



**GAMBLING CONTROL COMMISSION**

**Arnold Schwarzenegger, Governor**

DEAN SHELTON, CHAIRMAN

JOHN CRUZ

ALEXANDRA VUKSICH

2399 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833-4231

P.O. Box 526013  
Sacramento, CA 95852-6013

(916) 263-0700  
(916) 263-0499 FAX

May 11, 2006

Honorable Wesley Chesbro, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee  
State Capitol, Room 5035  
Sacramento, CA 95814

Honorable John Laird, Chair  
Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 95814

Attention: Peggy Collins, Consultant

**Notification of Indian Gaming Revenue Sharing Trust Fund Revenue Shortfall,  
California Gambling Control Commission**

Dear Senator Chesbro and Assemblymember Laird:

Pursuant to Government Code Section 12012.90(e), the California Gambling Control Commission (Commission) hereby provides the anticipated total amount of shortfalls in payment likely to occur in the Indian Gaming Revenue Sharing Trust Fund (RSTF) to be transferred from the Indian Gaming Special Distribution Fund (SDF) for the upcoming fiscal year.

The RSTF serves as the depository for payments made by Tribes that acquire and maintain gaming device licenses and provides disbursements to eligible, Non-Compact Indian tribes (federally-recognized tribes that are operating fewer than 350 Gaming Devices). The Commission, as the administrator for the RSTF, is required to make quarterly distributions from the RSTF in accordance with the Tribal-State Gaming Compacts (Section 4.3.2.1) and Government Code section 12012.90(e)(2). Each eligible tribe receives \$275,000 quarterly, for an annual total distribution of \$1.1 million.

Annual RSTF revenues are insufficient to fully fund RSTF distributions to eligible Non-Compact Tribes. Government Code sections 12012.85 and 12012.90 authorize moneys in the SDF to be used to make payments to eligible Non-Compact Tribes for shortfalls that occur in the RSTF, in addition to other authorized purposes.

For FY 2006-07, the Commission estimates that 71 Tribes could be eligible for RSTF distributions, for total estimated RSTF payments of \$78.1 million. Estimated RSTF revenue projections for FY 2006-07 total \$31.2 million. Accordingly, the Commission anticipates total RSTF shortfalls to be transferred from the SDF in FY 2006-07 of \$46.9 million.

If you have any questions or need additional information, please contact Anna Carr, Deputy Director of Legislation and Public Affairs, at (916) 263-0494.

Sincerely,

Dean Shelton  
Chair

Enclosure

cc: Members, Joint Legislative Budget Committee  
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Sam Aanestad, Vice Chair, Senate Appropriations Committee  
Honorable Mike Machado, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Rick Keene, Vice Chair, Assembly Budget Committee  
Honorable Sharon Runner, Vice Chair, Assembly Appropriations Committee  
Honorable Rudy Bermudez, Chair, Assembly Budget Subcommittee No. 4  
Honorable Judy Chu, Chair, Assembly Appropriations Committee  
Honorable Kevin Murray, Chair, Senate Appropriations Committee  
Mr. Alex MacBain, Consultant, Senate Budget and Fiscal Review Subcommittee No. 4  
Mr. Dave Lewis, Fiscal Consultant, Senate Republican Fiscal Office  
Ms. Maureen Ortiz, Consultant, Senate Appropriations Committee  
Mr. Charles Wright, Consultant, Office of the President Pro Tempore  
Mr. Jerome Encinas, Consultant, Office of Senate Republican Leader Dick Ackerman  
Mr. Janus Norman, Principal Consultant, Assembly Budget Subcommittee No. 4  
Mr. Allan Cooper, Senior Consultant, Assembly Republican Fiscal Office  
Ms. Julie Salley-Gray, Principal Consultant, Assembly Appropriations Committee  
Mr. George Wiley, Consultant, Office of the Assembly Speaker  
Mr. Todd Jerue, Acting Program Budget Manager, Department of Finance  
Mr. E. Dotson Wilson, Chief Clerk of the Assembly  
Mr. Gregory Schmidt, Secretary of the Senate  
Ms. Diane Boyer-Vine, Legislative Counsel  
Mr. Jason Dickerson, Senior Fiscal & Policy Analyst, Legislative Analyst's Office  
Ms. Cynthia Bryant, Chief Deputy Legislative Affairs Secretary, Office of the Governor  
Ms. Janet Coles, Senior Librarian, California State Library