

By: Kuempel

H.J.R. No. 133

A JOINT RESOLUTION

1 proposing a constitutional amendment to foster economic
2 development and job growth and to provide tax relief and funding for
3 education and public safety by creating the Texas Gaming
4 Commission, authorizing and regulating casino gaming at a limited
5 number of destination resorts and facilities licensed by the
6 commission, authorizing sports wagering, requiring occupational
7 licenses to conduct casino gaming, and requiring the imposition of
8 a tax.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

10 SECTION 1. Section 47(a), Article III, Texas Constitution,
11 is amended to read as follows:

12 (a) The Legislature shall pass laws prohibiting lotteries
13 and gift enterprises in this State other than those authorized by
14 Subsections (b), (d), (d-1), and (e) of this section and Section 47a
15 of this article.

16 SECTION 2. Article III, Texas Constitution, is amended by
17 adding Section 47a to read as follows:

18 Sec. 47a. (a) In this section, unless modified by general
19 law:

20 (1) "Casino" means a licensed facility at which casino
21 gaming is conducted.

22 (2) "Casino gaming" means any game of chance or
23 similar activity that involves the making of a bet for
24 consideration. The term includes wagering on any type of slot

1 machine or table game as defined by the legislature, using money,
2 casino credit, or any representation of value. The term does not
3 include bingo, charitable raffles, or the state lottery authorized
4 under Section 47 of this article.

5 (3) "Destination resort" means a mixed-use
6 development consisting of a combination of various tourism
7 amenities and facilities, including hotels, villas, restaurants,
8 limited gaming facilities, meeting facilities, attractions,
9 entertainment facilities, shopping centers, and casino gaming
10 facilities.

11 (4) "Education" means public education, public higher
12 education, and adult education related to responsible gaming.

13 (5) "Gaming position" means a designated position for
14 a person to engage in casino gaming at a table game or slot machine.

15 (6) "Limited casino gaming" means casino gaming in a
16 licensed facility that is limited to not more than 750 gaming
17 positions, of which not more than 25 percent may be at table games,
18 as defined by the legislature.

19 (7) "Metropolitan statistical area" means a
20 metropolitan statistical area designated by the United States
21 Office of Management and Budget.

22 (8) "Public safety programs" means programs for crime
23 prevention and law enforcement, including programs designed to
24 prevent and prosecute crimes involving human trafficking.

25 (b) Casino gaming at a limited number of locations is
26 authorized in this state in accordance with this section to foster
27 economic development and job growth and to provide tax relief and

1 funding for education and public safety programs.

2 (c) The legislature by general law shall establish the Texas
3 Gaming Commission with broad authority to adopt rules the
4 commission considers necessary or desirable for the strict
5 regulation of casino gaming as authorized by this section.

6 (d) The legislature by general law may authorize and
7 regulate the placing of wagers on sporting events, as defined by
8 general law.

9 (e) The legislature shall authorize the Texas Gaming
10 Commission to:

11 (1) issue not more than four Class I gaming licenses to
12 conduct casino gaming at destination resorts located in
13 metropolitan statistical areas of this state with an estimated
14 population of two million or more on July 1, 2019, provided that
15 only one Class I licensed destination resort is located within any
16 one metropolitan statistical area;

17 (2) issue not more than three Class II licenses to
18 conduct limited casino gaming to applicants who, on January 1,
19 2021, held and who continue to hold an active license to conduct
20 pari-mutuel wagering on horse races at a racetrack located within a
21 metropolitan statistical area with an estimated population of two
22 million or more on July 1, 2019, and who comply with the
23 requirements of this section, general law enacted pursuant to this
24 section, and rules adopted by the Texas Gaming Commission under
25 this section and the general law;

26 (3) issue not more than two Class III licenses to
27 conduct limited casino gaming to applicants who, on January 1,

1 2021, held and who continue to hold an active license to conduct
2 pari-mutuel wagering on greyhound races at a racetrack located
3 within a metropolitan statistical area with an estimated population
4 of less than two million on July 1, 2019, and who comply with the
5 requirements of this section, general law enacted pursuant to this
6 section, and rules adopted by the Texas Gaming Commission under
7 this section and general law; and

8 (4) allow an Indian tribe recognized by the United
9 States government under federal law to operate slot machines or
10 casino gaming on its Indian land within this state and held in trust
11 by the United States on January 1, 1998, in accordance with:

12 (A) federal law; and

13 (B) either:

14 (i) an effective gaming agreement that
15 includes a provision requiring the tribe to remit to this state a
16 portion of its gaming revenue in an amount equal to the rate
17 provided in the agreement; or

18 (ii) general state law that includes a
19 provision requiring the Indian tribe to remit to this state a
20 portion of its gaming revenue in an amount equal to the rate
21 provided by the general law.

22 (f) The legislature by general law shall direct the Texas
23 Gaming Commission by rule to ensure license applicants who are
24 granted a Class II license authorized by Subsection (e)(2) of this
25 section continue to maintain significant live horse racing at the
26 applicant's racetrack and maintain the applicant's primary purpose
27 as a racetrack, and that limited casino gaming is used as a

1 complimentary amenity to promote and support horse racing in this
2 state.

3 (g) The legislature by general law shall authorize license
4 holders who are granted a Class III license authorized by
5 Subsection (e)(3) of this section to offer limited casino gaming
6 under that license at any location within the same metropolitan
7 statistical area as the holder's licensed greyhound racetrack.

8 (h) To satisfy the intent of this section, the legislature
9 by general law shall establish additional restrictions on the
10 facilities of a license holder who holds a Class II or Class III
11 casino gaming license authorized under Subsection (e)(2) or (e)(3)
12 of this section, including limits on total square footage, gaming
13 square footage, and overnight accommodations, for the purposes of
14 adequately distinguishing between the license classes described in
15 Subsection (e) of this section and limiting casino gaming to
16 certain metropolitan statistical areas in this state.

17 (i) To ensure the greatest economic impact to this state
18 from destination resorts granted a Class I license to conduct
19 casino gaming, the legislature by general law shall direct the
20 Texas Gaming Commission, in determining which applicants will be
21 issued a license, to consider:

22 (1) the total investment to be made by each applicant;
23 (2) the total job creation and workforce diversity
24 proposed by each applicant;

25 (3) each applicant's experience in resort development
26 and casino operation;

27 (4) the potential tax revenue to this state from

1 gaming and non-gaming activities at a proposed resort;

2 (5) whether entities operating or individuals
3 residing in this state are part of the application approval process
4 or are approved vendors; and

5 (6) whether an applicant intends to seek state or
6 local tax incentives for their project.

7 (j) The legislature by general law may develop additional
8 considerations and requirements for licenses to conduct casino
9 gaming, and restrictions and penalties for the conduct of casino
10 gaming in this state.

11 (k) To ensure that a requisite level of economic development
12 and job growth benefiting the people of this state accompanies each
13 destination resort granted a Class I license to conduct casino
14 gaming, the legislature by general law shall require an applicant,
15 as a condition to receiving and holding a license, to commit to
16 building a destination resort with new total land and development
17 investments of at least:

18 (1) \$2 billion for a destination resort located in a
19 metropolitan statistical area with an estimated population of five
20 million or more on July 1, 2019; or

21 (2) \$1 billion for a destination resort located in a
22 metropolitan statistical area with an estimated population of two
23 million or more but less than five million on July 1, 2019.

24 (l) The legislature by general law shall require that, in
25 meeting the requirements of Subsection (k) of this section, total
26 land and development investments proposed as part of an application
27 to conduct casino gaming at a destination resort may not include

1 public money or facilities developed or built with public
2 assistance or tax incentives of any kind.

3 (m) The legislature by general law may allow land and
4 development investments made in the five years preceding the date a
5 license application for a Class I destination resort is submitted
6 to be included in the calculation of new total land and development
7 investment requirements under Subsection (k) of this section.

8 (n) The legislature by general law shall impose a tax on the
9 casino gaming revenue of casino gaming license holders in this
10 state. The legislature shall set the tax rates for casino gaming
11 at:

12 (1) 10 percent of the gross gaming revenue from table
13 games, as defined by the legislature; and

14 (2) 25 percent of the gross gaming revenue from slot
15 machines, as defined by the legislature.

16 (o) The legislature by general law shall establish
17 procedures to determine whether a Class I license application meets
18 the investment requirements of Subsection (k) of this section and
19 whether an applicant who is granted a Class I license satisfies the
20 investment commitments made in their application.

21 SECTION 3. This proposed constitutional amendment shall be
22 submitted to the voters at an election to be held November 2, 2021.
23 The ballot shall be printed to permit voting for or against the
24 proposition: "The constitutional amendment to foster economic
25 development and job growth and to provide tax relief and funding for
26 education and public safety by creating the Texas Gaming
27 Commission, authorizing casino gaming at a limited number of

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1 destination resorts and facilities licensed by the commission, and
2 authorizing sports wagering."