

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 2009

TO: Honorable Edmund Kuempel, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HJR5 by King, Tracy O. (Proposing a constitutional amendment to authorize the Kickapoo Traditional Tribe of Texas to conduct gaming by executing a gaming agreement with this state.), **As Introduced**

Although the fiscal implications would depend on the timing of executing the agreement, and subsequent approval by the federal government, as an illustration, and upon full implementation, there could be a gain to General Revenue of \$10 million annually.

The cost to the state for publication of the resolution is \$90,882.

The resolution would propose a constitutional amendment to add new Section 47a to Article III to authorize the Kickapoo Traditional Indian tribe to conduct Class III gambling on its Indian lands by executing a gaming agreement with the state.

The tribe would pay 3 percent of its net calendar-year winnings on a quarterly basis to the Comptroller for state use. The state would be allowed to audit the gaming operations of the Kickapoo tribe, but may not impose another tax, fee, charge, or assessment on the tribe. The Kickapoo Traditional Tribe and State of Texas Gaming Agreement would be submitted by the tribe to the governor, and would take effect on the publication of approval by the U. S. Secretary of the Interior. This compact would expire on the first of the month 25 years after federal approval. If the state authorizes the operation of video lottery terminals within 200 nautical miles of the Kickapoo tribal land, the tribe would be allowed to operate an equal number of games at a location selected by the tribe, provided that the location be outside of 30 nautical miles from a licensed racetrack and within 300 nautical miles of the Kickapoo traditional Tribe's reservation near Eagle Pass.

The proposed amendment would be submitted to the voters on November 3, 2009.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State, 362 Texas Lottery Commission

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