

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: HJR152 by Thompson (Proposing a constitutional amendment authorizing the operation of casino games in this state by federally recognized Indian tribes on certain land and by licensed operators at horse and greyhound racetracks and licensed locations.), **As Introduced**

Depending upon the number of Indian tribes that would conduct gaming and upon other unpredictable provisions in the bill, 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 an amendment to add new Section 47a to Article III of the Texas Constitution, to direct the Legislature to authorize the operation and regulation of casino games by persons licensed to operate a horse or greyhound racetrack; by persons licensed to operate casino gaming; and by federally recognized Indian tribes on or within five miles of tribal lands.

In the absence of enabling legislation, the Texas Lottery Commission would be required to adopt rules by December 31, 2011 to implement and oversee casino gaming operations. The commission would appoint members to an Indian Gaming Advisory Committee.

A gaming compact with Indian tribes would provide that at least 8 percent of gross gaming revenue from casino games operated by Indian tribes be transferred to the state. The Legislature could authorize a portion of casino gaming revenues to be distributed to counties and municipalities.

The amendment provides for, but does not require, a gaming compact with Indian tribes. 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 by general law without a gaming compact.

Although casinos and racetrack casino games would be expected to have a positive fiscal impact, this amendment does not specify fees or taxes for casinos and racetrack casino gaming. Without this information, a detailed fiscal impact estimate cannot be made.

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

Local Government Impact

The fiscal impact to units of local government cannot be estimated.

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

LBB Staff: JOB, AG, SD