

By: Van de Putte

S.J.R. No. 35

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature  
2 to legalize the operation of video gaming in this state by persons  
3 and organizations licensed to conduct bingo or lease bingo premises  
4 and providing that federally recognized Indian tribes are not  
5 prohibited from conducting gaming on certain Indian lands.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 47, Article III, Texas Constitution, is  
8 amended by amending Subsection (a) and adding Subsection (f) to  
9 read as follows:

10 (a) The Legislature shall pass laws prohibiting lotteries  
11 and gift enterprises in this State other than those authorized by  
12 Subsections (b), (d), [~~and~~] (e), and (f) of this section and Section  
13 47a of this article.

14 (f) This section does not prohibit a federally recognized  
15 Indian tribe from conducting video gaming on land in this state that  
16 was held in trust or recognized as tribal land of the tribe by the  
17 United States on January 1, 1998. The prohibitions provided by  
18 Section 47a of this article do not apply to video gaming by an  
19 Indian tribe on such land.

20 SECTION 2. Article III, Texas Constitution, is amended by  
21 adding Section 47a to read as follows:

22 Sec. 47a. (a) In this section, "gross gaming income" means  
23 the total amount of consideration paid to play a video gaming game  
24 less any amounts paid for video gaming prizes.

1       (b) The legislature by general law in accordance with this  
2 section may authorize the operation of video gaming in this state in  
3 which individuals play games of chance, including games of chance  
4 that require some skill, operated by persons licensed to conduct  
5 video gaming. The law must:

6           (1) provide for the regulation of all video gaming by  
7 this state;

8           (2) limit video gaming operations in this state to  
9 gaming operated by persons or organizations that on January 1,  
10 2011, were licensed to conduct bingo or to lease bingo premises  
11 under state law;

12           (3) limit video gaming operations in this state to  
13 gaming operations in counties, justice precincts, and incorporated  
14 cities and towns that have held elections in which the conduct of  
15 bingo games in the jurisdiction was approved by the voters of the  
16 jurisdiction as required under Section 47(b) of this article;

17           (4) provide:

18                   (A) a comprehensive licensing program, including  
19 necessary background investigations, to govern a person who  
20 conducts or assists in the conduct of video gaming operations in  
21 this state or who manufactures, distributes, installs, repairs, or  
22 alters video gaming games and equipment for use or play in this  
23 state; and

24                   (B) procedures for the approval, monitoring, and  
25 inspection of video gaming operations as necessary to protect the  
26 public health, welfare, and safety and the integrity of the state  
27 and to prevent financial loss to this state;

1           (5) prohibit and impose criminal penalties for the  
2 possession and operation of all gaming devices other than devices  
3 operated in connection with authorized video gaming operations or  
4 gaming devices otherwise authorized by state law;

5           (6) provide that not more than 20 percent of the gross  
6 gaming income generated from video gaming operated by a licensed  
7 person or organization be transferred to this state as provided by  
8 general law;

9           (7) require that 10 percent of the gross gaming income  
10 generated from video gaming operated by a licensed person or  
11 organization at a location be transferred to:

12                   (A) the charitable organization conducting bingo  
13 at the location; or

14                   (B) if more than one charitable organization is  
15 conducting bingo at the location, the organizations in equal  
16 amounts;

17           (8) limit the use by charitable organizations of video  
18 gaming proceeds to the uses authorized by law for charitable bingo  
19 proceeds;

20           (9) include responsible gaming provisions that:

21                   (A) to protect the security and integrity of  
22 video gaming, require mandatory exclusion of specified classes of  
23 persons from playing a video gaming game; and

24                   (B) allow persons to be excluded voluntarily;

25           (10) prohibit admission to video gaming premises by  
26 any individual who is less than 18 years of age and prohibit the  
27 play of a video gaming game by an individual who is less than 21

1 years of age;

2 (11) prohibit the play of video gaming games by an  
3 individual using any consideration borrowed from the person or  
4 organization licensed to conduct video gaming or obtained through a  
5 credit card or similar credit transaction; and

6 (12) require the regulatory agency that oversees video  
7 gaming to:

8 (A) monitor the performance of video gaming  
9 systems and to direct the disabling of a video system or any  
10 component of the system when necessary to protect the security,  
11 accounting, revenue collection, and integrity of video gaming  
12 operations; or

13 (B) contract with a qualified person for the  
14 person to perform the duties described by Paragraph (A) of this  
15 subdivision.

16 (c) The general law authorizing the operation of video  
17 gaming in this state may:

18 (1) require a manufacturer of video gaming equipment  
19 to supply to this state, at no cost to the state, sufficient  
20 equipment and software to allow the regulatory agency that oversees  
21 video gaming to perform the agency's regulatory functions;

22 (2) authorize the regulatory agency that oversees  
23 video gaming to adopt by reference all or part of the security,  
24 accounting, and equipment standards adopted by another state, the  
25 United States, or the National Indian Gaming Commission; and

26 (3) subject to the limitations provided by this  
27 section and as required to protect the security, accounting,

1 revenue collection, and integrity of video gaming operations,  
2 provide for rapid implementation of video gaming to expedite and  
3 maximize the receipt of revenue by this state and charitable  
4 organizations.

5 (d) In the absence of enabling legislation to implement  
6 Subsection (b) of this section, the authority of this state to  
7 authorize and regulate bingo games under Section 47(b) of this  
8 article includes the authority of the state agency that regulates  
9 bingo to adopt rules to implement video gaming operations in  
10 accordance with Subsection (b) of this section.

11 (e) All shipments of video gaming equipment or other gaming  
12 devices into, out of, or within this state authorized under this  
13 section or a law enacted under this section are legal shipments of  
14 the devices and are exempt from the provisions of 15 U.S.C. Sections  
15 1171-1178 prohibiting the transportation of gambling devices.

16 (f) Subject to Subsection (g) of this section, the general  
17 law authorizing the operation of video gaming in this state must  
18 limit the number of video gaming terminals that may be located at a  
19 video gaming premises as follows:

20 (1) not more than 30 video gaming terminals may be  
21 operated at a video gaming premises where:

22 (A) a charitable organization conducts video  
23 gaming at a bingo premises that is not leased from a licensed bingo  
24 lessor; or

25 (B) one or more charitable organizations conduct  
26 video gaming at a bingo premises leased from a licensed bingo lessor  
27 who received not more than \$30,000 from the organizations for lease

1 of the bingo premises in 2010;

2 (2) not more than 60 video gaming terminals may be  
3 operated at a video gaming premises where one or more charitable  
4 organizations conduct video gaming at a bingo premises leased from  
5 a licensed bingo lessor who received more than \$30,000 but not more  
6 than \$70,000 from the organizations for lease of the bingo premises  
7 in 2010; and

8 (3) not more than 120 video gaming terminals may be  
9 operated at a video gaming premises where one or more charitable  
10 organizations conduct video gaming at a bingo premises leased from  
11 a licensed bingo lessor that received more than \$70,000 from the  
12 organizations for lease of the bingo premises in 2010.

13 (g) The legislature by general law may increase the limits  
14 on the number of video gaming terminals that may be operated at a  
15 video gaming premises under Subsection (f) of this section,  
16 provided the law does not authorize the number of video gaming  
17 terminals at any video gaming premises to exceed those limits  
18 before December 1, 2016.

19 SECTION 3. This proposed constitutional amendment shall be  
20 submitted to the voters at an election to be held November 8, 2011.  
21 The ballot shall be printed to permit voting for or against the  
22 proposition: "The constitutional amendment authorizing the  
23 legislature to legalize the operation of video gaming in this state  
24 by persons and organizations licensed to conduct bingo or lease  
25 bingo premises and providing that federally recognized Indian  
26 tribes are not prohibited from conducting gaming on certain Indian  
27 lands."