

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: HJR87 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**

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

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, to require that all recognized Indian tribes receive equal treatment from the state with regard to gambling and other gaming activity on tribal land.

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. Under this resolution, the Ysleta del Sur Pueblo and the Alabama Coushatta Tribes, would be allowed to operate Class II gaming casinos on their tribal lands. 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, 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 II casino gaming under the terms of this proposed amendment, 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. As the amount of time to be taken in implementing a Class II facility and eventual level of operations would be at the option of the Ysleta de Sur Pueblo and Alabama Coushatta tribes, the impact on state lottery and bingo revenues cannot be determined.

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

LBB Staff: JOB, JRO, SD