that, historically, Indian tribes within the State have long suffered from high rates of unemployment and inadequate educational, housing, elderly care, and health care opportunities, while typically being located on lands that are not conducive to economic development in order to meet those needs.

(c) Since the adoption of Proposition 1A, over fifty Indian tribes have entered into tribal gaming compacts with the State of California. These compacts and the gaming facilities they authorize have assisted Indian tribes throughout the State to move towards economic self-sufficiency by providing a much-needed revenue source for various tribal purposes, including tribal government services and programs such as those that address reservation housing, elderly care, education, health care, roads, sewers, water systems, and other tribal needs. Tribal gaming has also spurred new development, has created thousands of jobs for Indians and non-Indians alike, and has had a substantial positive economic impact on the local communities in which these facilities are located.

(d) Under the existing tribal gaming compacts, Indian tribes also pay millions of dollars each year into two State special funds that are used to provide grants to local governments, to finance programs addressing gambling addiction, to reimburse the State for the costs of regulating tribal gaming, and to share gaming revenues with other Indian tribes in the State that do not operate gaming facilities. However, because Indian tribes are sovereign governments and are exempt from most forms of taxation, they do not pay any corporate income taxes directly to the State on the profits derived from their gaming operations.

(e) Given California's current fiscal crisis, the State needs to find new ways to

generate revenues for the General Fund in the State Treasury. Indian tribes want to and should do their part to assist California in meeting its budget needs by contributing to the State a fair share of the net income they receive from gaming activities in recognition of their continuing right to operate tribal gaming facilities in an economic environment free of competition from casino-style gaming on non-Indian lands. A fair share for the Indian tribes to contribute to the State is an amount that is equivalent to the amount of corporate taxes that a private California corporation pays to the State on the net income it earns from its lawful business activities.

(f) Accordingly, in order to provide additional revenues to the State of California in this time of fiscal crisis, this measure authorizes and requires the Governor to enter into new or amended tribal gaming compacts under which the Indian tribes agree to contribute to the State a fair share of the net income derived from their gaming activities in exchange for the continued exclusive right to operate casino-style gaming facilities in California. In addition, in order to maximize revenues for the State and to permit the free market to determine the number and type of casino games and devices that will exist on tribal lands, this measure requires these new or amended compacts to allow each tribal government to choose the number and size of the gaming facilities it operates, and the types of games offered, that it believes will maximize the tribe's income, as long as the facilities are restricted to and are located in those areas that have been designated by both the State of California and the United States government as tribal lands. Under the new or amended compacts authorized by this measure, Indian tribes must also prepare environmental impact reports analyzing the off-reservation impacts of any proposed new or expanded gaming facilities, and they must consult with the public and local government officials to develop a good-faith plan to mitigate any significant adverse environmental impacts.

**SECTION 3. Section 19 of Article IV of the California Constitution is amended to read:**

Sec. 19

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

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

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

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

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

(f) Notwithstanding subdivisions (a) and (e), and any other provision of state