

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HJR15 by Chavez (Proposing a constitutional amendment requiring the state to treat recognized Indian tribes equally with regard to authorizing gambling or other gaming activity on tribal land.), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

The resolution would propose a constitutional amendment that would require the state to treat all recognized Indian tribes equally in regard to gambling and other gaming activity on tribal land.

Currently, the Kickapoo Indians operate a class II gaming casino on their tribal lands along the Rio Grande River near Eagle Pass, under the terms of the federal Indian Gaming Regulatory Act of 1988 (in addition to state law).

The gambling and gaming activities of the Tiguas and Alabama-Coushatta tribes, however, are governed under the federal law known as the Restoration Act, which restored some tribes to federal jurisdiction. The Restoration Act for these two tribes contains a passage that "all gaming activities which are prohibited by the laws of the State of Texas are hereby prohibited on the reservation and on the lands of the tribe." Because of this, the Attorney General's Office brought suit in 1999 and closed the casinos operated by the Tiguas and Alabama-Coushatta tribes in 2000.

Because the Kickapoo tribe's gaming activities are covered by federal jurisdiction, which overrides state jurisdiction, the effect of the proposed amendment would be to treat the gaming activities of the Tigua and Alabama-Coushatta tribes by the same rules that apply to the Kickapoos. Under current state law, this would allow class II gaming casinos to be operated by these tribes on their tribal lands.

The state would receive no direct revenue from the passage of this amendment without a compact between the state and the Indian tribes. Although any enabling legislation enacted following passage of the proposed amendment could outline the terms of a revenue-sharing compact between the state and the Indian tribes, the percentage and consequent revenue to the state would be dependent on the terms of legislation and compact and cannot be estimated at this point.

The proposed constitutional amendment would be submitted to the voters on November 6, 2007.

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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