

1 CHAIRPERSON JAMES: At this time I'd like to thank  
2 this panel for presenting, and if there are any comments or  
3 questions before we move onto our next panel.

4 CHAIRMAN MILANOVICH: Pardon me, Madam Chairman.

5 CHAIRPERSON JAMES: Certainly.

6 CHAIRMAN MILANOVICH: I have included a letter from  
7 the City of Palm Springs, which is in support of our operation,  
8 as well the Chief of Police of Palm Springs. And when I got here  
9 this morning I came down the hallway and I saw all the yellow t-  
10 shirts. I said, my goodness, what a great showing. But at the  
11 same time -- so I called our Human Resources Director at the Spa  
12 Casino this morning and asked her to fax over a letter which  
13 outlines the benefits which are paid to our casino employees. It  
14 is also part of your packet.

15 CHAIRPERSON JAMES: Thank you very much, and all of  
16 that will be entered into the official record.

17 CHAIRMAN LACHAPPA: Madam Chairman, I'd like a couple  
18 of comments before I go.

19 CHAIRPERSON JAMES: Yes.

20 CHAIRMAN LACHAPPA: Ms. Allison -- either I  
21 misunderstood her or -- but she mentioned about the  
22 infrastructure of the Tribe. The Tribe, as you eloquently heard,  
23 every Tribal leader that comes before this panel or any panel  
24 will tell of the benefits as Chairman Milanovich mentioned. The  
25 infrastructure of the Tribe is done by the Tribe through the  
26 success of gaming. We don't get no government grants, any of  
27 that sort. We take care of our own water and wells and  
28 electricity; all that stuff.

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1           Also, when I was back in Washington, I believe it was  
2   in '94. I just want to let the panel know that the Native  
3   American men was the largest race lost in fighting for their  
4   country, and I want to know what the Commission's going to do for  
5   us.

6           Thank you very much.

7           CHAIRPERSON JAMES: Thank you.

8           CHAIRMAN PICO: Madam Chair, I just want to say one  
9   more thing too. That the Viejas Tribe of San Diego County share  
10   our revenues with those Tribes that live too far off that don't  
11   have the transportation infrastructure or the electrical  
12   infrastructure to a tune of over a million dollars a year.  
13   There's a Tribe called Las Coyotes (ph.) that live in one of the  
14   most rural places in San Diego County. Up until a couple of  
15   months ago it did not have electricity. And so they've been  
16   using the revenues that we've been sharing with them so that they  
17   could get electricity to the Reservation. So there are people  
18   out there living like third world countries, and so I just want  
19   to let you know that not all Indians have casinos. Not all  
20   Indians are doing that well. A very small percentage of them  
21   are.

22           Thank you.

23           CHAIRPERSON JAMES: Thank you very much, and again,  
24   thank you each.

25           Yes, Commissioner Dobson?

26           COMMISSIONER DOBSON: Thank you,  
27   Mr. Pico. Excuse me. Is this on? Can you hear me? I have the  
28   same problem you do.

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1           Your report on page 6 makes a casual reference to the  
2 issue of the myth that Tribes do not pay taxes. Could you  
3 clarify for me what that means? Do casinos pay federal and state  
4 and local taxes?

5           CHAIRMAN PICO: First of all, I think it was true  
6 that at one time it was said that Native Americans did not pay  
7 taxes, and I really think that arose out of a situation that we  
8 were so poverty stricken we had nothing to pay. And that's  
9 exactly the truth. But as we're starting to develop; as we're  
10 starting to get into an income level where we can now and are  
11 required to pay taxes, we are very happy to pay taxes as opposed  
12 to living in the kind of poverty situations that we have, which  
13 is much different than the rest of American. I mean, a lot of  
14 people don't want to pay taxes, but I'll tell you what. We'd  
15 love to pay taxes if we could make the kind of wage that would  
16 enable us to pay taxes.

17           But back to your question. Yes, we pay every tax  
18 that everyone else pays, and the business that we have there, the  
19 retail outlet, factory outlet mall, we will collect \$3 million in  
20 taxes, in sales taxes this year from that and turn that over to  
21 the state of California. We pay every tax, except we do not pay  
22 state property tax because of the fact that one sovereign cannot  
23 tax another sovereign.

24           COMMISSIONER DOBSON: Let me make sure I understand  
25 what you're saying. The casino pays federal taxes; is that  
26 correct?

27           CHAIRMAN PICO: Yes. We pay taxes.

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1 COMMISSIONER DOBSON: The casino pays taxes? I'm  
2 talking about private --

3 CHAIRMAN PICO: No, okay. That particular part of it  
4 is because one sovereign cannot tax another sovereign.  
5 So --

6 COMMISSIONER DOBSON: So the answer is no?

7 CHAIRMAN PICO: Well, the answer is yes, we pay at a  
8 rate -- taxes is at 100 percent. That means every net dollar  
9 that comes out of the casinos is paid to the Tribal governments  
10 themselves to mitigate the last 200 years of this abject project  
11 that we've been involved in. We are a government first and a  
12 racial entity second. In this country there are of the mix of  
13 governments. There's a Federal Government, there's a state  
14 government, there's Tribal government, city governments, county  
15 governments, and special district. That's the misconception  
16 here, that we are a government.

17 COMMISSIONER DOBSON: Pardon me for pressing the  
18 issue, because I really want to understand it. With regard to  
19 the difference between paying individual taxes as people do who  
20 have a corporation and they receive salary and they pay taxes,  
21 but there is a corporate tax. Is there a tax separate from the  
22 individual's tax for federal income or state income taxes? Also  
23 on the corporation or on the casino?

24 CHAIRMAN PICO: Yes, and it goes to the Tribal  
25 treasury.

26 CHAIRPERSON JAMES: No federal tax; it goes to the  
27 Tribal government?

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1 CHAIRMAN PICO: It goes to the Tribal Nation. If you  
2 look in the Constitution of the United States, Article I, Section  
3 8, under the Powers of Congress, it says: Congress shall have  
4 the power to regulate foreign commerce, sovereign states, and  
5 Indian Tribes. The and conjunction means the states and the  
6 Tribes are equal. So the taxes go -- we pay the highest tax in  
7 the whole country at 100 percent. It goes to the Tribe.

8 CHAIRPERSON JAMES: I think --

9 CHAIRMAN PICO: Our service is to the people.

10 CHAIRPERSON JAMES: I think we'll be able to address  
11 some of these issues with our next panel, as well, and clarify.

12 CHAIRMAN PICO: I'll certainly put together a paper  
13 for the Commission and pass that along in much more detail.

14 COMMISSIONER DOBSON: That would be very helpful,  
15 because I still don't know the answer.

16 CHAIRPERSON JAMES: We will have one final question  
17 from Commissioner Lanni, and then we will move onto our next  
18 panel.

19 COMMISSIONER LANNI: This is actually a question of  
20 Chairman Smith.

21 I think during your presentation you indicated there  
22 are, I think, approximately 100 federally recognized Tribes in  
23 the state of California?

24 CHAIRMAN SMITH: It was a hundred plus.

25 COMMISSIONER LANNI: A hundred plus. And I think you  
26 indicated that 40 of them have gaming?

27 CHAIRMAN SMITH: Yes.

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1 COMMISSIONER LANNI: You also indicated that your  
2 Tribe has approximately 867 members, which I think you indicated  
3 was for California standards of Native American Tribes, one of  
4 the largest?

5 CHAIRMAN SMITH: For our area, yeah, southern San  
6 Diego County.

7 COMMISSIONER LANNI: Do we have any availability of  
8 the numbers of people who are Tribal members of the 40 that have  
9 gaming that find themselves within the boundaries of the state of  
10 California; the actual numbers of Tribal members?

11 CHAIRMAN SMITH: Off the top of my head I couldn't  
12 answer that.

13 COMMISSIONER LANNI: Is that available though?

14 CHAIRMAN SMITH: If it is I could get it to you.

15 COMMISSIONER LANNI: My request may be that the  
16 Commission staff make that information available. Actually how  
17 many people who are members of the Tribe are benefiting from this  
18 particular form of endeavor.

19 CHAIRPERSON JAMES: Certainly.

20 CHAIRMAN SMITH: And Commissioner Lanni, and the  
21 benefit is not so much selective as it is geographical. Those  
22 Reservations that are closer to the market or population centers  
23 just kind of evolved by chance there.

24 CHAIRPERSON JAMES: Thank you. I am going to thank  
25 this panel, and we -- Commissioner Moore I will give you the last  
26 and final word. We are about 30 minutes over, but --

27 COMMISSIONER MOORE: It won't take long. I'll talk  
28 fast.

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1 CHAIRPERSON JAMES: I don't think you can do that.

2 COMMISSIONER MOORE: And it's sort of in line with  
3 Commissioner Lanni, and it's -- I appreciate what the speaker  
4 said. In Mississippi we have gambling. We have gambling on the  
5 water, on the river, and on the coast. Everyone in Mississippi  
6 doesn't live on the water. All the Indians in California don't  
7 live on federal land and close to cities. However, the tax  
8 structure in Mississippi is that a certain percent of taxes that  
9 are taxed on the casinos go into the state general fund. All of  
10 you heard of general funds. Now, then that general fund benefits  
11 all members of Mississippi regardless of whether they're in north  
12 Mississippi or in the cotton belt or wherever they might be.

13 I would wonder if you ever thought about -- this is  
14 socialism so I'm going to be popular. I wondered if you ever  
15 thought about pooling some of your money and dividing it among  
16 all the Indians, then they could all be happy.

17 CHAIRMAN PICO: With that answer I think, in my  
18 opinion, you asked the right person. I don't believe in  
19 socialism. I don't believe in the welfare system. I believe in  
20 16 hours a day, six, seven days a week because that's what I  
21 live. But I also understand that there are people out there, our  
22 brothers and sisters, our red brothers and sisters who are much  
23 worse off than we are. Now, my personal point of view is not  
24 shared by other Native Americans, but I do believe that we should  
25 be in a position to share our revenues so that those people can  
26 learn how to fashion their own rod and reels and fish for  
27 themselves. Yes, I'm very strongly in favor of that.

28 CHAIRPERSON JAMES: Thank you very much.

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