

BILL ANALYSIS

Senate Research Center
81R4136 YDB-F

S.J.R. 31
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State Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.J.R. 31 proposes a constitutional amendment authorizing and regulating slot machines and casino games by licensed operators and certain Indian tribes to provide additional money to fund transportation in this state and to provide additional money to fund financial aid for higher education students. This amendment also authorizes slot machines at licensed horse and greyhound racetracks. In addition, this resolution creates the Texas Gaming Commission to regulate gaming and casino-based developments.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 47, Article III, Texas Constitution, by amending Subsection (a) and adding Subsection (f), as follows:

(a) Requires the Legislature to pass laws prohibiting lotteries and gift enterprises in this State other than those authorized by Subsections (b), (d), (e), and (f) of this section and Section 47a of this Article. Makes a nonsubstantive change.

(f) Authorizes the Legislature, by general law, to:

(1) authorize one or more of the following legal entities to operate slot machines:

(A) a person licensed in this State to conduct wagering on a horse race or a greyhound race and licensed by this State to operate slot machines at the location licensed for conducting wagering on horse races or greyhound races; or

(B) an Indian tribe recognized by the United States government under federal law the operates slot machines on Indian land; and

(2) require that all or part of this State's net revenue from the regulation and taxation of casino gaming authorized under Section 47a of this article and slot machines authorized under this subsection be used to provide additional money to fund transportation in this State and to provide additional financial aid for higher education students.

SECTION 2. Amends Article III, Texas Constitution, by adding Section 47a, as follows:

Sec. 47a. (a) Requires the legislature by general law to authorize and regulate casino gaming conducted by a person licensed in this state to conduct casino gaming or an Indian tribe recognized by the United States government under federal law that conducts gaming on Indian land.

(b) Requires the legislature by general law to establish a Texas Gaming Commission (commission) to administer the laws regulating gaming activities

authorized by this section or Section 47(f) of this article. Authorizes the legislature to provide qualifications for membership on the commission.

(c) Requires the general law enacted under Subsection (a)(1) (relating to a person licensed in this state to conduct casino gaming) of this section to authorize the commission to issue licenses to conduct casino gaming to:

(1) nine casino-anchored destination attraction development projects in this state as follows:

(A) seven projects located in different urban areas of this state; and

(B) two projects located on islands in the Gulf of Mexico that are tourist destinations with at least 1,000 guest rooms available for visitors in hotels, motels, or condominiums existing on January 1, 2009; and

(2) subject to any conditions or exceptions provided by general law, three or more additional licensed locations.

(d) Prohibits the commission from awarding a license for a casino-anchored destination attraction development project or other licensed location unless the project or location meets the major economic development qualifications established by this subsection. Requires a project or licensed location, to qualify for a license, to include total land and development costs of at least \$400 million for an urban area project; \$200 million for an island tourist destination project; or \$150 million for an additional licensed location.

(e) Requires that a local option election be held, except as otherwise provided by this subsection, in the manner determined by general law in each county in which a person applies for a license to operate casino gaming. Prohibits the commission from awarding a license for casino gaming in any county unless a majority of the voters of the county voting in the election favor casino gaming in that county. Provides that, if a majority of the voters in a county voted for the proposition that added this section to this constitution, the county is considered to have approved the authorization of casino gaming in that county by local option election as required by this subsection.

(f) Authorizes the legislature by general law to impose additional restrictions on the location of casino-anchored destination attraction developments or other licensed casino locations that are not inconsistent with this section.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 3, 2009. Sets forth the required language of the ballot.