

**Senate Committee on Governmental Organization**  
**Informational Hearing**  
**Second Amendment to Tribal-State Gaming Compact Between the State of California and**  
**the Yurok Tribe of the Yurok Reservation, California**

**March 24, 2026 – 9:00 a.m.**  
**Suite 1200, 1021 O Street**

**Compact Overview**

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**SUMMARY**

The Second Amendment to the Tribal-State Gaming Compact (hereafter “Amended Compact”) between the State of California and the Yurok Tribe of the Yurok Reservation (hereafter “Tribe”) was executed on December 18, 2026. The Amended Compact extends the provisions of the Tribe’s existing 2006 compact to December 31, 2026. All other provisions of the existing compact remain intact.

In 2006, the Tribe entered into a tribal-state compact [SB 106 (Wiggins, Chapter 37, Statutes of 2007)] that authorized the tribe to operate one gaming facility and an additional one at an ancillary facility. The compact authorized the Tribe to operate no more than 99 gaming devices (slot machines) and prohibited anyone under the age of 21 from being present in any room.

Additionally, the 2006 compact contained other provisions relating to: exclusivity; licensing requirements and procedures for employees and gaming suppliers; testing and inspection of gaming devices; rules and regulations for the operation and management of the gaming facility; off-reservation environmental impacts; public and workplace health and safety; and labor provisions. In 2016 the Tribe and the State agreed to amend the 2006 compact’s provisions pertaining to mandatory participation in the State workers’ compensation program to align the Tribe’s compact to more recently agreed upon compacts.

According to the Tribe’s website, the Tribe is currently the largest Tribe in California, with more than 5,000 enrolled members. The Yurok Reservation is located in one of the most isolated regions of Northwest California, consisting of lands one mile on each side of the lower forty-four (44) miles of the Klamath River from just above the confluence of the Trinity River at Weitchpec to the mouth of the river as it flows into the Pacific Ocean. Reservation lands include parts of Humboldt and Del Norte Counties, two of the largest land-based counties in the state of California.

Following ratification of its 2006 tribal-state gaming compact, the Tribe opened the Redwood Hotel Casino in 2014 which consists of two separate entities, the Redwood Holiday Inn Express

and the Redwood Casino. The Redwood Holiday Inn Express is a 60-room hotel complete with exercise room and pool. The Redwood Casino, located in Klamath, CA, currently hosts 99 Class III machines and includes the Abalone Bar and Grill.

To be effective, an amendment solely to extend the term of a compact requires ratification by the California Legislature, but it does not require approval by the Secretary pursuant to 25 Code of Federal Regulations section 293.5.

The vehicle identified for providing the constitutionally required legislative ratification of this Amended Compact is AB 1389 (Rubio).

### **EXISTING LAW**

Existing law provides, under IGRA, for the negotiation and conclusion of compacts between federally recognized Indian tribes and the state for the purpose of conducting Class III gaming activities on Indian lands within a state as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments. Existing law expressly authorizes a number of tribal-state gaming compacts between the State of California and specified Indian tribes.

Existing law authorizes the conduct of Class III gaming activities to the extent such activities are permitted by state law, a gaming compact has been concluded by a federally recognized tribe and the state, and the compact has been approved by the Secretary of the Interior.

Existing law limits the operation of Class III gaming activities to Indian lands acquired on or before October 17, 1988. Existing law also provides for certain exceptions to conduct gaming activities on Indian lands acquired after October 17, 1988.

Existing law defines Indian lands to mean all lands within the limits of any Indian reservation, and any land which is either held in trust by the United States for the benefit of any Indian tribe or individual, or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power.

Existing law requires the state to negotiate and to conclude a compact in good faith with an Indian tribe having jurisdiction over the Indian lands upon which the Class III gaming activity is to be conducted. Existing law also provides the United States district courts with jurisdiction over any cause of action initiated by a tribal government alleging that the state failed to negotiate in good faith to conclude a compact. Furthermore, existing law prescribes the remedy, mediation supervised by the courts, if it is found that the state failed to negotiate in good faith to conclude a compact.

Existing law authorizes the Governor, under the California Constitution, to negotiate and conclude compacts, subject to ratification by the Legislature.

## **BACKGROUND**

### **Indian Gaming Regulatory Act**

In 1988, Congress enacted the Indian Gaming Regulatory Act (IGRA) to provide a statutory basis for the operation and regulation of gaming on Indian lands. IGRA provides that an Indian tribe may conduct gaming activity on Indian lands if the activity “is not specifically prohibited by federal law and is conducted within a State which does not prohibit such gaming activity.”

IGRA distinguishes between three classes of gaming (Class I, Class II, and Class III) and provides for different forms of regulation for each class. Class I gaming includes “social games” for minor prizes or “traditional forms of Indian gaming.” Class II gaming is defined as including bingo and card games that are explicitly authorized by the laws of the state, or that are not explicitly prohibited by the laws of the state and are played at any location in the State, so long as the card games are played in conformity with those laws and regulations. Class III gaming includes such things as slot machines, casino games, and banked card games such as blackjack and baccarat. Class III gaming may only be conducted under terms of a compact negotiated between an Indian tribe and a State.

IGRA was enacted against a legal background in which Indian tribes and individuals generally are exempt from state taxation within their own territory. IGRA provides that with the exception of assessments permitted under the statute, to defray the State’s costs of regulating gaming activity, IGRA shall not be interpreted as conferring upon a State authority to impose any tax, fee, charge, or other assessment upon an Indian tribe to engage in Class III activity. Nor may a State refuse to enter into negotiations based on the lack of authority to impose such a tax, fee, charge, or other assessment.

When a tribe requests negotiations for a Class III compact, IGRA requires the State to negotiate with the Indian tribe in good faith. IGRA provides a comprehensive process to prevent an impasse in compact negotiations, which is triggered when a tribe files suit alleging that the State has refused to negotiate or has failed to negotiate in good faith.

Before 2000, the California Constitution prohibited Class III gaming. In 2000, California voters approved Proposition 1A, which had been proposed by the Governor and passed by the Legislature. Proposition 1A amended the California Constitution to permit the Governor to negotiate compacts with federally recognized Indian tribes for certain Class III gaming activities. Because non-Indian parties were still forbidden from operating gaming facilities, Proposition 1A granted Indian tribes a “constitutionally protected monopoly on most types of Class III games in California.”

## **Rincon Decision**

The U.S. Supreme Court in July 2011 refused to consider the decision of the Ninth Circuit Court of Appeals rejecting a Class III Tribal-State Gaming Compact negotiated by then Governor Schwarzenegger with the Rincon Band of Luiseno Mission Indians. The issue of this case's impact on Indian gaming throughout the country has been a topic of great debate.

As noted, IGRA authorizes states to receive compensation for costs related to tribal gaming such as regulation and gaming addiction, and to offset the effects of casinos on surrounding communities. However, states are prohibited from assessing taxes on tribal casino revenues, so unjustified payments to a state's General Fund are no longer permissible unless the tribes are getting something in return for the required payments, such as those authorized by IGRA.

Any payments to the State, above those needed to mitigate impacts of gaming, must be in exchange for a benefit deemed "exclusive" to the tribe.

The Rincon Band challenged the legality of California's "second generation" compacts pursuant to which the signatory tribes would be entitled to increase their slot machine count in return for paying percentages of the new slot machine revenue to the state's General Fund. The Ninth Circuit had affirmed a lower court decision that the new financial concessions were nothing more than a state tax on tribal casino revenues which is prohibited by IGRA.

The Rincon Band refused to sign the amended compact which had already been executed by several other tribes choosing instead to demand that it be given the expanded gaming opportunity without making the new financial concessions. The Ninth Circuit Court of Appeals concluded that a "non-negotiable, mandatory payment of 10% of net win into the State treasury for unrestricted use yields public revenue, and is [therefore] a tax, and that the court was therefore required to consider the State's demand as evidence of bad faith under IGRA's statutes."

The court noted that "the State could rebut the presumption of bad faith by demonstrating that the revenue demanded was to be used for the public interest, public safety, criminality, financial integrity, and adverse economic impacts on existing activities, but the State's need for general tax revenue was insufficient to demonstrate good faith."

While the Tribe's 2006 compact requires annual payments to the State General Fund based on a percentage of net win from gaming device operations, it also allows the Tribe—so long as its membership remains at or above 4,000—to offset those obligations by the amount of certain payments made under intergovernmental agreements with Del Norte County and Humboldt County. According to the Tribe, these offsets have fully eliminated any net payments owed to the State.

## **Brief History and Background – The Yurok Tribe of the Yurok Reservation**

According to the Tribe’s website, the Tribe is currently the largest Tribe in California, with more than 5,000 enrolled members. The Tribe provides numerous services to the local community and membership with its more than 200 employees. The Yurok Reservation is located in one of the most isolated regions of Northwest California, consisting of lands one mile on each side of the lower forty-four (44) miles of the Klamath River from just above the confluence of the Trinity River at Weitchpec to the mouth of the river as it flows into the Pacific Ocean. Reservation lands include parts of Humboldt and Del Norte Counties, two of the largest land-based counties in the state of California.

The Tribe is culturally known as great fishermen, eelers, basket weavers, canoe makers, storytellers, singers, dancers, healers, and strong medicine people. Before European contact, the tribe referred to themselves as Oohl, meaning Indian people. The Klamath-Trinity River is the lifeline of the Tribe because the majority of the food supply, like ney-puy (salmon), Kaa-ka (sturgeon) and kwor-ror (candlefish) all come from these rivers.

In 2006, the Tribe entered into a tribal-state compact [SB 106 (Wiggins, Chapter 37, Statutes of 2007)] that authorized it to operate one gaming facility at a future site and an additional one at an ancillary facility (a fuel mart), both of which are located within its existing reservation. The compact authorized the Tribe to operate no more than 99 gaming devices (slot machines) and prohibited anyone under the age of 21 from being present in any room. The 2006 Compact expired on December 31, 2025, this Amended Compact would extend the provision of the Tribe’s 2006 compact to December 31, 2026.

Following ratification of its 2006 tribal-state gaming compact, the Tribe opened the Redwood Hotel Casino in 2014 which consists of two separate entities, the Redwood Holiday Inn Express and the Redwood Casino. The Redwood Holiday Inn Express is a 60-room hotel complete with exercise room and pool. The Redwood Casino, located in Klamath, CA, currently hosts 99 Class III machines and includes the Abalone Bar and Grill. The development of the Redwood Hotel Casino is only a portion of a broader master plan for the Tribe, community, which also includes the Yurok Construction Corporation, Yurok Indian Housing Authority, Yurok Language Department, Yurok Office of Emergency Services, Yurok Telecommunications Corp, and the Yurok Tribal Court.

### **SUPPORT**

None received

### **OPPOSITION**

None received

## **PRIOR AND CURRENT LEGISLATION**

SB 49 (Grove, Chapter 3, Statutes of 2025) ratified the tribal-state gaming compact between the State of California and the Big Sandy Rancheria of Western Mono Indians of California, executed on December 12, 2024. This bill also ratified the third and fourth amendment to the 1999 tribal-state gaming compact between the State of California and the Tribe.

SB 864 (Padilla, Chapter 244, Statutes of 2025) ratified the Tribal-State Gaming Compact between the State of California and the Cher-Ae Heights Indian Community of the Trinidad Rancheria, California, executed on July 11, 2025. This bill also ratified two separate amendments to the tribal-state gaming compacts entered into between the State of California and the Pinoleville Pomo Nation, California, and the Sycuan Band of Kumeyaay Nation.

AB 1527 (Soria, 2025) ratified the amendment to the tribal-state gaming compact entered into between the State of California and the Picayune Rancheria of Chukchansi Indians of California, executed on June 4, 2025.

SB 931 (Dodd, Chapter 320, Statutes of 2024) ratified four separate tribal-state gaming compacts between the State of California and the Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California, the La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation, California, the Timbisha Shoshone Tribe, and the Elem Indian Colony of Pomo Indians of the Sulphur Band of Rancheria, California. Additionally, the bill ratified three separate amendments to the tribal-state gaming compacts entered into between the State of California and the Augustine Band of Cahuilla Indians, California, the Picayune Rancheria of Chukchansi Indians of California, and the Cher-Ae Heights Indian Community of the Trinidad Rancheria, California.

AB 2032 (Jim Patterson, Chapter 304, Statutes 2024) ratified the tribal-state gaming compact between the State of California and the Big Sandy Rancheria of Western Mono Indians, executed on January 16, 2024.

AB 2656 (Ramos, Chapter 313, Statutes of 2024) ratified the tribal-state gaming compact between the State of California and the Table Mountain Rancheria, executed on November 1, 2023.

AB 3276 (Ramos, Chapter 319, Statutes of 2024) ratified the tribal-state gaming compact between the State of California and the Tule River Tribe, executed on June 25, 2024.

SB 771 (Dodd, Chapter 888, Statutes of 2023) ratified the tribal state gaming compacts between the state of California and between the State of California and the Cahto Tribe of the Laytonville Rancheria, the Ewiiapaayp Band of Kumeyaay Indians, California, the Manchester Band of Pomo Indians of the Manchester Rancheria, California, the Resighini Rancheria, and the Sherwood Valley Rancheria of Pomo Indians of California, as specified.

SB 736 (McGuire, Chapter 11, Statutes of 2023) ratified the amendment to the existing tribal-state gaming compact entered into between the State of California and the Middletown Rancheria of Pomo Indians of California, executed on May 15, 2023. The bill also ratified the new tribal-state gaming compact entered into between the State of California and the Middletown Rancheria of Pomo Indians of California, executed on March 30, 2023.

AB 498 (Aguiar-Curry, Chapter 9, Statutes of 2023) ratified the tribal-state gaming compact between the state of California and the Federated Indians of Graton Rancheria, executed on March 9, 2023.

AB 854 (Ramos, Chapter 272, Statutes of 2023) ratified the tribal-state gaming compact between the State of California and the Redding Rancheria, California, executed on March 30, 2023.

AB 1658 (Santiago, Chapter 852, Statutes of 2023) ratified 22 separate amendments to extend the terms, until December 31, 2024, of the 1999 tribal-state gaming compacts between the State of California and specified tribes.

AB 1977 (Wood, Chapter 296, Statutes of 2016) ratified the amended tribal-state gaming compact entered into between the State of California and the Yurok Tribe, executed on August 4, 2016.

SB 106 (Wiggins, Chapter 37, Statutes of 2007) ratified the tribal-state gaming compact entered into between the State of California and the Yurok Tribe of the Yurok Reservation, executed on August 29, 2006.