

By: Pitts

H.J.R. No. 3

A JOINT RESOLUTION

1 relating to proposing a constitutional amendment authorizing the  
2 operation of video lottery games on behalf of the state by persons  
3 licensed to conduct wagering on horse or greyhound races and by  
4 recognized Indian tribes and prohibiting the operation of other  
5 gambling devices.

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

7 SECTION 1. Section 47, Article III, Texas Constitution, is  
8 amended by amending Subsection (a) and adding Subsections (f) and  
9 (g) to read as follows:

10 (a) The Legislature shall pass laws prohibiting lotteries  
11 and gift enterprises in this State other than those authorized by  
12 Subsections (b), (d), ~~[and]~~ (e), and (f) of this section. This  
13 section does not authorize any entity to operate a casino gaming  
14 operation in this State or a gaming operation substantially similar  
15 to a casino and does not authorize the Legislature to enact a law  
16 allowing the operation of casino gaming.

17 (f) The Legislature by general law in accordance with this  
18 section may authorize the State as an extension of the State lottery  
19 to strictly regulate, control, and operate a video lottery system  
20 under which individuals may play lottery games of chance on video  
21 lottery terminals owned and operated by persons licensed or  
22 otherwise authorized by this State in order to generate revenue  
23 solely to fund property tax reduction, public education, children's  
24 health care, and the administration of the video lottery system.

1 The law must:

2 (1) provide for registration, licensing, standards,  
3 approval, continual monitoring, and remote termination of  
4 operation for video lottery terminals for use or play in this State,  
5 as necessary to protect the public health, welfare, or safety or the  
6 integrity of the State lottery or to prevent financial loss to the  
7 State, and provide that a license or registration or other approval  
8 is a revocable privilege not subject to judicial review;

9 (2) allow no more than seventeen established locations  
10 at which video lottery games on behalf of the State are permitted,  
11 to be operated by only the following legal entities:

12 (A) a person that is licensed in this State to  
13 conduct wagering on a horse race or greyhound race, provided that:

14 (i) no more than fourteen locations may be  
15 authorized in this state total for all persons under this  
16 Subdivision;

17 (ii) each location must be generally  
18 located prior to November 1, 2005, and may not be moved from the  
19 location; and

20 (iii) to maximize revenue for the State,  
21 the authorized locations for video lottery games should include  
22 having one horse race track and one greyhound track in each of the  
23 three largest counties in the state and a county adjacent to that  
24 county;

25 (B) the Ysleta del Sur Pueblo and  
26 Alabama-Coushatta Indian tribes, which, under agreement with this  
27 State in the form prescribed by general law or negotiated by

1 governor, operate the games on lands held in trust by the United  
2 States for such tribes on January 1, 1998, pursuant to the  
3 Restoration Acts, 25 U.S.C. Section 731 and 18 U.S.C. Section 1166  
4 et seq., and 25 U.S.C. Section 2701 et seq. and designated by the  
5 tribes for video lottery activity; and

6 (C) the Kickapoo Traditional Tribe of Texas,  
7 which, under agreement with this State in the form prescribed by  
8 general law or negotiated by the governor, operates the games on  
9 lands held in trust by the United States for the benefit of the  
10 tribe on which Class III gaming is permitted under the Indian Gaming  
11 Regulatory Act of 1988 (P.L. 100-497, codified at 18 U.S.C. Section  
12 1166 et seq. and 25 U.S.C. Section 2701 et seq.) and designated by  
13 the tribe for video lottery activity;

14 (3) allow the State, on lands held in trust by the  
15 United States for the benefit of a tribe listed in Subsection  
16 (f)(2), to impose and collect any and all State taxes imposed and  
17 collected on a statewide basis by the State, and agreement by the  
18 tribes to this provision is a condition for the authorization of  
19 video lottery terminals on those lands;

20 (4) under Subsection (g), prohibit and impose criminal  
21 penalties for the possession and operation of all electronic and  
22 mechanical gaming devices other than video lottery terminals  
23 operated in connection with the video lottery system or otherwise  
24 authorized by this section; and

25 (5) to further the goal of revenue for the State, not  
26 restrict the ownership of the number of locations, and such laws are  
27 void as anti-competitive and against the best interest of this

1 State.

2 (g) The legislature shall by general law prohibit gambling  
3 devices other than a video lottery terminal operated on behalf of  
4 the State. "Gambling device" means any electronic,  
5 electromechanical, or mechanical contrivance, including an  
6 eight-liner, that for a consideration affords the player an  
7 opportunity to obtain anything of value, the award of which is  
8 determined solely or partially by chance, even though accompanied  
9 by some skill, whether or not the prize is automatically paid by the  
10 contrivance.

11 SECTION 2. (a) The proposed constitutional amendment shall  
12 be submitted to the voters at an election to be held November 8,  
13 2005. The ballot shall be printed to permit voting for or against  
14 the proposition: "The constitutional amendment authorizing the  
15 extension of the State lottery to include video lottery games, at  
16 regulated locations where wagering is already authorized by law,  
17 the net revenue from which shall be used for property tax reduction,  
18 public education, and children's health care."

19 (b) If the voters at the election approve the proposition in  
20 Subsection (a), the agency authorized to regulate the State lottery  
21 is authorized to pass all necessary rules and procedures to  
22 implement this Act as soon as possible. Expedited implementation  
23 of regulation is necessary to maximize revenue for the State.