

LYTTON RANCHERIA HOMELANDS ACT OF 2017

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JULY 11, 2017.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed
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Mr. BISHOP of Utah, from the Committee on Natural Resources,
submitted the following

R E P O R T

[To accompany H.R. 597]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 597) to take lands in Sonoma County, California, into trust as part of the reservation of the Lytton Rancheria of California, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 597 is to take lands in Sonoma County, California, into trust as part of the reservation of the Lytton Rancheria of California.

BACKGROUND AND NEED FOR LEGISLATION

The Lytton Rancheria is a tribe of approximately 220 enrolled members near the central California coast, with the tribal headquarters located in Santa Rosa, California. The original 50-acre Rancheria land, located approximately 20 miles north of Santa Rosa, California, was purchased and set aside by the United States in 1926. From the late 1930s to the late 1950s, the Rancheria was composed of two families and their descendants who moved to the 50-acre tract north of Healdsburg, California. In 1958, federal supervision of the Rancheria was terminated by an Act of Congress by Public Law 85-671 (72 Stat. 619). This occurred in the context of the “Termination Era” when Congress determined to end its policy of recognizing tribes, holding their lands in federal trust, and supervising their efforts. Subsequently, title to the Rancheria land

was transferred to individual members, who subsequently sold the land to non-Indians.

In 1987, aided by the California Indian Legal Services, the Lytton Rancheria joined as plaintiffs in a lawsuit against the United States challenging the Congressional termination. In 1991, the U.S. District Court for Northern California approved a settlement negotiated between the federal government and a number of terminated Rancherias under which the government would recognize the Rancherias as tribes.¹ The settlement did not restore the original Rancheria property in Healdsburg, California, to the Rancheria or otherwise provide any land. The court did, however, recognize that the government and the Rancheria agreed that future lands could be placed in federal trust for the Rancheria within Sonoma County.² At the insistence of Sonoma County, restrictions were placed on land acquired by the Lytton Rancheria in Alexander Valley within the original Rancheria boundaries. These restrictions included a use requirement consistent with the Sonoma County General Plan.³ Additionally, gambling was expressly prohibited on lands within the exterior boundaries of the original Rancheria lands in Alexander Valley.⁴

In the final days of the 106th Congress, Congress enacted the Omnibus Indian Advancement Act (Public Law 106-568). One provision required the Secretary of the Interior to acquire title to a 9.5-acre parcel of land housing the Casino San Pablo cardroom, located approximately 60 miles south of the Rancheria tribal headquarters, in San Pablo (Contra Costa County), California, in trust for the benefit of the Lytton Rancheria. Section 819 of that act further provided that “[s]uch land shall be deemed to have been held in trust and part of the reservation of the Rancheria prior to October 17, 1988.”

The effect of backdating the trust acquisition was to grant the tribe the right to operate a casino pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.). The tribe converted the Casino San Pablo cardroom into a class II casino. In 2004, the tribe negotiated a class III gaming compact with the Governor of California; however, the California Legislature did not ratify the compact due to strong local concerns. In 2009, with the strong support of local officials, a bill to place restrictions on the San Pablo casino passed the U.S. Senate (S. 338, a bill to amend the Omnibus Indian Advancement Act to modify the date as of which certain tribal land of the Lytton Rancheria of California is deemed to be held in trust and to provide for the conduct of certain activities on the land).

In recent years, the tribe has used revenues from its casino to purchase a number of parcels adjacent to the town of Windsor, California in Sonoma County. Windsor is approximately 10 miles from the tribal headquarters in Santa Rosa, California.

In 2009, the tribe applied to the Department of the Interior to place title to approximately 127 acres of lands acquired in this area in trust. The application is still pending with the Department of

¹Scotts Valley Band of Pomo Indians of the Sugar Bowl Rancheria v. United States. No. C-86-3660 (N.D. Cal. 1991), at 3.

²*Id.* at 4.

³*Id.* at 5 and Exhibit B.

⁴*Id.* at 5 and Exhibit C.

the Interior. The tribe has testified that it intends to use a portion of the lands for tribal housing, while the rest would support a diverse range of economic development including plans for a future resort and winery. Land held in trust for a tribe is not subject to local and state taxation and regulation, including zoning laws.

H.R. 597 would place approximately 511 acres of non-contiguous parcels of land owned by the Rancheria in trust, subject to valid and existing rights, contracts, and management agreements. Under the bill, gaming under the Indian Gaming Regulatory Act would be prohibited on these lands.

Additionally, the Memorandum of Agreement (MOA) dated March 10, 2015, entered into between the tribe and Sonoma County concerning the taking of land into trust would not be subject to review or approval by the Secretary of the Interior. The MOA between the tribe and Sonoma County outlines commitments and procedures to mitigate impacts of economic development activities by the tribe. Activities contemplated include a residential development project of 147 residential units and a winery and/or resort. Also outlined in the document is an agreement that the tribe will pay \$6.1 million for one-time impacts on the County and pay 30 percent of the property taxes on the lands thereafter. The County additionally agrees not to oppose or issue negative comments on the tribe's efforts to seek additional trust lands in the future through the administrative or legislative process. The MOA is binding for 22 years.

Lastly, the Committee has received a relatively large number of communications from the residents of Windsor, California, in opposition to the bill.⁵

COMMITTEE ACTION

H.R. 597 was introduced on January 20, 2017, by Congressman Jeff Denham (R-CA). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Indian, Insular and Alaska Native Affairs. On June 22, 2017, the Full Natural Resources Committee met to consider the bill. The Subcommittee on Indian, Insular and Alaska Native Affairs was discharged by unanimous consent. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent on June 27, 2017.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and

⁵Rep. Jared Huffman surprised at opposition to Lytton tribe's plans near Windsor. The Press Democrat. August 28, 2015. <http://www.pressdemocrat.com/news/4398626-181/rep-jared-huffman-surprised-at?artslide=0>.

402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 5, 2017.

Hon. ROB BISHOP,
*Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 597, the Lytton Rancheria Homelands Act of 2017.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Megan Carroll.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 597—Lytton Rancheria Homelands Act of 2017

H.R. 597 would take into trust, for the benefit of the Lytton Rancheria of California, a federally recognized Indian tribe, certain lands located in the County of Sonoma, California. The bill would specify certain prohibitions on gaming on the affected land, consistent with an existing memorandum of understanding between the tribe and the County of Sonoma.

Based on information from the Bureau of Indian Affairs, CBO estimates that implementing H.R. 597 would have no significant effect on the federal budget. CBO estimates that any change in the agency's administrative costs under the bill, which would be subject to appropriation, would not exceed \$500,000 annually.

Enacting H.R. 597 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 597 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 597 would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), by preempting the authority of state and local governments to tax land taken into trust for the Lytton Rancheria. CBO estimates the costs of the mandate would not exceed the threshold established in UMRA (\$78 million in 2017, adjusted annually for inflation).

H.R. 597 contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Meghan Shrewsbury and Megan Carroll (for federal costs) and Rachel Austin (for intergovernmental mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to take lands in Sonoma County, California, into trust as part of the reservation of the Lytton Rancheria of California.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95-220, as amended by Public Law 98-169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

