

By: Menendez

H.J.R. No. 131

A JOINT RESOLUTION

1 proposing a constitutional amendment providing immediate  
2 additional revenue for the state budget by creating the Texas  
3 Gaming Commission, and authorizing and regulating the operation of  
4 casino games and slot machines by a limited number of licensed  
5 operators and certain Indian tribes.

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

7 SECTION 1. Section 47(a), Article III, Texas Constitution,  
8 is amended to read as follows:

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

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

15 Sec. 47a. (a) Casino gaming and slot gaming are authorized  
16 in this state in accordance with this section to provide additional  
17 money for the foundation school fund and additional financial aid  
18 for higher education students.

19 (b) The Texas Gaming Commission is established. The  
20 commission is composed of five members appointed by the governor  
21 with the advice and consent of the senate. Commission members serve  
22 staggered six-year terms, with one or two members' terms, as  
23 applicable, expiring February 1 of each odd-numbered year. The  
24 governor shall fill a vacancy in a position on the commission for

1 the remainder of the unexpired term. The governor shall designate a  
2 commission member as presiding officer of the commission to serve  
3 in that capacity at the pleasure of the governor.

4 (c) To be eligible for appointment to the commission, a  
5 person:

6 (1) must be a citizen of the United States;

7 (2) must have resided in this state for the two years  
8 preceding the date of the person's appointment;

9 (3) may not own a financial or other interest in an  
10 entity engaged in the conduct of casino or slot gaming or the  
11 provision of casino or slot services, or in a security issued by  
12 such an entity, or be related within the second degree by affinity  
13 or the third degree by consanguinity as determined by general law to  
14 an individual who owns such a financial or other interest or  
15 security;

16 (4) may not be an applicant for or holder of a license  
17 or other affirmative regulatory approval under a law administered  
18 by the commission; and

19 (5) may not be a member of the governing body of a  
20 political subdivision of this state.

21 (d) The Texas Gaming Commission has broad authority and  
22 shall exercise strict control and close supervision over all  
23 activities related to casino and slot gaming authorized and  
24 conducted in this state under this section or another law  
25 administered by the commission.

26 (e) The Texas Gaming Commission shall appoint an executive  
27 director and other necessary personnel and adopt rules the

1 commission considers necessary or desirable for the public interest  
2 in carrying out the policy and provisions of this section and the  
3 other laws administered by the commission, including rules on:

4 (1) licensing and regulating casino owners, slot  
5 establishment owners, gaming managers, gaming employees, and  
6 manufacturers and distributors of gaming equipment, including the  
7 qualifications, definitions, terms, and fees for licenses;

8 (2) criteria for awarding, denying, revoking, and  
9 suspending licenses;

10 (3) exclusion of persons and age requirements;

11 (4) procedures for conducting investigations,  
12 inspections, criminal background investigations, audits, complaint  
13 investigations, and disciplinary hearings;

14 (5) reporting and internal control requirements for  
15 license holders;

16 (6) consequences of criminal convictions of license  
17 holders or applicants;

18 (7) enforcement provisions, including disciplinary  
19 actions and penalties, and security requirements;

20 (8) prize payment and redemption;

21 (9) regulating the operations of casinos and slot  
22 establishments; and

23 (10) standards for gaming equipment.

24 (f) The Texas Gaming Commission shall:

25 (1) issue four licenses to conduct casino gaming or  
26 slot gaming to persons who are licensed to conduct pari-mutuel  
27 wagering on horse or greyhound races at the location for which the

1 applicants were licensed to conduct pari-mutuel wagering on horse  
2 or greyhound races as of January 1, 2013 and who comply with  
3 requirements of this section and commission rule;

4 (2) issue three licenses to conduct casino gaming in  
5 this state to persons who are licensed to conduct pari-mutuel  
6 wagering at a class 1 racetrack as defined by Article 179e, Vernon's  
7 Texas Civil Statutes, at the location licensed for conducting  
8 pari-mutuel wagering on horse races and who comply with  
9 requirements of this section and commission rule;

10 (3) issue four licenses to conduct casino gaming to  
11 casino-anchored destination attraction development projects in  
12 counties with a population greater than 1.5 million that comply  
13 with requirements of this section and commission rule;

14 (4) issue three licenses to conduct casino gaming to  
15 casino-anchored destination attraction development projects  
16 located on islands in the Gulf of Mexico that comply with  
17 requirements of this section and commission rule; and

18 (5) allow an Indian tribe that is recognized by the  
19 United States government under federal law to operate slot machines  
20 or casino gaming on its Indian land held in trust by the United  
21 States on January 1, 1998, in accordance with federal law and:

22 (A) an effective gaming agreement that includes a  
23 provision requiring the Indian tribe to remit to this state a  
24 portion of its casino gaming or slot gaming revenue in an amount  
25 equal to the rate provided in the agreement; or

26 (B) general state law that includes a provision  
27 requiring the Indian tribe to remit to this state a portion of its

1 casino gaming or slot gaming revenue in an amount equal to the rate  
2 provided by the general law.

3 (g) In determining whether or, in the case of multiple  
4 applicants competing for a limited number of casino owner's  
5 licenses or slot establishment owner's licenses within a geographic  
6 area, to whom to grant a license, the Texas Gaming Commission shall  
7 consider the following factors:

8 (1) the relative prospective revenue to be collected  
9 by this state from the conduct of casino gaming at the casino or of  
10 slot gaming at the slot establishment and the overall economic  
11 impact of each competing applicant's proposed gaming and associated  
12 facilities;

13 (2) the relative number of residents of this state who  
14 would be employed in an applicant's proposed casino or slot  
15 establishment and any proposed associated hotel and nongaming  
16 businesses and the relative extent of the applicant's good faith  
17 plan to recruit, train, and promote a workforce that reflects the  
18 diverse populations of this state in all employment  
19 classifications;

20 (3) the relative extent to which an applicant's  
21 proposed casino or slot establishment and any proposed associated  
22 hotel and nongaming businesses could be reasonably expected to  
23 encourage interstate tourism to this state;

24 (4) the relative extent to which the scope, design,  
25 location, and construction of the applicant's casino or slot  
26 establishment and any associated hotel and nongaming businesses  
27 could be reasonably expected to contribute to developing a

1 first-class gaming industry in this state;

2 (5) the applicant's experience in conducting licensed  
3 gaming operations and the applicant's financial ability to promptly  
4 construct and adequately maintain the casino or slot establishment  
5 sought to be licensed, including the experience of partners of the  
6 applicant, of affiliated companies of the applicant or its  
7 partners, of key personnel of the applicant or its partners, and of  
8 operating companies under contract with the applicant; and

9 (6) the percentage of equity interest in the applicant  
10 owned or to be owned by residents of this state.

11 (h) To ensure that a requisite level of economic development  
12 benefiting the people of this state accompanies each casino for  
13 which an owner's license is granted, the Texas Gaming Commission  
14 shall require an applicant, as a condition to receiving and holding  
15 an owner's license, to commit to building a casino-anchored  
16 destination attraction development project that includes total  
17 land and development costs of at least:

18 (1) \$1 billion for a project described in Subsection  
19 (f)(3) of this section; or

20 (2) \$250 million for a casino project described in  
21 Subsection (f)(1), (2) and (4) of this section.

22 (i) Notwithstanding Subsection (f) of this section:

23 (1) a license for a project described in Subsection  
24 (f)(1), (2), (3) or (4) may not be issued in a county unless:

25 (A) a majority of the voters of the county voted  
26 for the proposition that added this section to this constitution;

27 or

1           (B) the voters of the county have approved a  
2 proposition legalizing casino gaming at a local option election  
3 held under this section;

4           (2) not more than two casino or slot establishment  
5 licenses may be issued for projects to be located in the same  
6 county;

7           (3) the commission may not issue a license under  
8 Subsection (f)(1) to an applicant that has not conducted  
9 pari-mutuel racing at the location prior to January 1, 2013;

10           (4) a casino owner's license may not be issued for a  
11 location in an area in which casino gaming or slot gaming is  
12 prohibited under a gaming agreement between an Indian tribe and  
13 this state;

14           (5) a casino owner's license may not be issued for a  
15 location within five miles of property which the General Land  
16 Office is required to preserve and protect pursuant to Section  
17 31.0515, Natural Resources Code.

18           (j) The Texas casino and slot gaming fund is a special fund  
19 in the state treasury. All application fees, investigation fees,  
20 and license fees collected by the Texas Gaming Commission or on the  
21 commission's behalf related to casino and slot gaming shall be  
22 deposited to the credit of the Texas casino and slot gaming fund.  
23 Except as provided by this section, the Texas casino and slot gaming  
24 fund may only be used for the operation of the commission and the  
25 administration of this section. If the money in the fund exceeds  
26 the amount necessary for the operation of the commission and the  
27 administration of this section, the legislature shall transfer any

1 excess amount to the foundation school fund.

2 (k) An applicant applying for an owner's license for a slot  
3 establishment as set forth in Subsection (f)(1) must submit to the  
4 Texas Gaming Commission a \$15 million application fee. An  
5 applicant applying for an owner's license for a casino as set forth  
6 in Subsection (f)(1) must submit to the Texas Gaming Commission a  
7 \$25 million application fee. An applicant applying for an owner's  
8 license as set forth in Subsection (f)(2) must submit to the Texas  
9 Gaming Commission a \$50 million application fee. An applicant  
10 applying for an owner's license as set forth in Subsection (f)(3)  
11 must submit to the Texas Gaming Commission a \$50 million  
12 application fee. An applicant applying for an owner's license as  
13 set forth in Subsection (f)(4) must submit to the Texas Gaming  
14 Commission a \$25 million application fee. If an applicant is not  
15 awarded an owner's license, the commission shall refund the  
16 application fee less the costs incurred by the commission in  
17 reviewing the application and conducting a criminal background  
18 investigation on the applicant.

19 (l) A casino gaming tax in an amount equal to 20 percent of  
20 the gross gaming revenue is imposed on each holder of a casino  
21 owner's license for facilities determined by the commission to have  
22 invested less than \$1 billion in the casino facility. A casino  
23 gaming tax in an amount equal to 15 percent of the gross gaming  
24 revenue is imposed on each holder of a casino owner's license for  
25 facilities determined by the commission to have invested \$1 billion  
26 or more in the casino facility. The tax shall be computed and paid  
27 on a monthly basis in accordance with the procedures established by



1 rule of the Texas Gaming Commission.

2 (m) A slot gaming tax in an amount equal to 35 percent of the  
3 gross slot income of the slot establishment operated under the  
4 license is imposed on each holder of a slot establishment owner's  
5 license. The tax shall be computed and paid on a monthly basis in  
6 accordance with the procedures established by rule of the Texas  
7 Gaming Commission.

8 (n) Of the revenue from the taxes imposed by Subsections (l)  
9 and (m) of this section:

10 (1) one-twentieth of the revenue is allocated to the  
11 municipality in which the casino to which the license relates is  
12 located and one-twentieth of the revenue is allocated to the county  
13 in which the casino to which the license relates is located; or

14 (2) if the casino is located in an unincorporated  
15 area, one-tenth of the revenue is allocated to the county in which  
16 the casino to which the license relates is located.

17 (o) The comptroller of public accounts shall transfer the  
18 appropriate amount allocated under Subsection (n) of this section  
19 to the appropriate municipalities and counties not less than  
20 monthly in the manner the comptroller considers appropriate.

21 (p) Except as otherwise provided by this section, the  
22 revenue from the taxes imposed by Subsections (l) and (m) of this  
23 section is allocated as follows:

24 (1) one-fortieth to the general revenue fund for  
25 appropriation only to fund a compulsive gambling program  
26 established by the Texas Gaming Commission;

27 (2) one-fortieth to the general revenue fund for

1 appropriation only to the Texas Gaming Commission to provide grants  
2 to prosecuting attorneys in this state for the investigation and  
3 prosecution of offenses related to the possession of gambling  
4 devices and illegal gambling operations; and

5 (3) the remainder to the foundation school fund.

6 (g) The comptroller of public accounts quarterly shall  
7 determine the net amount of receipts collected from a casino or slot  
8 establishment from the sales and use taxes, hotel occupancy taxes,  
9 alcoholic beverage taxes, and franchise taxes imposed under general  
10 law, or from other taxes imposed under general law as provided by  
11 the legislature in general law, and shall deposit that amount in the  
12 general revenue fund. The net amount deposited may only be  
13 appropriated to fund the TEXAS grant program established under  
14 Subchapter M, Chapter 56, Education Code, or a similar program  
15 established by the legislature to provide grants to higher  
16 education students in this state.

17 (r) A casino or slot establishment located at a greyhound  
18 racetrack shall transfer 12 percent of the gross gaming revenue to a  
19 Texas canine development fund to be established at that racetrack.

20 (s) A casino or slot establishment located at a horse  
21 racetrack shall provide at least \$1 million, or the minimum  
22 coverage amount required by the Texas Racing Commission, in  
23 accident insurance coverage for jockeys participating in a race  
24 meeting at its racetrack. The Texas Racing Commission:

25 (1) may review and approve the adequacy of the  
26 coverage;

27 (2) shall annually adjust for inflation the minimum

1 coverage amount; and

2 (3) shall annually publish in the Texas Register the  
3 revised minimum coverage amount.

4 (t) A casino gaming establishment located at a racetrack  
5 shall make at least weekly payments to the racing facilities  
6 capital improvement account in an amount equal to 0.5 percent of the  
7 gross gaming revenue unless a racing facilities agreement providing  
8 for a different amount is filed with the Texas Racing Commission.

9 (u) The racing facilities capital improvement account is a  
10 special escrow account held outside the state treasury and  
11 administered by the Texas Racing Commission without further  
12 appropriation. A transfer of money from the account requires:

13 (1) for a horse racetrack, the signatures of:

14 (A) a designated official of the horse racetrack;  
15 and

16 (B) a designated representative appointed by a  
17 majority of the quarter horse state breed registry, the  
18 Thoroughbred state horse breed registry, and the horsemen's  
19 organization; or

20 (2) for a greyhound racetrack, the signatures of:

21 (A) a designated official of the greyhound  
22 racetrack; and

23 (B) a designated representative of the Texas  
24 Greyhound Association.

25 (v) The Texas Racing Commission shall adopt rules to  
26 administer purse contributions. The rules must require the  
27 electronic transfer of funds to the accounts described in this

1 section.

2 (w) A casino or slot establishment located at a racetrack  
3 shall promptly and fully make each payment or transfer from the net  
4 gaming income required under this section on behalf of the casino  
5 gaming establishment at the racetrack even if live racing at that  
6 racetrack is shortened, canceled, or delayed for any reason.

7 (x) If a horse racetrack fails to request the minimum number  
8 of required live race dates or fails to offer the minimum number of  
9 required live races despite issuance of live race dates, does not  
10 receive a waiver of that violation from the Texas Racing Commission  
11 as provided under the Texas Racing Act, and does not have an  
12 agreement with the affected state horse breed registries and  
13 horsemen's organization, the applicable state horse breed  
14 registries and the horsemen's organization may, in their sole  
15 discretion, transfer all money to which they are entitled under  
16 this section from that racetrack to the respective accounts under  
17 their control at another racetrack or racetracks.

18 (y) If a greyhound racetrack fails to request the minimum  
19 number of required live race dates or fails to offer the minimum  
20 number of required live races despite issuance of live race dates,  
21 does not receive a waiver of that violation from the Texas Racing  
22 Commission as provided under this subchapter, and does not have an  
23 agreement with the affected officially recognized greyhound breed  
24 registry, the Texas Greyhound Association may, in its sole  
25 discretion, transfer all money to which the association is entitled  
26 under this subchapter from that racetrack to the account under its  
27 control at another racetrack or racetracks.

1       (z) An amount equal to 0.025 percent of the gross gaming  
2 revenue generated at a casino or slot establishment at a racetrack  
3 shall be transferred from the Texas equine development fund for  
4 that racetrack to the equine research account of the Texas  
5 Agricultural Experiment Station for use in equine research,  
6 including facilities development under Subchapter F, Chapter 88,  
7 Education Code. The money transferred under this subsection shall  
8 supplement, and may not replace, funding provided under the Texas  
9 Racing Act (Article 179e, Vernon ' s Texas Civil Statutes).

10       (aa) Each casino or slot establishment located at a  
11 racetrack shall, at least weekly, transfer to the racing facilities  
12 capital improvement account from the racetrack's Texas equine  
13 development fund or Texas canine development fund, as applicable,  
14 an amount equal to 0.5 percent of the net gaming income unless a  
15 racing facilities agreement providing for a different amount is  
16 filed with the Texas Racing Commission.

17       (bb) Unless an agreement between the state horse breed  
18 registries and the horsemen ' s organization provides otherwise,  
19 and after any other allocations required by this subchapter, the  
20 remainder of the money deposited in the Texas equine development  
21 fund at a casino gaming establishment must:

22               (1) be used for purses and the Texas-bred incentive  
23 programs and may be used for other programs considered beneficial  
24 to the equine industry, including:

25                       (A) equine retirement, adoption, and retraining  
26 programs;

27                       (B) programs to test for banned

1 performance-enhancing equine drugs, performance-enhancing drug  
2 testing research, and equipment and facilities of laboratories  
3 providing those services in this state; and

4 (C) other programs to improve the working  
5 environment in stable areas of racetracks; and

6 (2) be allocated as follows:

7 (A) an amount equal to 4.43 percent of the gross  
8 gaming revenue to the horsemen's organization to supplement  
9 Thoroughbred racing purses;

10 (B) an amount equal to 2.385 percent of the gross  
11 gaming revenue to the horsemen's organization to supplement quarter  
12 horse racing purses;

13 (C) an amount equal to 2.38 percent of the gross  
14 gaming revenue to the Thoroughbred state horse breed registry; and

15 (D) an amount equal to 1.28 percent of the gross  
16 gaming revenue to the quarter horse state horse breed registry.

17 (cc) From the money allocated under Subsection (bb)(2)(A),  
18 under an agreement between the Texas Arabian Breeders Association  
19 and the horsemen's organization, the horsemen's organization shall  
20 allocate a portion of the money for purses for the Arabian horse  
21 racing industry. The agreement must provide that not less than an  
22 amount equal to 0.199 percent of the gross gaming revenue be  
23 allocated for Arabian horse racing purses. If an agreement is not  
24 made, the horsemen's organization shall transfer to the Texas  
25 Arabian horse racing industry an amount equal to 0.199 percent of  
26 the gross gaming revenue for Arabian horse racing purses.

27 (dd) From the money allocated under Subsection (bb)(2)(B),

1 under an agreement between the Texas Paint Horse Breeders'  
2 Association and the horsemen's organization, the horsemen's  
3 organization shall allocate a portion of the money for purses for  
4 the paint horse racing industry. If an agreement is not made, the  
5 horsemen's organization shall transfer to the paint horse racing  
6 industry an amount equal to 0.072 percent of the gross gaming  
7 revenue for paint horse racing purses.

8 (ee) From the money allocated under Subsection (bb)(2)(C),  
9 under an agreement between the Texas Arabian Breeders Association  
10 and the Thoroughbred state horse breed registry, the registry shall  
11 allocate a portion of the money for the Arabian horse racing  
12 industry state-breed programs. The agreement must provide that not  
13 less than an amount equal to 0.107 percent of the gross gaming  
14 revenue be allocated for Arabian state-breed programs. If an  
15 agreement is not made, the Thoroughbred state horse breed registry  
16 shall transfer to the Texas Arabian horse racing industry for  
17 state-breed programs an amount equal to 0.107 percent of the gross  
18 gaming revenue.

19 (ff) From the money allocated under Subsection (bb)(2)(D),  
20 under an agreement between the Texas Paint Horse Breeders'  
21 Association and the quarter horse state horse breed registry, the  
22 registry shall allocate a portion of the money for state-breed  
23 programs for the paint horse racing industry. If an agreement is  
24 not made, the registry shall transfer to the paint horse racing  
25 industry an amount equal to 0.038 percent of the gross gaming  
26 revenue for paint horse state-breed programs.

27 (gg) Following the other transfers and allocations required

1 by this subchapter, the remainder of the money deposited in the  
2 Texas canine development fund at a greyhound racetrack is allocated  
3 as follows:

4 (1) an amount equal to 4.75 percent of the gross gaming  
5 revenue to supplement greyhound racing purses;

6 (2) an amount equal to 4.75 percent of the gross gaming  
7 revenue to supplement accredited Texas-bred greyhound purses; and

8 (3) an amount equal to two percent of the gross gaming  
9 revenue to the Texas Greyhound Association as the state greyhound  
10 breed registry.

11 (hh) The Texas Racing Commission may adopt rules to  
12 administer this section and shall require the electronic transfer  
13 of funds to the accounts described in this section.

14 (ii) For purposes of subsections (r) and (z), a racing  
15 facilities agreement for a horse racetrack is valid only on  
16 approval of the applicable racetrack and a majority of the quarter  
17 horse state horse breed registry, the Thoroughbred state horse  
18 breed registry, and the horsemen's organization.

19 (jj) For purposes of subsections (r) and (z), a racing  
20 facilities agreement for a greyhound racetrack is valid only on  
21 approval of the racetrack and the Texas Greyhound Association.

22 (kk) A racing facilities agreement filed under subsection (r)  
23 or (z) remains in effect until it expires on its own terms or until  
24 it is superseded by a subsequent racing facilities agreement for  
25 the same racetrack.

26 (ll) Unless a racing facilities agreement provides  
27 otherwise, the money in the racing facilities capital improvement



1 account may be spent only for the maintenance and improvement of  
2 pari-mutuel racing facilities.

3 (mm) Money in the performance horse development fund may be  
4 used only for:

5 (1) the development of the horse agricultural industry  
6 in this state through efforts intended to attract, retain, promote,  
7 and encourage the breeding, raising, training, and exhibition of  
8 performance and recreational horses in this state; and

9 (2) events and programs conducted in this state.

10 (nn) Money from the performance horse development fund is  
11 allocated as follows:

12 (1) 40 percent to the American Quarter Horse  
13 Association for its sanctioned events and programs;

14 (2) 20 percent to the National Cutting Horse  
15 Association for its sanctioned events and programs;

16 (3) 20 percent to the American Paint Horse Association  
17 for its sanctioned events and programs; and

18 (4) 20 percent to the Department of Agriculture to  
19 promote the equine agricultural industry in this state.

20 (oo) Subject to Subsection (pp), money transferred to an  
21 association or agency from the performance horse development fund  
22 may be used for:

23 (1) purse supplements or additional money for  
24 performance and recreational horses events conducted in this state;

25 (2) the establishment of an accredited Texas Bred  
26 Program for breeding of performance and recreational horses;

27 (3) the marketing and promotion of performance and

1 recreational horses activities and events in this state; and

2 (4) scholarship programs.

3 (pp) Money may be transferred under Subsection (nn)(4) only  
4 to organizations of the equine industry in this state that are not  
5 receiving money for events and programs under Subsection (nn)(1),  
6 (2), or (3).

7 (ss) Except as otherwise provided by law, all money paid to  
8 the Department of Agriculture is subject to Subchapter F, Chapter  
9 404.

10 (tt) Casinos and slot establishments are subject to all  
11 applicable state laws and local ordinances related to health and  
12 building codes, including rules adopted by the Texas Gaming  
13 Commission. A local ordinance or zoning law may not prohibit the  
14 development of a casino or slot establishment authorized by this  
15 section, except that a casino or slot establishment may not be  
16 located in an area that is zoned exclusively residential, unless  
17 otherwise provided by commission rule.

18 (uu) The commissioners court of a county may at any time  
19 order an election to legalize casino gaming under this section in  
20 that county. The commissioners court shall order and hold an  
21 election to legalize casino gaming under this section in the county  
22 if the commissioners court is presented with a petition that meets  
23 the requirements of this section and is certified as valid under  
24 this section.

25 (vv) A petition for a legalization election must include a  
26 statement substantially as follows before the space reserved for  
27 signatures on each page: "This petition is to require that an

1 election be held in (name of county) to legalize casino gaming in  
2 (name of county)." A petition is valid only if it is signed by  
3 registered voters of the county in a number that is not less than  
4 three percent of the total number of votes cast for governor by  
5 qualified voters of the county in the most recent gubernatorial  
6 general election. Each voter must enter beside the voter's  
7 signature the date the voter signs the petition. A signature may  
8 not be counted as valid if the date of signing is earlier than the  
9 90th day before the date the petition is submitted to the  
10 commissioners court. Each voter must provide on the petition the  
11 voter's current voter registration number, printed name, and  
12 residence address, including zip code.

13 (ww) Not later than the fifth day after the date a petition  
14 for an election under this section is received in the office of the  
15 commissioners court, the commissioners court shall submit the  
16 petition for verification to the county clerk. The county clerk  
17 shall determine whether the petition is signed by the number of  
18 registered voters of the county required under Subsection (vv) of  
19 this section. Not later than the 30th day after the date the  
20 petition is submitted to the county clerk for verification, the  
21 clerk shall certify in writing to the commissioners court whether  
22 the petition is valid or invalid. If the county clerk determines  
23 that the petition is invalid, the clerk shall state the reasons for  
24 that determination.

25 (xx) If the county clerk certifies that a petition for an  
26 election under this section is valid, not later than the 30th day  
27 after the date of certification, the commissioners court shall

1 order that an election be held in the county on the next uniform  
2 election date provided under general law that allows sufficient  
3 time to comply with applicable provisions of general law. The  
4 commissioners court shall state in the order the issue to be voted  
5 on. The county clerk shall notify the Texas Gaming Commission by  
6 certified mail, return receipt requested, that an election has been  
7 ordered. The ballot in a legalization election shall be printed to  
8 provide for voting for or against the proposition: "Legalizing  
9 casino gaming within (name of county)."

10 (yy) The commissioners court shall give written notice of  
11 the results of the election to the Texas Gaming Commission not later  
12 than the third day after the date the election is canvassed. If the  
13 majority of votes cast in a legalization election under this  
14 section favor the legalization of casino gaming, casino gaming  
15 authorized under this section is permitted within the county  
16 holding the election effective on the 10th day after the date the  
17 election is canvassed. If less than a majority of the votes cast in  
18 the election favor the legalization of casino gaming, casino gaming  
19 is not permitted in the county, and a subsequent election on the  
20 issue may not be held in the county before the corresponding uniform  
21 election date one year after the date of the election. If in each of  
22 two consecutive elections within any county less than a majority of  
23 the votes cast favor the legalization of casino gaming, casino  
24 gaming is not permitted in the county, and a subsequent election on  
25 the issue may not be held in the county before the corresponding  
26 uniform election date five years after the date of the second  
27 election.

1       (zz) It is a defense to prosecution for a gambling offense  
2 under general law that the action was authorized under this section  
3 or Texas Gaming Commission rule.

4       (aaa) All shipments of slot machines or gaming devices into,  
5 out of, or within this state authorized under this section or a rule  
6 adopted by the Texas Gaming Commission are legal shipments of the  
7 devices and are exempt from the provisions of 15 U.S.C. Sections  
8 1171-1178, prohibiting the transportation of gambling devices.

9       (bbb) Each state agency, including the attorney general and  
10 the comptroller of public accounts, and each state or local law  
11 enforcement agency shall cooperate with the Texas Gaming Commission  
12 as necessary to implement this section.

13       (ccc) The legislature by general law may impose additional  
14 restrictions or requirements for the conduct of casino and slot  
15 gaming.

16       (ddd) Unless specifically authorized by general law, a  
17 political subdivision of this state may not impose:

18               (1) a tax on the payment of a casino or slot prize;

19               (2) a tax, fee, or other assessment on consideration  
20 paid to play a casino or slot game authorized by this section; or

21               (3) a tax or fee on attendance at or admission to a  
22 casino or slot establishment authorized by this section.

23       (eee) In this section, unless modified by general law:

24               (1) "Casino" means a facility at which casino gaming  
25 is conducted by a licensed casino owner as authorized by this  
26 section.

27               (2) "Casino gaming" means any game of chance or

1 similar activity that involves the making of a bet for  
2 consideration. The term includes any type of slot machine or table  
3 game wagering using money, casino credit, or any representation of  
4 value. The term does not include bingo, charitable raffles, or the  
5 state lottery authorized under Section 47 of this article.

6 (3) "Casino owner" means a person, trust, corporation,  
7 partnership, limited partnership, association, limited liability  
8 company, or other business enterprise that directly holds an  
9 ownership or leasehold interest in a casino licensed as provided by  
10 this section.

11 (4) "Gross gaming revenue" means the total amount of  
12 consideration paid to engage in casino gaming less winnings paid to  
13 players of the casino games.

14 (5) "Gross slot income" means the total amount of  
15 consideration paid to play slot machines less winnings paid to  
16 players of the slot machines.

17 (6) "Performance and recreational horses" means  
18 horses bred or trained for public competition and exhibition or  
19 recreational use in all legally permitted equine activities other  
20 than horse racing at racetracks.

21 (7) "Slot establishment" means a facility at which  
22 slot gaming is conducted by a licensed slot establishment owner as  
23 authorized by this section.

24 (8) "Slot establishment owner" means a person, trust,  
25 corporation, partnership, limited partnership, association,  
26 limited liability company, or other business enterprise that  
27 directly holds an ownership or leasehold interest in a slot

1 establishment.

2 (9) "Slot gaming" means any game of chance that for  
3 consideration is played on a slot machine. The term does not  
4 include bingo, charitable raffles, or the state lottery authorized  
5 under Section 47 of this article.

6 (10) "Slot machine" means a mechanical, electrical, or  
7 other device or machine that, on insertion of a coin, token, or  
8 similar object or on payment of consideration, is available to play  
9 or operate a game, the play or operation of which, wholly or partly  
10 by the element of chance, may deliver or entitle the person playing  
11 or operating the device or machine to receive cash, premiums,  
12 merchandise, tokens, or any other thing of value, whether the  
13 payoff is made automatically from the device or machine or is made  
14 in another manner.

15 SECTION 3. Article III, Texas Constitution, is amended by  
16 adding Section 47b to read as follows:

17 Sec. 47b. (a) Any tribe of Indians that is federally  
18 recognized and has a reservation in Texas on or before January 1,  
19 1998 may, without application of state time, place and manner  
20 restrictions, conduct on its reservation class II gaming regulated  
21 by the National Indian Gaming Commission consistent with NIGC's  
22 regulation of gaming conducted by Indian tribes in other states and  
23 any other gaming activity that may be conducted by any other  
24 individual, organization, group or entity with the state.

25 (b) Class II gaming shall have the same meaning as in 25  
26 U.S.C. Section 2703 of the Indian Gaming Regulatory Act.

27 SECTION 4. The following temporary provision is added to

1 the Texas Constitution:

2 TEMPORARY PROVISION. (a) This temporary provision applies to  
3 the constitutional amendment proposed by the 83rd Legislature,  
4 Regular Session, 2013, creating the Texas Gaming Commission and  
5 authorizing and regulating the operation of casino games and slot  
6 machines by licensed operators and certain Indian tribes to provide  
7 money for the foundation school fund and additional financial aid  
8 for higher education students.

9 (b) Not later than January 1, 2014, the governor shall  
10 appoint the initial members of the Texas Gaming Commission in  
11 accordance with Section 47a, Article III, of this constitution. In  
12 making the initial appointments, the governor shall designate one  
13 member to a term expiring February 1, 2015, two members to terms  
14 expiring February 1, 2017, and two members to terms expiring  
15 February 1, 2019.

16 (c) Not later than March 1, 2014, the Texas Gaming  
17 Commission shall adopt the rules, including any emergency rules,  
18 necessary to implement Section 47a, Article III, of this  
19 constitution.

20 (d) This temporary provision expires January 1, 2015.

21 SECTION 5. (a) The constitutional amendment proposed by  
22 Sections 1, 2, 3 and 4 of this resolution shall be submitted to the  
23 voters at an election to be held November 5, 2013. The ballot shall  
24 be printed to permit voting for or against the proposition: "The  
25 constitutional amendment creating the Texas Gaming Commission and  
26 authorizing and regulating the operation of casino games and slot  
27 machines by a limited number of licensed operators and certain



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1 Indian tribes to provide money for the foundation school fund and  
2 additional financial aid for higher education students."