

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 28, 2011**

**TO:** Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

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

**IN RE: HJR119** by Thompson (Proposing a constitutional amendment authorizing the legislature to legalize the operation of video gaming in this state by persons and organizations licensed to conduct bingo or lease bingo premises and providing that federally recognized Indian tribes are not prohibited from conducting gaming on certain Indian lands.), **As Introduced**

**Depending on the specifics of any video gaming, there could be an indeterminate fiscal impact to the state.**

The cost to the state for publication of the resolution is \$105,495.

The resolution would propose a constitutional amendment to authorize the Legislature to legalize the operation of video gaming by persons or organizations licensed to conduct bingo or lease bingo premises. In the absence of enabling legislation, the Texas Lottery Commission would be authorized to oversee video gaming operations at bingo locations. Federally recognized Indian tribes would not be prohibited from conducting video gaming on Indian lands.

General law could not require more than 20 percent of the gross gaming income from video games be transferred to the state. It must require that 10 percent of gross gaming revenues be transferred to the charitable organization(s) conducting bingo at each location. The number of video gaming machines at each location would be limited to 120. No more than 60 would be allowed at locations that leased the bingo location for \$30,000 to \$70,000 in 2010, and no more than 30 would be allowed at locations where the annual lease rental was under \$30,000 or where the bingo location was not leased. The legislature would not allow an increase in the number of video gaming machines before December 1, 2016.

The proposed amendment would require enabling legislation to implement the provisions, except that in the case of the enabling legislation not becoming law, the Texas Lottery Commission could implement rules to oversee video gaming operations at bingo locations. However, as specifics of any video gaming are unknown, the fiscal impact of video gaming implemented by rule cannot be determined.

The proposed amendment would be submitted to voters at an election to be held November 8, 2011.

**Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

**LBB Staff:** JOB, AG, SD