

Supreme Court turns down state appeal on tribal casino deal

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SACRAMENTO - The **U.S. Supreme Court** let stand Monday lower court rulings rejecting the state's attempt to extract revenue from a Southern **California** tribe in return for letting it install more slot machines.

The Rincon Band of Luiseño Indians in northern **San Diego** County had sued the state after the Schwarzenegger administration refused to let the tribe add slot machines to its casino unless it also agreed to share revenue with the state general fund. A pair of lower courts sided with the tribe and the state appealed to the **U.S. Supreme Court**.

The court's decision Monday not to hear the case was a watershed event in the state's relations with **California's** \$7 billion tribal casino industry. It has major implications for how Gov. **Jerry Brown** negotiates future casino agreements.

It also could affect past deals involving former Gov. **Arnold Schwarzenegger**, including those with several Inland Southern California tribes.

Several tribes that negotiated pacts with Schwarzenegger had expressed an interest in reopening the deals in anticipation of Monday's decision. **A Brown** spokesman declined to say which tribes the administration had heard from.

"We respect the court's decision and will proceed with negotiations that further the interests of the people of California and the state's tribes," spokesman Evan Westrup said Monday.

State Sen. Rod Wright, D-Los Angeles, who leads the Senate panel that oversees tribal gambling, said Monday's outcome complicates the state's "revenue potential" from tribal gambling.

The 2011-12 budget includes \$360.5 million in tribal revenue-sharing money for the general fund.

DECISION PRAISED

Rincon officials and other tribal leaders celebrated the decision as proof that the Schwarzenegger administration sought illegal taxes and violated the federal Indian Gaming Regulatory Act.

"If we met the Schwarzenegger demands, we didn't make any money. If we didn't agree to his demands, we couldn't expand," Rincon chairman Bo Mazzetti said in a statement.

Almost 60 tribes operate casinos in California and 67 have gaming compacts with the state.

Under the 1999 law that authorized Las Vegas-style gambling on tribal land, many tribes pay into special state funds meant to mitigate casino impacts and assist tribes with little or no gaming.

More than 40 tribes continue to operate under those agreements, which expire in 2020. Some have approached the Brown administration about negotiating new deals.

In addition, the Schwarzenegger administration inked new or renegotiated deals with several tribes. Those extracted money for the general fund, the source of money for most state services.

Among the tribes paying into the general fund are the Agua Caliente Band of Cahuilla Indians, the Morongo Band of Mission Indians and the Pechanga Band of Luiseño Indians -- all in Riverside County -- and the San Manuel Band of Mission Indians near San Bernardino.

It was unclear Monday if any of those tribes have expressed an interest in re-opening the agreements, which were negotiated in 2006 and approved by the Legislature in 2007.

Scott Crowell, an attorney for the Rincon tribe, said it is unknown how courts would view an attempt to void an existing compact in light of Monday's decision.

The state and Rincon tribe now have 60 days to negotiate. If they cannot reach an agreement, both sides will submit their best offer to a mediator. That person will select the proposal that most complies with federal law.

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