

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

May 4, 2007

TO: Honorable Tracy King, Chair, House Committee on Border & International Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2535 by Chavez (Relating to the authority of federally recognized Indian tribes along the Texas-Mexico border to engage in bingo.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2535, As Introduced: a positive impact of \$8,703,000 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$2,772,000
2009	\$5,931,000
2010	\$6,910,000
2011	\$7,377,000
2012	\$7,798,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from FOUNDATION SCHOOL FUND 193	Probable Revenue (Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain from GENERAL REVENUE FUND (5% Gross Receipts) 1
2008	(\$1,611,000)	(\$286,000)	\$4,669,000
2009	(\$3,410,000)	(\$609,000)	\$9,950,000
2010	(\$3,977,000)	(\$703,000)	\$11,590,000
2011	(\$4,274,000)	(\$751,000)	\$12,402,000
2012	(\$4,535,000)	(\$768,000)	\$13,101,000

Fiscal Analysis

This bill would amend the Occupations Code relating to the authority of federally recognized Indian tribes along the Texas-Mexico border to engage in bingo. This bill would authorize non-profit organizations organized under tribal law by a recognized Indian tribe on a reservation in a county bordering Mexico, but not subject to the Indian Gaming Regulatory Act, to conduct bingo on tribal lands by including the tribe under the definition of "fraternal organizations" allowed to conduct bingo. In Texas, this would only pertain to the Ysleta del Sur Pueblo (Tiguas).

This bill would prohibit non-profit organizations described above from conducting bingo unless 5 percent of bingo gross receipts were transferred to the state, in a manner determined by the

Comptroller of Public Accounts.

Although an effective date of the bill is not specified in the bill, for the purposes of this analysis it is assumed that the bill would take effect September 1, 2007.

Methodology

According to information provided by the Comptroller of Public Accounts (CPA), the revenue implications of this bill would be dependent upon the average play per gaming machine and per traditional bingo game. Based on the analysis of the CPA, this analysis assumes that the bill would have a negative impact on current lottery and bingo revenues.

This analysis further assumes that affected Texas Indian tribes would enter into an agreement with the state in accordance with the terms of this bill, in exchange for the right to conduct class II bingo gaming. Given that the nature of such compacts cannot be known at this time, the fiscal impact table, which contains CPA revenue estimates, is for illustrative purposes only.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

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