

**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: HJR86** by Chavez (Proposing a constitutional amendment providing that gambling or other gaming activity by federally recognized Indian tribes on tribal land is not prohibited by Texas law.), **As Introduced**

**Assuming these Indian tribes conduct gaming on their tribal lands, there could be reduced revenue to the state from existing state games due to increased competition in the state.**

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

Under the resolution, the Ysleta del Sur Pueblo and the Alabama Coushatta tribes would be allowed to operate all classes of gaming on their tribal lands. The federal Indian Gaming Regulatory Act and the state of Texas currently allow the Kickapoo Indian tribe to operate a Class II gaming casino near Eagle Pass. With the passage of this resolution, it is assumed the Kickapoo tribe also would be allowed to have Class III gaming by implication, since its limitation to Class II gaming today is based on state law that prohibits gaming activity not currently allowed elsewhere in the state.

Because the amendment does not specify any gaming revenue for the state from Indian gaming activities and because the amendment would not require the tribes to enter into a compact with the state regarding the sharing of gaming revenues, it is not expected that this proposed amendment would result in any new direct revenues to the state. In addition, a Texas Attorney General opinion (GA-0278, dated December 9, 2004) casts doubt on the state's authority to collect gaming revenues from Indian tribes on the basis of state law alone.

Should the Ysleta del Sur Pueblo and Alabama Coushatta tribes implement class III casino gaming under the terms of this proposed amendment, and the Kickapoo tribe change their Class II casino to a Class III casino, there could be a small negative effect on current lottery revenues transferred to the GR Account 0193—Foundation School and on bingo revenues transferred to General Revenue Fund 0001. However, as the timing and scale of operations would be at the discretion of the tribes, the fiscal impact cannot be determined.

**Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts

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