

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 7, 2009

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

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

IN RE: HJR70 by Menendez (Proposing 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 financial aid for higher education students.), **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 \$90,882.

The resolution would propose a constitutional amendment to Section 47, Article III of the Texas Constitution authorizing the Legislature to authorize and regulate slot machines at licensed pari-mutuel racetracks and on the tribal lands of federally recognized Indian tribes. It would require that all or part of the state's net revenue from the regulation and taxation of the casinos (as authorized elsewhere in this resolution) and slot machines be used to provide additional funding for transportation and higher education financial aid.

The resolution would propose new Section 47a to Article III of the Texas Constitution authorizing the Legislature to regulate casino gaming by persons licensed to conduct casino gaming and federally recognized Indian tribes. The legislature would be required to establish a Texas Gaming Commission to regulate gaming activities, and the commission would be required to issue casino gaming licenses to nine casino-anchored development projects, seven in different urban areas and two on islands in the Gulf of Mexico. Subject to conditions or exceptions of general law, three or more additional licenses could be issued. All casino locations would be required to meet major economic development qualifications, including development amounts of at least \$400 million for an urban area project, \$200 million for an island destination, and \$150 million for one of the additional licenses. Approval for each location would require a local option election in the county.

Any fiscal implications would depend on the enabling legislation.

The proposed amendment would be submitted to voters at an election to be held November 3, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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