

Opinion: Tribes should not influence online gaming in California

Publisher's note: *This editorial is from the June 19, 2012, Los Angeles Times.*

Despite federal and state bans on online poker, as many as 1 million Californians spend a total of about \$300 million annually playing the game – typically on websites based outside the country. Lawmakers have been debating for more than four years whether to create a legal outlet for these players but have been stymied by opposition from powerful Indian gambling interests. Those forces appear to have scuttled a new proposal by state Sens. Roderick Wright (D-Inglewood) and Darrell Steinberg (D-Sacramento) that was sidelined by a Senate committee last week just before a scheduled vote. There's a good argument to be made for legalizing and regulating online poker or, conversely, working more aggressively to ban it. With the tribes pulling the strings in Sacramento, however, California isn't doing either.

Wright's bill (SB1463) would allow a limited number of parties in the gambling business – tribes with state gambling compacts, card clubs, horse racing tracks and “advance deposit wagering” websites that take bets on horse races – to run poker games online for adults in California after they've been overseen by state regulators for at least three years. To obtain an online poker license, however, they and the company they hire to operate their site would have to undergo a rigorous background examination. They'd also have to pay the state \$30 million upfront as a licensing fee and, eventually, 10 percent of their gross earnings.

Some tribes are backing the bill and have already started to

forge relationships with online poker contractors in Nevada and overseas. Others want the state to authorize online poker, but they object to the proposed background checks or the exclusion of tribes without state compacts. Some argue that racetracks and off-track-betting operators have no expertise in poker, unlike tribal casinos and card clubs, so shouldn't be included. And some contend that legitimizing online poker will threaten the revenue and jobs created by tribal gambling.

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