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By:  Pacheco H.J.R. No. 67

A JOINT RESOLUTION

proposing a constitutional amendment authorizing the operation of five casinos in this state by licensed persons in certain municipalities that have approved casino gaming to provide funding for public education and public community colleges; providing for the requirement of occupational licenses, the authorization of fees, the imposition of a tax, and the provision of criminal penalties.

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

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

(a)  The Legislature shall pass laws prohibiting lotteries and gift enterprises in this State other than those authorized by Subsections (b), (d), (d-1), and (e) of this section and by Section 47a of this article.

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

Sec. 47a.  (a) The legislature by general law in accordance with this section shall authorize the operation of casino gaming in this state in which individuals for consideration play games of chance that award prizes and are operated by persons licensed to conduct casino gaming. The law must:

(1)  limit casino gaming operations in this state to gaming operated by persons licensed in this state to operate casino gaming at not more than five casinos, with not more than one casino in any one municipality, and not more than one casino in any one of the following geographic areas:

(A)  a municipality located in the metropolitan area of Dallas and Fort Worth;

(B)  El Paso;

(C)  a municipality located in the Houston and Galveston area;

(D)  San Antonio; and

(E)  Port Isabel;

(2)  impose a tax on casino gaming operations in this state;

(3)  require net revenue from the regulation and taxation of casino gaming authorized under this section to be used to fund public education and public community colleges;

(4)  provide:

(A)  a comprehensive licensing program, including necessary background investigations and license fees, to govern a person that manages casino gaming operations in this state or that maintains, manufactures, distributes, sells, or leases casino games for use or play in this state;

(B)  procedures for the state agency responsible for conducting criminal background investigations for the state to provide criminal background information to the state agency responsible for the licensing program under Paragraph (A) of this subdivision; and

(C)  procedures for the monitoring and inspection of casino gaming operations as necessary to protect the public health, welfare, and safety, to preserve the integrity of this state and gaming operations in the state, and to prevent financial loss to this state; and

(5)  prohibit and impose criminal penalties for the possession and operation of all gaming devices other than devices operated in connection with authorized casino gaming operations or gaming devices otherwise authorized by state law.

(b)  A local option election shall be held in the manner determined by general law in each municipality described by Subsection (a)(1) of this section in which a person applies for a license to operate casino gaming. The state agency responsible for licensing persons to operate casino gaming may not award a license for casino gaming in any municipality unless a majority of the voters of the municipality voting in the election favor the authorization of casino gaming in that municipality. If a majority of the voters in a municipality voted for the proposition that added this section to this constitution, the municipality is considered to have approved the authorization of casino gaming in that municipality by local option election as required by this subsection.

(c)  In the absence of enabling legislation to implement Subsection (a) of this section, the authority of this state to operate lotteries under Section 47(e) of this article includes the authority of the state agency that operates state lotteries to adopt rules to implement casino gaming operations in accordance with Subsection (a) of this section, and the state agency shall adopt rules to implement casino gaming operations in accordance with Subsection (a) of this section.

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

SECTION 3.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2019. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the operation of five casinos in this state by licensed persons in certain municipalities that have approved casino gaming to provide funding for public education and public community colleges."