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By:  Alvarado S.J.R. No. 42

A JOINT RESOLUTION

proposing a constitutional amendment authorizing the operation of casino gaming by licensed persons at nine locations in this state to provide additional money for the permanent school fund and authorizing federally recognized Indian tribes to conduct gaming on certain Indian lands; providing for the requirement of occupational licenses, the authorization of a tax and fees, 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 or otherwise authorized by this state to conduct casino gaming to provide additional money for the permanent school fund. 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 nine licensed locations, with licenses allocated as follows:

(A)  one license in each of the counties of Galveston, Jefferson, and Nueces, provided the license issued in Jefferson County is for a location approved by the commissioners court of the county that has interstate access and other appropriate infrastructure;

(B)  three licenses in Bexar and Harris Counties to persons who are licensed to conduct pari-mutuel wagering on horse and greyhound races in one of those counties, provided not more than two licenses are awarded in either county; and

(C)  one license in each of three first tier coastal or second tier coastal counties, as those terms are defined by Section 2210.003, Insurance Code;

(2)  impose on casino gaming operations in this state a tax of not less than 18 percent of the casino's gross gaming revenue;

(3)  require net revenue from the regulation and taxation of casino gaming authorized under this section to be used to fund the permanent school fund;

(4)  provide:

(A)  a comprehensive licensing program, including necessary background investigations, 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 licensing 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)  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.

(c)  This section does not prohibit an Indian tribe or tribal organization that was included on the December 30, 1998, list of Indian Entities Recognized and Eligible to Receive Services from the United States Bureau of Indian Affairs, published in the Federal Register by the Secretary of the Interior as required by 25 U.S.C. Section 5131, from conducting gaming on land in this State that is held in trust for the tribe or organization or that is recognized by the United States as the tribe's or organization's tribal land. The prohibitions described by Section 47(a) of this article do not apply to gaming by the tribe or organization on land described by this subsection, and the tribe or organization may conduct gaming on that land.

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 casino gaming by licensed persons at nine locations in this state to provide additional money for the permanent school fund and authorizing federally recognized Indian tribes to conduct gaming on certain Indian lands."