

By: Ellis

S.J.R. No. 7

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing casino gaming and
2 requiring creation of a Texas Gaming Commission to regulate gaming
3 and casino-based development projects in this state.

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

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

7 (a) The Legislature shall pass laws prohibiting lotteries
8 and gift enterprises in this State other than those authorized by
9 Subsections (b), (d), and (e) of this section and Section 47a of
10 this article.

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

13 Sec. 47a. (a) The legislature by general law shall
14 authorize and regulate casino gaming conducted by a person licensed
15 by this state.

16 (b) The legislature by general law shall establish a Texas
17 Gaming Commission to administer the laws regulating gaming
18 activities authorized by this section or Section 47 of this
19 article.

20 (b-1) The law enacted under Subsection (b) must abolish the
21 Texas Racing Commission and the Texas Lottery Commission and merge
22 the functions of those agencies into the Texas Gaming Commission
23 not later than January 1, 2007. This subsection expires January 1,
24 2008.

1 (c) The Texas Gaming Commission established under this
2 section consists of five members appointed as follows:

- 3 (1) one member appointed by the governor;
4 (2) one member appointed by the lieutenant governor;
5 (3) one member appointed by the speaker of the house of
6 representatives;
7 (4) one member appointed by the attorney general; and
8 (5) one member appointed by the comptroller of public
9 accounts.

10 (c-1) Not later than January 1, 2006, the initial members of
11 the Texas Gaming Commission shall be appointed as provided by
12 Subsection (c) of this section to terms as follows:

- 13 (1) the initial term of the member appointed under
14 Subsection (c)(1) of this section expires January 1, 2008;
15 (2) the initial terms of the members appointed under
16 Subsections (c)(2) and (4) of this section expire January 1, 2010;
17 and
18 (3) the initial terms of the members appointed under
19 Subsections (c)(3) and (5) of this section expire January 1, 2012.

20 (c-2) Subsection (c-1) of this section and this subsection
21 expire January 1, 2013.

22 (d) Members of the Texas Gaming Commission appointed under
23 Subsection (c) of this section serve staggered terms of six years,
24 with the terms of one or two members expiring January 1 of each
25 even-numbered year.

26 (e) A vacancy in a Texas Gaming Commission membership shall
27 be filled for the unexpired term in the same manner as the original

1 appointment.

2 (f) The general law enacted under Subsection (a) of this
3 section must authorize the Texas Gaming Commission to license 12
4 casino-anchored destination attraction development projects in
5 this state as follows:

6 (1) seven projects in urban areas, allocated by
7 population;

8 (2) two projects on islands in the Gulf of Mexico that
9 are tourist destinations with at least 1,000 guest rooms available
10 for visitors in hotels, motels, or condominiums existing on January
11 1, 2005; and

12 (3) three additional projects at locations to be
13 determined by the commission to achieve targeted economic
14 development or permanent new job creation or based on other
15 considerations determined appropriate by the commission.

16 (g) The Texas Gaming Commission may not award a license for
17 a casino-anchored destination attraction development project
18 unless the project meets the major economic development
19 qualifications established by this subsection. The minimum total
20 land and development costs for a project to qualify for a license
21 are as follows:

22 (1) \$400 million for an urban area project;

23 (2) \$200 million for an island tourist destination
24 project; and

25 (3) \$150 million for an additional project.

26 (h) A local option election shall be held in the manner
27 determined by the Texas Gaming Commission in each county in which a

1 person applies for a license for a casino-anchored destination
2 attraction development project. The commission may not award a
3 license for a project unless a majority of the voters of the county
4 voting in the election favor selection of that county as the site
5 for a project. If a majority of the voters in a county voting in the
6 election to approve the constitutional amendment that added this
7 section to this constitution voted for the proposition, the county
8 is considered to have approved the selection of that county as the
9 site for a project.

10 (i) The Texas Gaming Commission may not award a license for
11 a casino-anchored destination attraction development project to a
12 person unless at least 51 percent of the development project will be
13 owned by residents of this state who have maintained their
14 principal residence in this state for not less than the two years
15 preceding September 1, 2005.

16 (i-1) Not later than June 1, 2006, the governor shall call a
17 special session of the legislature to establish the Texas Gaming
18 Commission and enact the laws necessary to implement this section
19 and regulate casino-anchored destination attraction development
20 projects. This subsection expires June 1, 2007.

21 (j) The legislature shall provide the initial funding for
22 the Texas Gaming Commission through an interest-free loan from the
23 Texas Enterprise Fund in the amount of \$2.5 million. The commission
24 shall repay the loan from the first money received by the commission
25 from license fees received in connection with licenses for
26 casino-anchored destination attraction development projects.

27 (k) All shipments of gaming devices into, out of, or within

1 this state authorized under this section or a law enacted under this
2 section are legal shipments of the devices and are exempt from the
3 provisions of 15 U.S.C. Sections 1171-1178, prohibiting the
4 transportation of gambling devices.

5 SECTION 3. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held November 8, 2005.
7 The ballot shall be printed to provide for voting for or against the
8 proposition: "The constitutional amendment authorizing limited
9 casino gaming in Texas and providing for a Texas Gaming Commission
10 to regulate gaming and casino-based development projects in this
11 state."