

By: Pickett

H.J.R. No. 37

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to legalize the operation of video lottery games in counties or
3 municipalities in which the voters have approved the operation of
4 the games and by certain Indian tribes on Indian land.

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

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

8 (a) The Legislature shall pass laws prohibiting lotteries
9 and gift enterprises in this State other than those authorized by
10 Subsections (b), (d), and (e) of this section and Section 47a of
11 this article. This section or Section 47a does not authorize:

12 (1) any entity to operate casino gaming in this state
13 or a gaming operation substantially similar to a casino; or

14 (2) the Legislature to enact a law allowing the
15 operation of casino gaming.

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

18 Sec. 47a. (a) The Legislature by general law in accordance
19 with this section may authorize this state, as part of the lotteries
20 authorized under Section 47(e) of this article, to strictly
21 regulate, control, and operate a video lottery system under which
22 individuals may play lottery games of chance on video lottery
23 terminals owned and operated by persons licensed or otherwise
24 authorized by this state in order to generate revenue to fund public

1 education and administer the video lottery system. The law must:

2 (1) provide a comprehensive licensing program to
3 govern a person that owns, manages, maintains, manufactures,
4 distributes, sells, or leases video lottery terminals for use or
5 play in this state and a process to approve and continuously monitor
6 terminals in the video lottery system as necessary to protect the
7 public health, welfare, safety, or the integrity of the state
8 lottery or to prevent financial loss to this state;

9 (2) limit the operation of video lottery games on
10 behalf of this state to not more than 17 video lottery
11 establishments operated by the following legal entities:

12 (A) a person licensed in this state to operate a
13 video lottery establishment in a county or municipality in which
14 the voters have approved the operation of the games;

15 (B) the Ysleta del Sur Pueblo and
16 Alabama-Coushatta Indian tribes, which, under an agreement with
17 this state in the form prescribed by general law or negotiated by
18 the governor, may conduct the games only on land held in trust by
19 the United States for such tribes on January 1, 1998, pursuant to
20 the Ysleta del Sur Pueblo and Alabama-Coushatta Indian Tribes of
21 Texas Restoration Acts (25 U.S.C. Section 731 et seq. and 1300g et
22 seq.) and designated by the applicable tribe for video lottery
23 activity; and

24 (C) the Kickapoo Traditional Tribe of Texas,
25 which, under an agreement with this state in the form prescribed by
26 general law or negotiated by the governor, may conduct the games
27 only on land held in trust by the United States for the benefit of

1 the tribe on which Class III gaming may be permitted under the
2 Indian Gaming Regulatory Act of 1988 (18 U.S.C. Section 1166 et seq.
3 and 25 U.S.C. Section 2701 et seq.) and designated by the tribe for
4 video lottery activity;

5 (3) authorize this state to impose and collect state
6 taxes on the purchase, use, or other consumption of a good or
7 service at a video lottery facility on tribal land by a person who
8 is not a member of the Indian tribe operating the facility;

9 (4) prohibit and impose criminal penalties for the
10 possession and operation of all electronic and mechanical gaming
11 devices other than video lottery terminals operated in connection
12 with the video lottery system or gaming devices otherwise
13 authorized by state law;

14 (5) prohibit any restriction under state law on the
15 number of video lottery establishments a person may operate if the
16 person is otherwise qualified to operate video lottery games under
17 applicable law; and

18 (6) provide that:

19 (A) net revenue generated from video lottery
20 terminals located at licensed video lottery establishments shall be
21 distributed as provided by general law; and

22 (B) net revenue generated from video lottery
23 terminals operated by an Indian tribe on Indian lands shall be
24 distributed as set forth in the agreement authorizing the tribe to
25 operate video lottery games.

26 (b) An applicant for a license or other approval under a law
27 enacted under Subsection (a) of this section does not have any right

1 to the license or approval. A license issued or other approval
2 granted to a person in accordance with a law enacted under
3 Subsection (a) of this section is a revocable privilege, and the
4 person does not acquire any vested right in or under the privilege.

5 SECTION 3. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held November 7, 2006.
7 The ballot shall be printed to permit voting for or against the
8 proposition: "The constitutional amendment authorizing the
9 legislature to permit the operation of video lottery games in
10 counties or municipalities in which the voters have approved the
11 operation of the games and by certain Indian tribes on Indian land."