

California's share of Indian gambling money dwindles

By Jim Miller, Sacramento Bee

Former Gov. Arnold Schwarzenegger, beginning with the recall campaign and on through his two terms in office, repeatedly linked the state's tribal casino business to state finances.

"We want to have the Indian gaming tribes pay their fair share to the state," Schwarzenegger said during a 2004 news conference, "and it looks like we are on that road."

Today, tribal money is moving in a different direction. A key court decision, a switch in governors and changing casino economics mean that tribal payments to the state's general fund – which totaled \$241 million last year – are beginning to shift elsewhere.

Gov. Jerry Brown and the United Auburn Indian Community, which runs one of the country's most profitable casinos, last month announced an overhaul of the tribe's 2004 agreement with the state. It reduces by nearly two-thirds what the tribe pays into the general fund and directs much of the money to local projects and poor tribes. Lawmakers ratified the agreement last week without a dissenting vote.

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