

Introduced by Senator Florez

January 16, 2007

An act to amend Section 12012.90 of the Government Code, relating to tribal gaming.

LEGISLATIVE COUNSEL'S DIGEST

SB 62, as introduced, Florez. Tribal gaming.

Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. Existing law authorizes moneys in that fund to be used by the Legislature for certain purposes, including for shortfalls in payments that occur in the Indian Gaming Revenue Sharing Trust Fund.

This bill would provide that if there are insufficient funds in the Indian Gaming Special Distribution Fund to fully fund payments to eligible recipient tribes from the Indian Gaming Revenue Sharing Trust Fund, money from payments by tribes to the General Fund pursuant to any tribal-state compact shall be transferred to the Indian Gaming Revenue Sharing Trust Fund in an amount equal to the deficiency, in order to supplement the payments to be made from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12012.90 of the Government Code is
- 2 amended to read:

1 12012.90. (a) (1) For each fiscal year commencing with the
2 2002–03 fiscal year to the 2004-05 fiscal year, inclusive, the
3 California Gambling Control Commission shall determine the
4 aggregate amount of shortfalls in payments that occurred in the
5 Indian Gaming Revenue Sharing Trust Fund pursuant to Section
6 4.3.2.1 of the tribal-state gaming compacts ratified and in effect
7 as provided in subdivision (f) of Section 19 of Article IV of the
8 California Constitution as determined below:

9 (A) For each eligible recipient Indian tribe that received money
10 for all four quarters of the fiscal year, the difference between one
11 million one hundred thousand dollars (\$1,100,000) and the actual
12 amount paid to each eligible recipient Indian tribe during the fiscal
13 year from the Indian Gaming Revenue Sharing Trust Fund.

14 (B) For each eligible recipient Indian tribe that received moneys
15 for less than four quarters of the fiscal year, the difference between
16 two hundred seventy-five thousand dollars (\$275,000) for each
17 quarter in the fiscal year that a recipient Indian tribe was eligible
18 to receive moneys and the actual amount paid to each eligible
19 recipient Indian tribe during the fiscal year from the Indian Gaming
20 Revenue Sharing Trust Fund.

21 (2) For purposes of this section, “eligible recipient Indian tribe”
22 means a noncompact tribe, as defined in Section 4.3.2(a)(i) of the
23 tribal-state gaming compacts ratified and in effect as provided in
24 subdivision (f) of Section 19 of Article IV of the California
25 Constitution.

26 (b) The California Gambling Control Commission shall provide
27 to the committee in the Senate and Assembly that considers the
28 State Budget an estimate of the amount needed to backfill the
29 Indian Gaming Revenue Sharing Trust Fund on or before the date
30 of the May budget revision for each fiscal year.

31 (c) An eligible recipient Indian tribe may not receive an amount
32 from the backfill appropriated following the estimate made
33 pursuant to subdivision (b) that would give the eligible recipient
34 Indian tribe an aggregate amount in excess of two hundred
35 seventy-five thousand dollars (\$275,000) per eligible quarter. Any
36 funds transferred from the Indian Gaming Special Distribution
37 Fund to the Indian Gaming Revenue Sharing Trust Fund that result
38 in a surplus shall revert back to the Indian Gaming Special
39 Distribution Fund following the authorization of the final payment
40 of the fiscal year.

1 (d) Upon a transfer of moneys from the Indian Gaming Special
2 Distribution Fund to the Indian Gaming Revenue Sharing Trust
3 Fund and appropriation from the trust fund, the California
4 Gambling Control Commission shall distribute the moneys without
5 delay to eligible recipient Indian tribes for each quarter that a tribe
6 was eligible to receive a distribution during the fiscal year
7 immediately preceding.

8 (e) For each fiscal year commencing with the 2005-06 fiscal
9 year, all of the following shall apply and subdivisions (b) to (d),
10 inclusive, shall not apply:

11 (1) On or before the day of the May budget revision for each
12 fiscal year, the California Gambling Control Commission shall
13 determine the anticipated total amount of shortfalls in payment
14 likely to occur in the Indian Gaming Revenue Sharing Trust Fund
15 for the upcoming fiscal year, and shall provide to the committee
16 in the Senate and Assembly that considers the State Budget an
17 estimate of the amount needed to transfer from the Indian Gaming
18 Special Distribution Fund to backfill the Indian Gaming Revenue
19 Sharing Trust Fund for the next fiscal year. The anticipated total
20 amount of shortfalls to be transferred from the Indian Gaming
21 Special Distribution Fund to the Indian Gaming Revenue Sharing
22 Trust Fund shall be determined by the California Gambling Control
23 Commission as follows:

24 (A) The anticipated number of eligible recipient tribes that will
25 be eligible to receive payments for the next fiscal year, multiplied
26 by one million one hundred thousand dollars (\$1,100,000), with
27 that product reduced by the amount anticipated to be paid by the
28 tribes directly into the Indian Gaming Revenue Sharing Trust Fund
29 for the fiscal year.

30 (B) This amount shall be based upon actual payments received
31 into the Indian Gaming Revenue Sharing Trust Fund the previous
32 fiscal year, with adjustments made due to amendments to existing
33 tribal-state compacts or newly executed tribal-state compacts with
34 respect to payments to be made to the Indian Gaming Revenue
35 Sharing Trust Fund.

36 (2) The Legislature shall transfer from the Indian Gaming
37 Special Distribution Fund to the Indian Gaming Revenue Sharing
38 Trust Fund an amount sufficient for each eligible recipient tribe
39 to receive a total not to exceed two hundred seventy-five thousand
40 dollars (\$275,000) for each quarter in the upcoming fiscal year an

1 eligible recipient tribe is eligible to receive moneys, for a total not
2 to exceed one million, one hundred thousand dollars (\$1,100,000)
3 for the entire fiscal year. The California Gambling Control
4 Commission shall make quarterly payments from the Indian
5 Gaming Revenue Sharing Trust Fund to each eligible recipient
6 Indian tribe within 45 days of the end of each fiscal quarter.

7 (3) If the transfer of funds from the Indian Gaming Special
8 Distribution Fund to the Indian Gaming Revenue Sharing Trust
9 Fund results in a surplus, the funds shall remain in the Indian
10 Gaming Revenue Sharing Trust Fund for disbursement in future
11 years, and if necessary, adjustments shall be made to future
12 distributions from the Indian Gaming Special Distribution Fund
13 to the Revenue Sharing Trust Fund.

14 (4) In the event the amount appropriated for the fiscal year is
15 insufficient to ensure each eligible recipient tribe receives the total
16 of two hundred seventy-five thousand dollars (\$275,000) for each
17 fiscal quarter, the Department of Finance, after consultation with
18 the California Gambling Control Commission, shall submit to the
19 Legislature a request for a budget augmentation for the current
20 fiscal year with an explanation as to the reason why the amount
21 appropriated for the fiscal year was insufficient.

22 (5) At the end of each fiscal quarter, the California Gambling
23 Control Commission's Indian Gaming Revenue Sharing Trust
24 Fund report shall include information that identifies each of the
25 eligible recipient tribes eligible to receive a distribution for that
26 fiscal quarter, the amount paid into the Indian Gaming Revenue
27 Sharing Trust Fund by each of the tribes pursuant to the applicable
28 sections of the tribal-state compact, and the amount necessary to
29 backfill from the Indian Gaming Special Distribution Fund the
30 shortfall in the Indian Gaming Revenue Sharing Trust Fund in
31 order for each eligible recipient tribe to receive the total of two
32 hundred seventy-five thousand dollars (\$275,000) for the fiscal
33 quarter.

34 (6) Based upon the projected shortfall in the Indian Gaming
35 Revenue Sharing Trust Fund, for the 2005-06 fiscal year, the sum
36 of fifty million dollars (\$50,000,000) is hereby transferred from
37 the Indian Gaming Special Distribution Fund to the Indian Gaming
38 Revenue Sharing Trust Fund and is hereby appropriated from that
39 fund to the California Gambling Control Commission for
40 distribution to each eligible recipient tribe pursuant to this section.

1 (7) *If there are insufficient funds in the Indian Gaming Special*
2 *Distribution Fund to fully fund payments to eligible recipient tribes*
3 *from the Indian Gaming Revenue Sharing Fund in accordance*
4 *with this section, moneys from payments made by tribes to the*
5 *General Fund pursuant to any tribal-state gaming compact shall*
6 *be transferred to the Indian Gaming Revenue Sharing Trust Fund*
7 *in an amount equal to the deficiency, in order to supplement the*
8 *payments to be made from the Indian Gaming Special Distribution*
9 *Fund to the Indian Gaming Revenue Sharing Trust Fund.*

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