

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

612



FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
May 25, 2004

SUBJECT: Position of Opposition on Assembly Bill 2162 (Orpeza) relating to Indian Gaming

RECOMMENDED MOTION: That the Board of Supervisors oppose Assembly Bill 2162 (Orpeza) and direct the Executive Office and the Board's Sacramento representatives to advance the Board's position.

BACKGROUND: Senate Bill 621 (Chapter 858, Statutes of 2003) established the methodology for calculating the distribution of appropriations from the Indian Gaming Special Distribution Fund (SDF) to local jurisdictions impacted by tribal gaming. The methodology recognizes that the most significant impacts are borne by the county and cities and earmarks sixty-percent of each Individual Tribal Casino Account (ITCA) to be allocated to the county and cities based on a four-part nexus test. Special districts are eligible to apply for two other categories of grants that do not require a nexus test.

Assembly Bill 2162 proposes to add special districts to the sixty-percent nexus grant category thereby diluting the amount of funds to the county and cities to mitigate impacts from tribal gaming. Riverside County has approximately 68 special districts that would be "entitled" to a portion of the sixty-percent if their boundaries are within a 4-mile radius of a tribal casino and partially border the land on which the tribal casino is located.

Gary M. Christmas
Gary Christmas
Legislative Manager

FINANCIAL DATA

| | | |
|-------------------------------|--------|-------------------------|
| Current F.Y. Total Cost: | \$ N/A | In Current Year Budget: |
| Current F.Y. Net County Cost: | \$ | Budget Adjustment: |
| Annual Net County Cost: | \$ | For Fiscal Year: |

SOURCE OF FUNDS:

| | |
|----------------------------------|--------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Tony [Signature]

- Policy
- Policy
- Consent
- Consent
- Dept't Recomm.:
- Per Exec. Ofc.:

RECEIVED BY RIVERSIDE COUNTY
MAY 25 11:35 AM '04

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3.1



2004
LEGISLATIVE ANALYSIS

BILL NUMBER: Assembly Bill 2162 – As amended April 12, 2004

AUTHOR: Assembly Member Jenny Oropeza

PRESENT LAW: Existing law establishes the method for calculating the distribution of appropriations from the Indian Gaming Special Distribution Fund (SDF) for grants to local jurisdictions impacted by tribal gaming. Specifically, sixty percent of each Individual Tribal Casino Account (ITCA) is to be allocated based on geographical proximity of a local jurisdiction to land on which a tribal casino is located. Local jurisdiction is defined as a city or county.

PROPOSED LAW: Assembly Bill 2162 proposes to expand the definition of local jurisdiction to include special districts.

DISCUSSION: Senate Bill 621 (Chapter 858, Statutes of 2003) established the methodology for calculating the distribution of appropriations from the SDF for grants to local jurisdictions impacted by tribal gaming. The State Controller establishes an ITCA for each gaming tribe in the county paying into the SDF.

Each ITCA is to be allocated as follows: 60% for nexus grants to the county and cities (local government jurisdictions) based on a four-part nexus test; 20% for discretionary grants to local jurisdictions (county, cities, and special districts) impacted by a gaming tribe paying into the SDF; and 20% discretionary grants to local jurisdictions (county, cities, and special districts) impacted by a gaming tribe not paying into the SDF.

The Tribal Alliance of Sovereign Indian Nations (TASIN) and the TASIN Local Government Committee (LGC) collaborated in drafting the ITCA methodology. Contrary to the author's office that states the bill is intended as clean up legislation and to make references to local jurisdictions in the bill consistent, the proposed changes will have

significant impact on the county and cities. The definitions were developed by the TASIN-LGC for the specific purposes discussed below.

The 60% nexus grants for the county and cities recognizes that local government jurisdictions must mitigate the greatest impact from tribal gaming. The county and cities meeting the nexus test are basically "entitled" to a portion of the 60%.

If special districts are added to the 60% nexus grant category the amount of funding available to the county and cities to mitigate impacts will be diluted. Riverside County has approximately 68 special districts including library, park and recreation, water, pest and vector control, cemetery, health care, resource conservation, fire, irrigation, and sanitary districts. These districts would be entitled to a portion of the 60% if their jurisdiction is located within a 4-mile radius of a tribal casino and partially borders the land on which the tribal casino is located.

In addition, the methodology has not been in place long enough to complete the first funding cycle. It is recommended that changes to the legislation be reserved to give the statute an opportunity to work in its current form.

FISCAL EFFECT:

Will reduce the amount of funding to the county and cities from nexus grants to mitigate the impacts of tribal gaming.

ORGANIZATION
POSITIONS:

Currently, no organizations are on record in support or opposition to this measure.