

By: Menéndez

S.J.R. No. 41

A JOINT RESOLUTION

1 proposing a constitutional amendment creating the Texas Gaming
2 Commission and authorizing and regulating the operation of casino
3 games and slot machines by a limited number of licensed owners and
4 certain Indian tribes to provide money for the foundation school
5 fund and additional financial aid for higher education students;
6 authorizing fees; imposing a tax.

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

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

10 (a) The Legislature shall pass laws prohibiting lotteries
11 and gift enterprises in this State other than those authorized by
12 Subsections (b), (d), (d-1), and (e) of this section and Sections
13 47a and 47b of this article.

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

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

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

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

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

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

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

10 (3) may not:

11 (A) own a financial or other interest in an
12 entity engaged in the conduct of casino gaming or slot gaming or
13 engaged in the provision of casino or slot services, or an interest
14 in a security issued by such an entity; or

15 (B) be related within the second degree by
16 affinity or the third degree by consanguinity as determined by
17 general law to an individual who owns an interest described in
18 Paragraph (A) of this subdivision;

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

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

24 (d) The Texas Gaming Commission has broad authority and
25 shall exercise strict control and close supervision over all
26 activities related to casino gaming and slot gaming authorized and
27 conducted in this state under this section or another law

1 administered by the commission.

2 (e) The Texas Gaming Commission shall appoint an executive
3 director and other necessary personnel and shall adopt rules the
4 commission considers necessary or desirable for the public interest
5 in carrying out the policy and provisions of this section and the
6 other laws related to this section that are administered by the
7 commission, including rules on:

8 (1) licensing and regulating casino owners, slot
9 establishment owners, gaming managers, gaming employees, and
10 manufacturers and distributors of gaming equipment, including the
11 qualifications, definitions, terms, and fees for licenses;

12 (2) criteria for awarding, denying, revoking,
13 probating, and suspending licenses;

14 (3) exclusion of persons and age requirements;

15 (4) procedures for conducting investigations,
16 inspections, criminal background investigations, audits, complaint
17 investigations, and disciplinary hearings;

18 (5) reporting and internal control requirements for
19 license holders;

20 (6) consequences of criminal convictions of license
21 holders or applicants;

22 (7) enforcement provisions, including disciplinary
23 actions and penalties, and security requirements;

24 (8) prize payment and redemption;

25 (9) regulating the operations of casinos and slot
26 establishments; and

27 (10) standards for gaming equipment.

1 (f) The Texas Gaming Commission shall:

2 (1) issue four licenses to operate casinos or slot
3 establishments to persons who are licensed to conduct pari-mutuel
4 wagering on horse or greyhound races in the county in which the
5 applicants held a license to conduct pari-mutuel wagering on horse
6 or greyhound races as of January 1, 2019, and who comply with
7 requirements of this section and related state laws and commission
8 rules;

9 (2) issue three licenses to operate casinos to persons
10 who are licensed to conduct pari-mutuel wagering at a class 1
11 racetrack as defined by Subtitle A-1, Title 13, Occupations Code
12 (Texas Racing Act), at the location licensed for conducting
13 pari-mutuel wagering on horse races and who comply with
14 requirements of this section and related state laws and commission
15 rules;

16 (3) issue four licenses to operate casinos at
17 casino-anchored destination attraction development projects in
18 counties with a population greater than 1.5 million to persons who
19 comply with requirements of this section and related state laws and
20 commission rules;

21 (4) issue three licenses to operate casinos at
22 casino-anchored destination attraction development projects
23 located on islands in the Gulf of Mexico to persons who comply with
24 requirements of this section and related state laws and commission
25 rules; and

26 (5) allow an Indian tribe recognized by the United
27 States government under federal law to operate on the tribe's land

1 held in trust by the United States on January 1, 1998, casino gaming
2 or slot gaming in accordance with:

3 (A) federal law; and

4 (B) either:

5 (i) an effective gaming agreement that
6 includes a provision requiring the Indian tribe to remit to this
7 state a portion of the tribe's casino gaming or slot gaming revenue
8 in an amount equal to the rate provided in the agreement; or

9 (ii) general state law that includes a
10 provision requiring the Indian tribe to remit to this state a
11 portion of the tribe's casino gaming or slot gaming revenue in an
12 amount equal to the rate provided by the general law.

13 (g) In determining whether or, for multiple applicants
14 competing for a limited number of casino owner's licenses or slot
15 establishment owner's licenses within a geographic area, to whom to
16 grant a license, the Texas Gaming Commission shall consider:

17 (1) the prospective revenue to be collected by this
18 state from the conduct of casino gaming at a casino or of slot
19 gaming at a slot establishment and the impact to this state's
20 economy of each competing applicant's proposed gaming and
21 associated facilities;

22 (2) the number of state residents estimated to be
23 employed at an applicant's proposed casino or slot establishment
24 and any proposed associated hotel and nongaming businesses and the
25 applicant's good faith plan to recruit, train, and promote a
26 workforce reflecting the diverse population of this state in all
27 employment classifications;

1 (3) the extent to which an applicant's proposed casino
2 or slot establishment and any proposed associated hotel and
3 nongaming businesses could reasonably encourage interstate tourism
4 to this state;

5 (4) the extent to which the scope, design, location,
6 and construction of the applicant's casino or slot establishment
7 and any associated hotel and nongaming businesses could reasonably
8 contribute to the development of a first-class gaming industry in
9 this state;

10 (5) the applicant's experience in conducting licensed
11 gaming operations and the applicant's financial ability to promptly
12 construct and adequately maintain a casino or slot establishment,
13 including the experience of partners of the applicant, of
14 affiliated companies of the applicant or its partners, of key
15 personnel of the applicant or its partners, and of operating
16 companies under contract with the applicant; and

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

19 (h) To ensure that a requisite level of economic development
20 benefiting the people of this state accompanies each casino for
21 which an owner's license is granted, the Texas Gaming Commission
22 shall require an applicant for a license described by Subsection
23 (f)(3) or (4) of this section, as a condition of receiving and
24 holding an owner's license, to enter into an agreement with this
25 state guaranteeing the applicant will construct a casino-anchored
26 destination attraction development project that includes total
27 land and development costs of at least:

1 (1) \$1 billion for a project described by Subsection
2 (f)(3) of this section; or

3 (2) \$250 million for a project described in Subsection
4 (f)(4) of this section.

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

6 (1) a license under Subsection (f)(1), (2), (3), or
7 (4) of this section may not be issued in a county unless:

8 (A) a majority of the voters of the county voted
9 for the proposition that added this section to this constitution;
10 or

11 (B) the voters of the county approved a
12 proposition legalizing casino gaming at a local option election
13 held under this section;

14 (2) not more than two casinos or slot establishments
15 may be located in the same county;

16 (3) a license under Subsection (f)(1) of this section
17 may not be issued to an applicant that did not conduct pari-mutuel
18 wagering at the location before January 1, 2019;

19 (4) a casino license may not be issued for a location
20 in an area in which casino gaming or slot gaming is prohibited under
21 a gaming agreement negotiated between an Indian tribe and this
22 state; and

23 (5) a casino license may not be issued for a location
24 within five miles of property the General Land Office is required by
25 statute to preserve and protect.

26 (j) The Texas casino and slot gaming fund is a special fund
27 in the state treasury. All application fees, investigation fees,

1 and license fees collected by the Texas Gaming Commission or on the
2 commission's behalf related to casino gaming or slot gaming shall
3 be deposited to the credit of the Texas casino and slot gaming fund.
4 Except as provided by this section, the Texas casino and slot gaming
5 fund may only be used for the operation of the commission and the
6 administration of this section. If money in the fund exceeds the
7 amount necessary for the operation of the commission and the
8 administration of this section, the legislature shall transfer any
9 excess amount to the foundation school fund.

10 (k) An applicant applying for a license under Subsection (f)
11 of this section shall submit to the Texas Gaming Commission an
12 application fee in the amount of:

13 (1) \$15 million for a license to operate a slot
14 establishment under Subsection (f)(1) of this section;

15 (2) \$25 million for a license to operate a casino under
16 Subsection (f)(1) or (4) of this section; and

17 (3) \$50 million for a license to operate a casino under
18 Subsection (f)(2) or (3) of this section.

19 (k-1) If an applicant for a license to operate a casino or
20 slot establishment submits an application and fee to the Texas
21 Gaming Commission and is not awarded the license, the commission
22 shall refund the fee less the costs incurred by the commission in
23 reviewing the application and conducting a criminal background
24 investigation on the applicant.

25 (1) A slot gaming tax in an amount equal to 35 percent of a
26 slot establishment owner's gross slot income for the slot
27 establishment operated under the owner's license is imposed on the

1 owner. The tax shall be computed and paid on a monthly basis in
2 accordance with the procedures established by rule of the Texas
3 Gaming Commission.

4 (m) Except as provided by Subsection (n) of this section, a
5 casino gaming tax in an amount equal to 20 percent of a casino
6 owner's gross gaming revenue for the casino operated under the
7 owner's license is imposed on the owner. The tax shall be computed
8 and paid on a monthly basis in accordance with the procedures
9 established by rule of the Texas Gaming Commission.

10 (n) The casino gaming tax imposed under Subsection (m) of
11 this section is reduced to an amount equal to 15 percent of a casino
12 owner's gross gaming revenue for the casino operated under the
13 owner's license if the Texas Gaming Commission determines the owner
14 has invested \$1 billion or more in the owner's casino facility.

15 (o) Of the revenue from the taxes imposed by Subsections (l)
16 and (m) of this section:

17 (1) one-twentieth is allocated to the municipality in
18 which the casino or slot establishment is located and one-twentieth
19 is allocated to the county in which the casino or slot establishment
20 is located; or

21 (2) if the casino or slot establishment is located in
22 an unincorporated area, one-tenth is allocated to the county in
23 which the casino or slot establishment is located.

24 (p) The comptroller of public accounts shall transfer the
25 appropriate amount allocated under Subsection (o) of this section
26 to the appropriate municipalities and counties not less than
27 monthly in the manner the comptroller considers appropriate.

1 (q) Except as otherwise provided by this section, the
2 revenue from the taxes imposed by Subsections (l) and (m) of this
3 section is allocated as follows:

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

7 (2) one-fortieth to the general revenue fund for
8 appropriation only to the Texas Gaming Commission to provide grants
9 to prosecuting attorneys in this state for the investigation and
10 prosecution of offenses related to the possession of gambling
11 devices and illegal gambling operations; and

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

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

24 (s) A casino or slot establishment located at a greyhound
25 racetrack shall transfer 12 percent of gross gaming revenue to a
26 Texas canine development fund established and administered by the
27 racetrack.

1 (t) A casino or slot establishment located at a horse
2 racetrack shall provide at least \$1 million, or the minimum
3 coverage amount required by the Texas Racing Commission, in
4 accident insurance coverage for jockeys participating in a race
5 meeting at the racetrack. The commission:

6 (1) may review and approve the adequacy of the
7 coverage;

8 (2) shall annually adjust for inflation the minimum
9 coverage amount; and

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

12 (u) A person that operates a casino or slot establishment at
13 a racetrack shall make at least weekly payments to the racing
14 facilities capital improvement account in an amount equal to
15 one-half of one percent of the gross gaming revenue unless a racing
16 facilities agreement providing for a different amount is filed with
17 the Texas Racing Commission.

18 (v) The racing facilities capital improvement account is an
19 escrow account held outside the state treasury and administered by
20 the Texas Racing Commission. A transfer of money from the account
21 requires:

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

23 (A) a designated official of the horse racetrack;

24 and

25 (B) a designated representative appointed by a
26 majority of the quarter horse state breed registry, the
27 Thoroughbred state horse breed registry, and the horsemen's

1 organization; or

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

3 (A) a designated official of the greyhound
4 racetrack; and

5 (B) a designated representative of the Texas
6 Greyhound Association or its successor.

7 (w) The Texas Racing Commission shall adopt rules to
8 administer this section. The rules must require the electronic
9 transfer of funds to the accounts described in this section.

10 (x) A person who operates a casino or slot establishment at
11 a racetrack shall promptly and fully make each payment or transfer
12 from the gross gaming revenue required under this section on behalf
13 of the casino or slot establishment at the racetrack even if live
14 racing at that racetrack is shortened, canceled, or delayed for any
15 reason.

16 (y) If a horse racetrack fails to request the minimum number
17 of required live race dates or fails to offer the minimum number of
18 required live races despite issuance of live race dates, does not
19 receive a waiver of that violation from the Texas Racing Commission
20 as provided by Subtitle A-1, Title 13, Occupations Code (Texas
21 Racing Act), and does not have an agreement with the affected state
22 horse breed registries and horsemen's organization, the applicable
23 state horse breed registries and the horsemen's organization may,
24 in their sole discretion, transfer all money to which they are
25 entitled under this section from that racetrack to the respective
26 accounts under their control at another racetrack or racetracks.

27 (z) If a greyhound racetrack fails to request the minimum

1 number of required live race dates or fails to offer the minimum
2 number of required live races despite issuance of live race dates,
3 does not receive a waiver of that violation from the Texas Racing
4 Commission as provided by Subtitle A-1, Title 13, Occupations Code
5 (Texas Racing Act), and does not have an agreement with the affected
6 officially recognized greyhound breed registry, the Texas
7 Greyhound Association or its successor may, in its sole discretion,
8 transfer all money to which the association is entitled under this
9 section from that racetrack to the account under its control at
10 another racetrack or racetracks.

11 (aa) The amount equal to 0.025 percent of the gross gaming
12 revenue generated at a horse racetrack shall be transferred from
13 the Texas equine development fund for that racetrack to the equine
14 research account of Texas A&M AgriLife Research or its successor
15 for use in equine research, including facilities development under
16 Subchapter F, Chapter 88, Education Code. The money transferred
17 under this subsection shall supplement, and may not replace,
18 funding provided under Subtitle A-1, Title 13, Occupations Code
19 (Texas Racing Act).

20 (bb) Each person that operates a casino or slot
21 establishment at a racetrack shall, at least weekly, transfer to
22 the racing facilities capital improvement account from the
23 racetrack's Texas equine development fund or Texas canine
24 development fund, as applicable, an amount equal to one-half of one
25 percent of the net gaming income unless a racing facilities
26 agreement providing for a different amount is filed with the Texas
27 Racing Commission.

1 (cc) Unless an agreement between the state horse breed
2 registries and the horsemen's organization provides otherwise, and
3 after any other allocations required by this section, the remainder
4 of the money deposited in the Texas equine development fund at a
5 horse racetrack must:

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

9 (A) equine retirement, adoption, and retraining
10 programs;

11 (B) programs to test for banned
12 performance-enhancing equine drugs, performance-enhancing drug
13 testing research, and equipment and facilities of laboratories
14 providing those services in this state; and

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

17 (2) be allocated as follows:

18 (A) the amount equal to 4.43 percent of the gross
19 gaming revenue to the horsemen's organization to supplement
20 Thoroughbred racing purses;

21 (B) the amount equal to 2.385 percent of the
22 gross gaming revenue to the horsemen's organization to supplement
23 quarter horse racing purses;

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

26 (D) the amount equal to 1.28 percent of the gross
27 gaming revenue to the quarter horse state horse breed registry.

1 (dd) From the money allocated under Subsection (cc)(2)(A)
2 of this section, pursuant to an agreement between the Texas Arabian
3 Breeders Association or its successor and the horsemen's
4 organization, the horsemen's organization shall allocate a portion
5 of the money for purses for the Arabian horse racing industry. The
6 agreement must provide that not less than the amount equal to 0.199
7 percent of the gross gaming revenue be allocated for Arabian horse
8 racing purses. If an agreement is not made, the horsemen's
9 organization shall transfer to the Texas Arabian horse racing
10 industry the amount equal to 0.199 percent of the gross gaming
11 revenue for Arabian horse racing purses.

12 (ee) From the money allocated under Subsection (cc)(2)(B)
13 of this section, pursuant to an agreement between the Texas Paint
14 Horse Breeders' Association or its successor and the horsemen's
15 organization, the horsemen's organization shall allocate a portion
16 of the money for purses for the paint horse racing industry. If the
17 agreement is not made, the horsemen's organization shall transfer
18 to the paint horse racing industry an amount equal to 0.072 percent
19 of the gross gaming revenue for paint horse racing purses.

20 (ff) From the money allocated under Subsection (cc)(2)(C)
21 of this section, pursuant to an agreement between the Texas Arabian
22 Breeders Association or its successor and the Thoroughbred state
23 horse breed registry, the registry shall allocate a portion of the
24 money for the Arabian horse racing industry state-breed programs.
25 The agreement must provide that not less than the amount equal to
26 0.107 percent of the gross gaming revenue be allocated for Arabian
27 state-breed programs. If an agreement is not made, the

1 Thoroughbred state horse breed registry shall transfer to the Texas
2 Arabian horse racing industry for state-breed programs the amount
3 equal to 0.107 percent of the gross gaming revenue.

4 (gg) From the money allocated under Subsection (cc)(2)(D)
5 of this section, pursuant to an agreement between the Texas Paint
6 Horse Breeders' Association or its successor and the quarter horse
7 state horse breed registry, the registry shall allocate a portion
8 of the money for state-breed programs for the paint horse racing
9 industry. If an agreement is not made, the registry shall transfer
10 to the paint horse racing industry an amount equal to 0.038 percent
11 of the gross gaming revenue for paint horse state-breed programs.

12 (hh) Following the other transfers and allocations required
13 by this section, the remainder of the money deposited in the Texas
14 canine development fund at a greyhound racetrack is allocated as
15 follows:

16 (1) the amount equal to 4.75 percent of the gross
17 gaming revenue to supplement greyhound racing purses;

18 (2) the amount equal to 4.75 percent of the gross
19 gaming revenue to supplement accredited Texas-bred greyhound
20 racing purses; and

21 (3) the amount equal to two percent of the gross gaming
22 revenue to the Texas Greyhound Association or its successor as the
23 state greyhound breed registry.

24 (ii) The Texas Racing Commission may adopt rules to
25 administer this section and shall require the electronic transfer
26 of funds to accounts described in this section.

27 (jj) For purposes of this section, a racing facilities

1 agreement for a horse racetrack is valid only on approval of the
2 applicable racetrack and a majority of the quarter horse state
3 horse breed registry, the Thoroughbred state horse breed registry,
4 and the horsemen's organization.

5 (kk) For purposes of this section, a racing facilities
6 agreement for a greyhound racetrack is valid only on approval of the
7 racetrack and the Texas Greyhound Association or its successor.

8 (ll) A racing facilities agreement filed under this section
9 remains in effect until it expires on its own terms or until it is
10 superseded by a subsequent racing facilities agreement for the same
11 racetrack.

12 (mm) Unless a racing facilities agreement provides
13 otherwise, the money in the racing facilities capital improvement
14 account may be spent only for the maintenance and improvement of
15 pari-mutuel racing facilities.

16 (nn) Money in the performance horse development fund may be
17 spent only for:

18 (1) the development of the horse agricultural industry
19 in this state through efforts intended to attract, retain, promote,
20 and encourage the breeding, raising, training, and exhibition of
21 horses in this state that are bred or trained for public competition
22 and exhibition or recreational use in all legally permitted equine
23 activities other than horse racing at racetracks; and

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

25 (oo) Money from the performance horse development fund is
26 allocated as follows:

27 (1) 40 percent to the American Quarter Horse

1 Association or its successor for its sanctioned events and
2 programs;

3 (2) 20 percent to the National Cutting Horse
4 Association or its successor for its sanctioned events and
5 programs;

6 (3) 20 percent to the American Paint Horse Association
7 or its successor for its sanctioned events and programs; and

8 (4) 20 percent to the Department of Agriculture or its
9 successor to promote the equine agricultural industry in this
10 state.

11 (pp) Subject to Subsection (qq) of this section, money
12 transferred to an association or agency from the performance horse
13 development fund may be used for:

14 (1) purse supplements or additional money for
15 performance and recreational horse events conducted in this state;

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

18 (3) the marketing and promotion of performance and
19 recreational horse activities and events in this state; and

20 (4) scholarship programs.

21 (qq) Money may be transferred under Subsection (oo)(4) of
22 this section only to organizations of the equine industry in this
23 state that are not receiving money for events and programs under
24 Subsection (oo)(1), (2), or (3) of this section.

25 (rr) Except as otherwise provided by law, all money paid to
26 the Department of Agriculture or its successor is subject to
27 Subchapter F, Chapter 404, Government Code.

1 (ss) Casinos and slot establishments are subject to all
2 applicable state laws and local ordinances related to health and
3 building codes, including rules adopted by the Texas Gaming
4 Commission. A local ordinance or zoning law may not prohibit the
5 development of a casino or slot establishment authorized by this
6 section, except that a casino or slot establishment may not be
7 located in an area zoned exclusively as residential, unless
8 otherwise provided by commission rule.

9 (tt) The commissioners court of a county may at any time
10 order an election to legalize casino gaming under this section in
11 that county. The commissioners court shall order and hold an
12 election to legalize casino gaming under this section in the county
13 if the commissioners court is presented with a petition that meets
14 the requirements of this section and is certified as valid under
15 this section.

16 (uu) A petition for a legalization election must include a
17 statement substantially as follows before the space reserved for
18 signatures on each page: "This petition is to require that an
19 election be held in (name of county) to legalize casino gaming in
20 (name of county)." A petition is valid only if it is signed by a
21 number of registered voters of the county equal to at least three
22 percent of the total number of votes cast for governor by qualified
23 voters of the county in the most recent gubernatorial general
24 election. Each voter must enter beside the voter's signature the
25 date the voter signs the petition. A signature may not be counted
26 as valid if the date of signing is earlier than the 90th day before
27 the date the petition is submitted to the commissioners court. Each

1 voter must provide on the petition the voter's current voter
2 registration number, printed name, and residence address,
3 including zip code.

4 (vv) Not later than the fifth day after the date a petition
5 for an election under this section is received in the office of the
6 commissioners court, the commissioners court shall submit the
7 petition for verification to the county clerk. The county clerk
8 shall determine whether the petition is signed by the number of
9 registered voters of the county required under Subsection (uu) of
10 this section. Not later than the 30th day after the date the
11 petition is submitted to the county clerk for verification, the
12 clerk shall certify in writing to the commissioners court whether
13 the petition is valid or invalid. If the county clerk determines
14 the petition is invalid, the clerk shall state the reasons for that
15 determination.

16 (ww) If the county clerk certifies that a petition for an
17 election under this section is valid, not later than the 30th day
18 after the date of certification, the commissioners court shall
19 order that an election be held in the county on the next uniform
20 election date provided under general law that allows sufficient
21 time to comply with applicable provisions of general law. The
22 commissioners court shall state in the order the issue to be
23 presented to the voters. The county clerk shall notify the Texas
24 Gaming Commission by certified mail, return receipt requested, that
25 an election has been ordered. The ballot in a legalization election
26 shall be printed to provide for voting for or against the
27 proposition: "Legalizing casino gaming within (name of county)."

1 (xx) The commissioners court shall provide written notice
2 of the results of the election to the Texas Gaming Commission not
3 later than the third day after the date the election is canvassed.
4 If the majority of votes cast in a legalization election under this
5 section favor the legalization of casino gaming, casino gaming
6 authorized under this section is permitted within the county
7 holding the election effective on the 10th day after the date the
8 election is canvassed. If less than a majority of the votes cast in
9 the election favor the legalization of casino gaming, casino gaming
10 is not permitted in the county, and a subsequent election on the
11 issue may not be held in the county before the corresponding uniform
12 election date following the first anniversary of the election date.
13 If in each of two consecutive elections within any county less than
14 a majority of the votes cast favor the legalization of casino
15 gaming, casino gaming is not permitted in the county, and a
16 subsequent election on the issue may not be held in the county
17 before the corresponding uniform election date following the fifth
18 anniversary of the date of the second election.

19 (yy) It is a defense to prosecution for a gambling offense
20 under general law that the action was authorized under this
21 section, Section 47b of this article, or Texas Gaming Commission
22 rule.

23 (zz) All shipments of slot machines or gaming devices into,
24 out of, or within this state authorized under this section, Section
25 47b of this article, or a rule adopted by the Texas Gaming
26 Commission are legal shipments of the devices and are exempt from
27 the provisions of 15 U.S.C. Sections 1171-1178, prohibiting the

1 transportation of gambling devices.

2 (aaa) Each state agency, including the attorney general and
3 the comptroller of public accounts, and each state or local law
4 enforcement agency shall cooperate with the Texas Gaming Commission
5 as necessary to implement this section.

6 (bbb) The legislature by general law may impose additional
7 restrictions or requirements for the conduct of casino gaming and
8 slot gaming.

9 (ccc) Unless specifically authorized by general law, a
10 political subdivision of this state may not impose:

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

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

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

16 (ddd) In this section, unless modified by general law:

17 (1) "Casino" means a facility at which casino gaming
18 is conducted by a licensed casino owner as authorized by this
19 section.

20 (2) "Casino gaming" means any game of chance or
21 similar activity that involves the making of a bet for
22 consideration. The term includes any type of slot machine or table
23 game wagering using money, casino credit, or any representation of
24 value. The term does not include bingo, charitable raffles, or the
25 state lottery authorized under Section 47 of this article.

26 (3) "Casino owner" means a person, trust, corporation,
27 partnership, limited partnership, association, limited liability

1 company, or other business enterprise that directly holds an
2 ownership or leasehold interest in a casino licensed as provided by
3 this section.

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

7 (5) "Gross slot income" means the total amount of
8 consideration paid to play slot machines less winnings paid to
9 players of the slot machines.

10 (6) "Performance and recreational horses" means
11 horses bred or trained for public competition and exhibition or
12 recreational use in all legally permitted equine activities other
13 than horse racing at racetracks.

14 (7) "Slot establishment" means a facility at which
15 slot gaming is conducted by a licensed slot establishment owner as
16 authorized by this section.

17 (8) "Slot establishment owner" means a person, trust,
18 corporation, partnership, limited partnership, association,
19 limited liability company, or other business enterprise that
20 directly holds an ownership or leasehold interest in a slot
21 establishment.

22 (9) "Slot gaming" means any game of chance played on a
23 slot machine on payment of consideration. The term does not include
24 bingo, charitable raffles, or the state lottery authorized under
25 Section 47 of this article.

26 (10) "Slot machine" means a mechanical, electrical, or
27 other device or machine that, on insertion of a coin, token, or

1 similar object or on payment of consideration, is available to play
2 or operate a game, the play or operation of which, wholly or partly
3 by the element of chance, may deliver or entitle the person playing
4 or operating the device or machine to receive cash, premiums,
5 merchandise, tokens, or any other thing of value, whether the
6 payoff is made automatically from the device or machine or is made
7 in another manner.

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

10 Sec. 47b. (a) Any federally recognized Indian tribe that
11 had a reservation in this state on or before January 1, 1998, may,
12 without application of state-imposed time, place, and manner
13 restrictions, conduct on its reservation class II gaming regulated
14 by the National Indian Gaming Commission consistent with that
15 commission's regulation of gaming conducted by Indian tribes in
16 other states, and any other gaming activity that may be conducted by
17 any other individual, organization, group, or entity in this state.

18 (b) In this section, class II gaming has the same meaning as
19 in Section 4(7), Indian Gaming Regulatory Act (25 U.S.C. Section
20 2703(7)).

21 SECTION 4. The following temporary provision is added to
22 the Texas Constitution:

23 TEMPORARY PROVISION. (a) This temporary provision applies
24 to the constitutional amendment proposed by the 86th Legislature,
25 Regular Session, 2019, creating the Texas Gaming Commission and
26 authorizing and regulating the operation of casino games and slot
27 machines by licensed owners and certain Indian tribes to provide

1 money for the foundation school fund and additional financial aid
2 for higher education students.

3 (b) Not later than January 1, 2020, the governor shall
4 appoint the initial members of the Texas Gaming Commission in
5 accordance with Section 47a, Article III, of this constitution. In
6 making the initial appointments, the governor shall designate one
7 member to a term expiring February 1, 2021, two members to terms
8 expiring February 1, 2023, and two members to terms expiring
9 February 1, 2025.

10 (c) Not later than March 1, 2020, the Texas Gaming
11 Commission shall adopt the rules, including any emergency rules,
12 necessary to implement Section 47a, Article III, of this
13 constitution.

14 (d) This temporary provision expires January 1, 2021.

15 SECTION 5. This proposed constitutional amendment shall be
16 submitted to the voters at an election to be held November 5, 2019.
17 The ballot shall be printed to permit voting for or against the
18 proposition: "The constitutional amendment creating the Texas
19 Gaming Commission and authorizing and regulating the operation of
20 casino games and slot machines by a limited number of licensed
21 owners and certain Indian tribes to provide money for the
22 foundation school fund and additional financial aid for higher
23 education students."