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GAMBLING AND THE FUTURE OF CALIFORNIA: PROPOSITIONS 68 AND 70 EXAMINED

In November, California voters will have the opportunity to weigh in on a contentious and complex debate – gaming on Indian lands and whether it should be expanded. The question of tribal gaming has played an increasingly prominent role in California’s public policy debates in recent years, as gambling has expanded in the state. Two competing propositions on this November’s ballot, Propositions 68 and 70, seek to expand the level of gambling in California, as well as the allocation of gaming-related revenues to the state. Proposition 68 would require gaming tribes to contribute financially to the state or, if they refuse, allow card clubs and race tracks to operate slot machines. Proposition 70 would require gaming tribes to contribute to the state and allow expanded gaming on tribal lands. Earlier this year, Governor Schwarzenegger signed, and the Legislature ratified, compacts with five of the state’s gaming tribes requiring a contribution to the state in exchange for the authority to operate additional gaming machines and extended tribes’ current monopoly to operate casino-type gaming facilities.¹

BACKGROUND

Federal Authority over Tribal Gaming

The federal Indian Gaming Regulatory Act (IGRA), enacted in 1988, regulates gaming on tribal lands.² The IGRA requires tribes that operate gaming facilities to negotiate compacts with state governments specifying what types of gaming are permitted on tribal lands. Prior to the IGRA, a 1987 US Supreme Court ruling held that states had no authority to regulate gaming on Indian land if such gaming is permitted outside of reservations for any other purpose.³ Federal law governs the taxation of activities on tribal lands and the Indian Reorganization Act recognizes tribes as sovereign nations that are specifically exempt from state and local taxation.⁴

A Brief History of Tribal Gaming in California

Fifty-three tribes currently operate gaming facilities in California, more than any other state.⁵ California law grants tribes a monopoly right to operate casino gaming facilities. In 1998, Governor Wilson negotiated a compact with the Pala Band of Mission Indians. However, many tribes argued that the compact was too restrictive and that it placed too low a limit on the number of slot machines that could be operated. The tribes responded by placing Proposition 5 on the November 1998 ballot, which was approved by the voters. Proposition 5 required the Governor to approve proposed tribal casinos, allowed an unlimited number of casinos, and placed no limit on the number of gambling machines and tables each casino

could operate. Proposition 5 allowed tribal casinos to be regulated by a tribal-appointed gaming board with no direct state or local government involvement in casino operations. The initiative also established a fund to reimburse local governments for their costs associated with casino operations and allocated 2 percent of casino net profits to non-gaming tribes.⁶ However, the state Supreme Court found that Proposition 5 was unconstitutional, as it violated the 1984 State Lottery Act that banned casino-style gambling in the state.

After Proposition 5 was overturned, Governor Davis negotiated compacts with nearly 60 of the state's tribes in 1999. These compacts were contingent on the passage of Proposition 1A, which voters approved in March 2000. The 1999 compacts allowed tribes to expand current gambling operations, permitted so-called "Nevada-style gambling" (slot machines and other casino-style gambling), legalized video slot machines, and provided certain representational rights to casino employees.⁷ Proposition 1A also required tribes to contribute to the Indian Gaming Revenue Sharing Trust Fund (IGRSTF) and the Indian Gaming Special Distribution Fund (IGSDF). The IGRSTF provides \$1.1 million per year to each non-gaming tribe.⁸ Gaming tribes pay into the IGSDF based on the number of machines they operate. The IGSDF supports the regulation of tribal compacts, gambling addiction programs, and programs to mitigate the impact of gaming on the state and local governments.

In 2000, four Bay Area card clubs and two Northern California charities challenged Proposition 1A and asked the federal government to declare it invalid, alleging that it offered preferential treatment based on ethnicity and was therefore unconstitutional.⁹ In 2003, the Ninth US Circuit Court of Appeals upheld Proposition 1A, finding that federal law allows states to grant Indian tribes a monopoly on casinos.

The 2004 Compacts

Earlier this year, Governor Schwarzenegger negotiated compacts with five tribes allowing them to increase the number of slot machines they operate upon payment of a graduated annual license fee to the state. The compacts require a one-time \$1 billion payment to the state that would be financed by a bond to be repaid out of increased slot machine license fees over 18 years. After repayment of the bond, tribes would continue to pay annual license fees to the state. While the amount of revenues raised through the license fee will depend on the number of additional gaming machines installed, the Governor estimates that the new compacts would generate an additional \$150 million to \$200 million per year in revenues for the state, in addition to amounts needed to repay the \$1 billion bond.¹⁰

WHAT OTHER GAMING OCCURS IN CALIFORNIA?

The state Constitution limits the types of gaming allowed in California. The California Constitution authorizes:

- The California State Lottery, but prohibits all other lotteries;
- Wagering on, and the regulation of, horse racing;
- Charitable bingo and raffles; and
- The operation of slot machines, lottery games, and banking and percentage card games by federally recognized Indian tribes on tribal lands in accordance with federal law.

The state Constitution also prohibits operation of "casinos of the type currently operating

in Nevada and New Jersey.”¹¹ Non-tribal gaming activities that are currently legal in California include:

- ***Pari-mutuel wagering.*** In pari-mutuel wagering, winners share the total amount wagered. In California, this type of wagering is limited to horse racing, which is regulated by the California Horse Racing Board (CHRB).¹² There are currently six privately owned race tracks, nine racing fairs, and 20 simulcast-only facilities currently regulated by the CHRB. In 2003, \$4.4 billion was wagered through the state’s pari-mutuel wagering system.¹³ The legalization of simulcast wagering, which allows wagers to place bets at a remote site, has reduced revenues generated from betting at race tracks. In 2003, for example, just 19.3 percent of the wagers made were placed at the facility where the race was actually run.¹⁴ In 1998, the Legislature reduced the licensing fee imposed on horse racing and transferred most of the proceeds of the fee from the state’s General Fund to a special fund to support marketing of thoroughbred and fair racing and related activities. In 2003-04, the state’s General Fund received \$2.0 million from pari-mutuel license fees.
- ***State Lottery.*** Voters established the California State Lottery in 1984 with the passage of Proposition 37. Proposition 37 established a five-member commission appointed by the Governor to oversee the State Lottery and required allocation of a minimum of 34 percent of lottery proceeds to educational institutions. Just over half (52.2 percent) of ticket sale revenues go toward prizes, with 34.8 percent going to the state’s schools and 13.0 percent going to administrative costs, including retailer commissions.¹⁵ Lottery ticket sales were projected to total \$2.95 billion in 2003-04.¹⁶
- ***Card clubs.*** There are 96 licensed card clubs in California. At legal card clubs, players bet against one another, not the house, and the clubs make money by charging customers a seat rental fee. The Attorney General maintains a list of games that may be played at card clubs. Local governments license card clubs and state law requires every owner, lessee, or employee of a gambling establishment to obtain and maintain a valid state gambling license. State law limits the expansion of both the number of card clubs and the size of existing card clubs until January 2010.¹⁷

Card clubs provide a significant source of revenues for the cities where they are located.¹⁸ In the late 1990s, for example, card club revenues provided nearly half of the city budgets of San Pablo (45.7 percent) and Bell Gardens (44.3 percent) and over a third (36.7 percent) of the budget of the city of Commerce.¹⁹ The Oaks Club was the largest taxpayer in Emeryville in 2003.²⁰

- ***Charitable games.*** Cities and counties may authorize and regulate bingo, if the proceeds go to nonprofit entities. In the late 1990s, bingo games generated \$60 million in gross revenues, approximately 2 percent of the legal gaming activity in the state at that time.²¹ Charitable organizations are also authorized to operate raffles, subject to certain limitations.

TRIBAL REVENUE SHARING AGREEMENTS IN OTHER STATES

Twenty-eight states have signed compacts with tribes to operate gaming facilities.²² Seven states currently have some form of revenue sharing agreement with tribes (Table 1).²³

Table 1: Revenue Sharing Agreements in Other States

ARIZONA

- Tribes share revenues with the state on a sliding scale of 1 percent to 8 percent of net win.
- Cities, towns, and counties receive 12 percent of the tribes' total annual contribution, with the remainder going to the Arizona Benefits Fund (ABF).
- The ABF allocates funds (\$34.8 million in 2003-04) for state regulatory and administrative costs, treatment of problem gambling, instructional improvement funds to school districts, trauma emergency services, tourism, and wildlife conservation.

CONNECTICUT

- The state receives the greater of \$100 million or 25 percent of net revenues annually from the Mashantucket Pequot Tribe that operates Foxwoods casino. An agreement with the Mohegan Tribe generated \$205.9 million in 2003-04.²⁴
- The agreement requires the state to prohibit non-tribal casinos.

MICHIGAN

- Seven tribes operating 14 casinos were ordered to pay 8 percent of their net casino revenues to the state pursuant to a 1993 court order. When those tribes lost the exclusive right to conduct electronic gaming, they stopped making payments.
- New compacts with other tribes include revenue sharing provisions that are anticipated to result in contributions of \$15 million in 2003-04 to the Michigan Strategic Fund. The compacts allocate 2 percent of tribal gaming revenues to local governments to mitigate the costs associated with gaming. Local governments will receive an estimated \$17 million in 2003-04.

NEW MEXICO

- Eleven of New Mexico's 12 tribes and pueblos had signed compacts allocating up to 8 percent of slot machine proceeds to the state.
- The state expected to receive \$34.7 million in 2003-04.

WISCONSIN

- Beginning in 1998 and 1999, compacts provided the state with payments of approximately 7.6 percent of net revenues.
- A portion of the payments go to funds that benefit gaming tribes.
- A recent court decision struck down portions of the compacts and draws into question required payments.

Source: National Conference of State Legislatures

THE NOVEMBER BALLOT MEASURES

Proposition 68

Proposition 68, the Gaming Revenue Act of 2004, would require that tribes that operate casinos contribute 25 percent of their net gaming device revenues to a new Gaming Revenue Trust Fund (GRTF). If tribes agree to this provision, the Legislative Analyst estimates that the state could potentially receive over \$1 billion annually.²⁵

If any of the state's gaming tribes refuse to agree to the new fund, Proposition 68 would

allow 11 named card rooms and five named horse racing tracks in the state to gain the right to operate up to 30,000 slot machines. Race tracks and card clubs would be required to pay 30 percent of their net win from gaming devices to the GRTF, 2 percent of their net win to the city where the facility is located, and 1 percent to the county where the facility is located. If card clubs and race tracks are allowed to operate gaming machines, the Legislative Analyst estimates that the state could receive over \$1 billion each year and that local governments where gaming devices are authorized could receive in the tens of millions of dollars each year.

GRTF revenues, whether contributed by tribes or race tracks and card clubs, would be allocated as follows:

- A maximum of one percent to the Gambling Control Commission for administrative purposes;
- \$3 million annually for responsible gambling programs;
- \$1.2 million annually to each Indian tribe that operates fewer than 350 gaming devices;
- Of the remainder, 50 percent would be allocated to county offices of education to fund services for abused and neglected children and children in the foster care system; 35 percent to local governments on a per capita basis for additional sheriffs and police officers; and 15 percent to local governments on a per capita basis for additional firefighters. The state and local governments would be required to use these amounts to supplement existing funding and would be prohibited from reducing current funding levels.

Cities and counties could use the amounts they receive from the 2 percent and 1 percent of net win payments by card club and race track machines for any purpose. If race tracks are allowed to operate gaming devices, 20 percent of their net win from gaming devices would be allocated to certain race-related activities, including increased prizes.

Proposition 68 would also require tribes to comply with the state's Political Reform and Environmental Quality Act, negotiate with cities and counties where gaming facilities are located to mitigate gaming-related impacts, and submit to the jurisdiction of state courts to resolve criminal and civil disputes. Proposition 68 would also prohibit the Governor from entering into compacts that allow gaming on land obtained by a tribe after September 1, 2003, unless the land is contiguous with an existing reservation.

Proposition 70

Proposition 70, the Indian Gaming Fair Share Revenue Act of 2004, would require the state, upon the request of a tribe, to enter into an amended or new compact. Proposition 70 requires gaming tribes to pay the state a percentage of their net income equivalent to the state's corporate tax rate (currently 8.84 percent); would expand the types of gaming allowed to include roulette, craps, and other games; and would allow tribes to operate an unlimited number of gaming machines and facilities on tribal lands. Tribes would cease making payments to the state if they lose the exclusive right to operate gaming facilities. Tribes would be required to continue to pay into the Revenue Sharing Trust Fund and Special Distribution Fund established by the 1999 compacts. These payments would be in place of any other requirement, including the license fees established in the recently negotiated and ratified compacts.

The Legislative Analyst notes that state revenues resulting from this measure would depend on the degree to which tribes expand gaming and the level of gaming at tribal facilities. In the absence of additional action, the 2004 compacts are expected to generate revenues in the hundreds of millions of dollars each year. The Legislative Analyst notes that if tribes chose to enter into compacts pursuant to Proposition 70, required payments would tend to be lower than those required by the current compacts.²⁶ The difference could be in the tens of millions to more than \$100 million annually. Moreover, unlike the current compacts, Proposition 70 would not require payments to local governments to mitigate the impact of gaming. The Legislative Analyst estimates that local governments could lose millions of dollars per year.

Compacts negotiated under the terms established by Proposition 70 would remain in effect for 99 years. Proposition 70 specifies that if both it and Proposition 68 pass, the measure receiving the most votes would be enacted in its entirety.²⁷

POLICY CONSIDERATIONS

The expansion of gambling – both on and off tribal lands – raises a number of important and complex policy questions. Opponents of expanded gambling argue that gaming disproportionately affects low-income families, who spend income needed for necessities on gaming, and that gaming has adverse impacts on families and the economy. Supporters of gaming argue that it creates jobs and that it provides a route to self-sufficiency for previously economically distressed communities. Research findings on these policy questions are often contradictory and organizations advocating for or against gaming interests sponsor much of the available research.

How Does Gaming Affect the Economy and the Budget?

Supporters of expanded gambling typically point to the positive economic impact that casino development brings to local communities in the form of increased employment and added revenues for governments. Research findings suggest that casinos are associated with higher employment rates, but that tribal casinos, which are exempt from most state and local taxes, may be associated with a reduction in governmental revenues. The latter finding stems from the fact that consumers have a limited amount of income to spend and that a dollar spent on gaming is a dollar that consumers do not have to spend on taxable goods. A review of the literature on the economic impact of casino gambling published by the Federal Reserve Bank of St. Louis, concluded that, “casinos, just like any new business to an area, result in a reallocation of consumer dollars. Casino patrons will likely take their dollars away from certain activities (restaurants, movies) and move them into casino gambling.”²⁸

Tribal Gaming May Reduce State and Local Revenues. The revenue generating potential of gaming largely depends on the specific regulatory framework or the tribal compacts within individual states, and whether the compacts require payments to the state and local governments. Prior to the current compacts, for example, California’s tribes made no direct contribution to the state’s coffers outside of small funds directly linked to the regulation of gaming activities.

Gaming can also affect state and local revenues by shifting consumption patterns that affect revenue collections. Studies of the impact of tribal gaming on sales tax collections in Arizona and New Mexico suggest that expansion of tribal gaming may reduce sales tax collections.²⁹

In the case of Arizona, researchers also found a significant impact on state lottery revenues; a 10 percent increase in slot machines was associated with a 3.8 percent decline in lottery revenues and a 4.2 percent decrease in Lotto revenues.³⁰

Gambling Appears to Generate Jobs, but Not Higher Earnings. The National Gambling Impact Study Commission has reported that legalized gambling, especially in casinos, is associated with a reduction in local unemployment rates, lower employment in local government and retail trade, and higher employment in construction, hotels and lodging, and the recreation and entertainment industries.³¹ The same study found no association between gambling and overall per capita income. The researchers conclude that, “There appears to be more of a shift in the types and locations of work, and perhaps the overall number of workers, than a rise in per capita earnings.”³²

Do Increased Opportunities to Gamble Increase Demand for Gaming?

One key question is whether increasing opportunities to gamble and increasing the proximity of gaming to major population centers lead to more gambling. Similarly, whether the proximity of a gambling facility affects an individual’s choice to gamble or propensity to engage in problem gambling are important policy questions.

Demand for Gambling. Research suggests that the opportunity to gamble increases the amount of gambling that occurs. Slot machine “handle” is associated with an increase in the number of slot machines, suggesting that, as the number of slot machines increase, more people gamble more money.³³ Other studies conclude that casino gaming is more “popular” and habitual than other forms of gambling and that consumer spending on gambling is higher when casino gambling is easily available.³⁴ One paper found that individuals living within 10 miles of a casino typically spend \$400 to \$600 per adult per year on gambling as compared to \$50 to \$100 per year on lotteries and \$10 to \$30 per year on horse or dog racing, for those within 10 miles of a race track.

Proximity of Gambling Facilities. Location appears to affect the level of gambling. Research finds the availability of a casino within a 50-mile radius to be associated with increased gaming and increased levels of problem and pathological gambling.³⁵ In addition, a recent survey of Iowa counties found that counties within 50 miles of at least one gaming venue received the highest number of crisis contacts from problem gamblers.³⁶ Critics counter that these studies are flawed and that an increased incidence of problem gambling can be caused by a variety of other factors. For example, those with gambling problems may be attracted to areas that are casino gambling sites, or perhaps casinos locate in areas where vulnerable or problem populations dominate.³⁷

Does Gambling Lead to Adverse Social Impacts?

Opponents of gambling or expanded gambling often point to the negative social consequences for families and communities due to gambling addiction and other problems related to gambling, such as crime and traffic congestion. Proponents of gambling typically emphasize its economic benefits.³⁸ A carefully controlled study examining the impact of tribal gaming on local communities found increases of about 10 percent each in personal bankruptcies; auto thefts and larceny, but not other property crimes; and violent crime in counties with a casino.³⁹

Research prepared for the National Gambling Impact Study Commission reported that the prevalence of problem and pathological gamblers doubled when a casino was located within 50 miles.⁴⁰ The same study estimated that approximately 2.5 percent of adults are problem gamblers, but that these individuals account for approximately 15 percent of gambling expenditures.

Do the Poor Gamble More Than the Wealthy? There is no conclusive evidence to support the position that low-income individuals gamble more than the wealthy. Some evidence suggests that the median income of casino gamblers is higher than that of the nation as a whole.⁴¹ Researchers note, however, that gambling may still place a larger burden on low-income households since they have less discretionary income to begin with. Problem gambling is less prevalent among households with incomes in excess of \$100,000.⁴²

ARGUMENTS FOR AND AGAINST PROPOSITIONS 68 AND 70

Proposition 68

In Favor. Supporters of Proposition 68 include card clubs, racetracks, and public safety officials. Supporters argue that Indian gaming tribes should pay their “fair share” to the state.⁴³ They argue that tribal casinos generate significant revenues, but are not taxed on it, which they say is not fair to the state. Proponents also contend that tribal casinos should comply with the same political campaign contribution and environmental protection requirements that apply to other businesses. Supporters note that in other states, such as Connecticut and New York, tribes operating casinos pay the state government up to 25 percent of their winnings. Supporters argue that tribes should contribute to the state in exchange for their monopoly right to operate casinos or face competition from card clubs and racetracks that are taxed in California.

In Opposition. Opponents of Proposition 68 argue that the initiative will hurt the state by authorizing establishment of large-scale casinos in urban areas. Opponents also contend that the expansion of gambling will increase crime, law enforcement costs, and traffic on non-Indian lands. Opponents argue that the initiative only favors the gambling interests behind it and that both tribes and California citizens will suffer – tribes because they lose their monopoly right to casino style gaming and citizens due to the negative aspects of the expansion the opponents believe will occur.⁴⁴

Proposition 70

In Favor. Proponents of Proposition 70 argue this initiative provides the best of both worlds. It guarantees tribal sovereignty as granted under federal law, while requiring that tribes be considered like other corporations operating in the state by paying corporate taxes. Supporters say Proposition 70 maintains current law which only allows casinos on tribal lands, while Proposition 68 will allow the expansion of casinos throughout the state. Proponents also indicate that Proposition 70 requires tribes to prepare environmental impact reports and to develop plans to mitigate any significant adverse environmental impacts associated with expansion.⁴⁵ Proposition 70 is supported by the Agua Caliente Band of Cahuilla Indians, located near Palm Springs.

In Opposition. Opponents of Proposition 70 point out that only one tribe sponsors it. They also contend that the initiative would not require that tribes pay taxes paid by other businesses, such as property and income taxes, and that it allows tribes to own an unlimited number of casinos with no size limits, which they believe would pave the way to unlimited casino gaming throughout California.⁴⁶

The California Budget Project (CBP) neither supports nor opposes Propositions 68 and 70. This Budget Brief is designed to help voters reach an informed decision based on the merits of the issues. The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions.

ENDNOTES

¹ The Pala Band of Mission Indians, the Pauma Band of Luiseño Indians, the Rumsey Band of Wintun Indians, the Viejas band of Kumeyaay Indians, and the United Auburn Community signed the 2004 compacts. The Legislature ratified these compacts in AB 687 (Nunez, Chapter 91 of 2004). These compacts do not address the proposed urban casino in San Pablo or other facilities subject to compacts that have yet to be ratified by the Legislature.

² University of California, Institute of Governmental Studies, *Indian Gaming in California* (August 2004), downloaded from <http://www.igs.berkeley.edu/library/htlIndianGaming.htm> on September 19, 2004.

³ US Supreme Court, *California v. Cabazon Band of Mission Indians*, 480 US 202 (1987), downloaded from <http://laws.findlaw.com/us/480/202.html> on July 27, 2004.

⁴ Tribal members pay federal income tax, property tax on property owned off a reservation, and sales tax on purchases made off a reservation. Tribal members generally do not pay sales tax on purchases made on a reservation and do not pay California income tax if they live or work off a reservation. Tribal businesses located on a reservation do not pay state corporate or personal income taxes. See University of California, Institute of Governmental Studies, *Indian Gaming in California* (August 2004).

⁵ California Gambling Control Commission, *Tribal-State Gaming Compact Casinos in California*, downloaded from <http://www.cgcc.ca.gov/tribalcasinos/tribalcasinos.pdf> on July 27, 2004.

⁶ University of California, Institute of Governmental Studies, *Indian Gaming in California* (August 2004), downloaded from <http://www.igs.berkeley.edu/library/htlIndianGaming.htm> on July 15, 2004.

⁷ California Gambling Control Commission, *Tribal-State Gaming Compact*, downloaded from <http://www.cgcc.ca.gov> on July 27, 2004.

⁸ If contributions are less than needed to make the \$1.1 million allocation, the proceeds are distributed on a pro rata basis. The compact defines a non-compact tribe as a federally recognized tribe that operates fewer than 350 gaming machines.

⁹ University of California, Institute of Governmental Studies, *Indian Gaming in California* (August 2004), downloaded from <http://www.igs.berkeley.edu/library/htlIndianGaming.htm> on July 15, 2004.

¹⁰ Governor Arnold Schwarzenegger, *Statement by Governor Schwarzenegger on Passage of the Re-Negotiated Indian Gaming Compacts* (July 1, 2004).

¹¹ California Constitution, Article IV, Section 19.

¹² Roger Dunstan, *Gambling in California* (California Research Bureau, California State Library: January 1997).

¹³ California Horse Racing Board, *Statistical Report of Operations 2003*, downloaded from http://www.chrb.ca.gov/statistical_reports_of_operation/2003_statistical_report.pdf on September 17, 2004.

¹⁴ California Horse Racing Board, *Statistical Report of Operations 2003*, downloaded from http://www.chrb.ca.gov/statistical_reports_of_operation/2003_statistical_report.pdf on September 17, 2004.

¹⁵ California State Lottery, *Lottery Funds at Work - Where Does All the Money Go?*, downloaded from <http://www.calottery.com/supportingeducation/fundsatwork/index.html> on September 15, 2004.

¹⁶ California Department of Education, *Lottery Revenue Projections* (June 25, 2004).

¹⁷ Legislative Analyst's Office, *Analysis of Proposition 68*, downloaded from <http://www.ss.ca.gov/elections/elections.html> on September 17, 2004.

¹⁸ City of Gardena Proposed Budget 2004-05, downloaded from <http://www.ci.gardena.ca.us/government> on July 27, 2004.

- ¹⁹ Roger Dunstan, *Gambling in California* (California Research Bureau, California State Library: January 1997).
- ²⁰ Emeryville News, *Creating Community in Emeryville: A Balanced Budget has a Positive Impact* (August 2003), downloaded from <http://198.31.87.56/news/pdf/en0308.pdf> on July 27, 2004.
- ²¹ Roger Dunstan, *Gambling in California* (California Research Bureau, California State Library: January 1997).
- ²² National Indian Gaming Commission, *Gaming Tribes*, downloaded from http://www.nigc.gov/nigc/nigcControl?option=GAMING_TRIBES®IONID=0&SORT=1 on July 28, 2004.
- ²³ Judy Zelio, *Tribal Gaming: Sharing Revenue with States* (National Conference of State Legislatures: May 2004).
- ²⁴ Connecticut Division of Special Revenue, *Transfers to General Fund* (July 26, 2004), downloaded from <http://www.dosr.state.ct.us/PDFFolder/stmt2004.pdf> on July 28, 2004. In 2003-04, Connecticut received \$196.9 million from the Foxwoods casino.
- ²⁵ Legislative Analyst's Office, *Proposition 68: Legislative Analysis*, downloaded from http://www.ss.ca.gov/elections/elections_viguide_pg04.htm on September 15, 2004.
- ²⁶ Legislative Analyst's Office, *Proposition 70: Legislative Analysis*, downloaded from http://www.ss.ca.gov/elections/elections_viguide_pg04.htm on September 15, 2004.
- ²⁷ Generally, when the voters approve competing measures, the courts attempt to harmonize and implement both measures to the extent possible.
- ²⁸ Thomas A. Garrett, *Casino Gambling in America and Its Economic Impacts* (Federal Reserve Bank of St. Louis: August 2003), p. 11.
- ²⁹ Donald Siegel and Gary Anders, "The Impact of Indian Casinos on State Lotteries: A Case Study of Arizona" (*Public Finance Review*, Vol. 29, No. 2: March 2001); Anthony V. Popp and Charles Stehwien, "Indian Casino Gambling and State Revenue: Some Further Evidence" (*Public Finance Review*, Vol. 30, No. 4: July 2002); and Thomas A. Garrett, *Casino Gambling in America and Its Economic Impacts* (Federal Reserve Bank of St. Louis: August 2003).
- ³⁰ Donald Siegel and Gary Anders, "The Impact of Indian Casinos on State Lotteries: A Case Study of Arizona" (*Public Finance Review*, Vol. 29, No. 2: March 2001).
- ³¹ Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999), pp. 70-71.
- ³² Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999), p. 71.
- ³³ Richard Thalheimer and Mukhtar M. Ali, "The Demand for Casino Gaming" (*Applied Economics*, v35 i8: May 20, 2003).
- ³⁴ Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999), p. 79.
- ³⁵ Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999).
- ³⁶ Howard J. Shaffer et al., *Evaluating the Iowa Gambling Treatment Program* (Harvard Medical School, Division on Addictions, October 25, 2002), p. 24.
- ³⁷ Harvard Medical School, Massachusetts Council on Compulsive Gambling, "Location, Location, Location: Casino Accessibility and Prevalence Rates" (*The Weekly Addiction Gambling Education Report*, Vol. 8, No. 9: February 26, 2003).
- ³⁸ Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999).
- ³⁹ N. Evans and Julie H. Topoleski, *The Social and Economic Impact of Native American Casinos* (August 7, 2002), pp. 44-46. These findings were statistically significant and occurred four or more years after a casino opened.
- ⁴⁰ Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999), p. ix.
- ⁴¹ Thomas A. Garrett, *Casino Gambling in America and Its Economic Impacts* (Federal Reserve Bank of St. Louis: August 2003).
- ⁴² Dean Gerstein et al., *Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission* (April 1, 1999), p. ix.
- ⁴³ See "A Fair Share for California" website at <http://www.fairshareforcalifornia.org/>.
- ⁴⁴ Secretary of State's Office, "Argument Against Proposition 68" (*Official Voter Information Guide*, November 2, 2004), downloaded from http://www.ss.ca.gov/elections/bp_nov04/Public%20Display/11_pub_dsply_prop_68e.pdf on July 28, 2004.
- ⁴⁵ Secretary of State's Office, "Argument in Favor of Proposition 70" (*Official Voter Information Guide*, November 2, 2004), downloaded from http://www.ss.ca.gov/elections/bp_nov04/Public%20Display/13_pub_dsply_prop_70c.pdf on July 28, 2004.
- ⁴⁶ Secretary of State's Office, "Rebuttal to Argument in Favor of Proposition 70" (*Official Voter Information Guide*, November 2, 2004), downloaded from http://www.ss.ca.gov/elections/bp_nov04/Public%20Display/13_pub_dsply_prop_70d.pdf on July 28, 2004.