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CALIFORNIA TAXPAYERS' ASSOCIATION OPPOSES PROPOSITION 70

The California Taxpayers' Association today announced its opposition to Proposition 70, the November ballot initiative that would permit unlimited expansion of casino gambling throughout California.

Cal-Tax opposes Proposition 70 (the Tribal Gaming Compacts and Exclusive Gaming Rights Initiative) because it will permit an explosion of mega-casinos throughout California with little state oversight or accountability to taxpayers for paying their fair share. Even though Proposition 70 appears to provide a minimal payment to the state in exchange for a 99-year monopoly on unlimited gaming and unrestricted casino operations, the measure provides no method of accountability or guarantee of payment.

The corporate income tax – on which the tribal gaming “contributions” in this initiative are based – is but one of dozens of state and local taxes, fees and other charges that California businesses and individual taxpayers pay, and they are subject to independent compliance audits. The ever-expanding casino empire is exempt from such accountability. What's more, under Proposition 70 the tribes are exempt from environmental, workers safety and other significant non-tax costs placed on competitive California businesses.

An important part of the strategy to balance the state budget this year and in the future is to receive appropriate levels of revenue from both the federal government and Indian tribes. If Proposition 70 passes, revenue from Indian tribes becomes very questionable. California taxpayers or state services will take the hit.

“Governor Schwarzenegger’s recently negotiated compacts with several gaming tribes will add \$1 billion to the state’s bottom line this year alone and hundreds of millions more every year,” said Cal-Tax President Larry McCarthy. “Proposition 70 effectively destroys these compacts and erodes the California governor’s authority to negotiate future compacts with tribes.

“Proposition 70 provides no auditing vehicle to determine profits. As a result, taxpayers will never know if they are getting a fair deal or a raw deal,” explained McCarthy. “It’s a bad deal for California local governments, schools and public safety. We strongly oppose Proposition 70 and urge all Californians to VOTE NO!”

The Cal-Tax Board of Directors reviews and makes recommendations on statewide ballot measures that have impacts on California taxpayers. Founded in 1926, Cal-Tax has long provided a moderate voice in debates over taxes and spending. It is a business-oriented research and advocacy association with a dual mission to guard against unnecessary taxation and promote efficient, quality government services.