

By: Alvarado

S.J.R. No. 42

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the operation of  
2 casino gaming by licensed persons at nine locations in this state to  
3 provide additional money for the permanent school fund and  
4 authorizing federally recognized Indian tribes to conduct gaming on  
5 certain Indian lands; providing for the requirement of occupational  
6 licenses, the authorization of a tax and fees, and the provision of  
7 criminal penalties.

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

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

11 (a) The Legislature shall pass laws prohibiting lotteries  
12 and gift enterprises in this State other than those authorized by  
13 Subsections (b), (d), (d-1), and (e) of this section and by Section  
14 47a of this article.

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

17 Sec. 47a. (a) The legislature by general law in accordance  
18 with this section shall authorize the operation of casino gaming in  
19 this state in which individuals for consideration play games of  
20 chance that award prizes and are operated by persons licensed or  
21 otherwise authorized by this state to conduct casino gaming to  
22 provide additional money for the permanent school fund. The law  
23 must:

24 (1) limit casino gaming operations in this state to

1 gaming operated by persons licensed in this state to operate casino  
2 gaming at not more than nine licensed locations, with licenses  
3 allocated as follows:

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

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

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

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

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

22 (4) provide:

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

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

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

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

15           (b) All shipments of casino gaming equipment or other gaming  
16 devices into, out of, or within this state authorized under this  
17 section or a law enacted under this section are legal shipments of  
18 the devices and are exempt from the provisions of 15 U.S.C. Sections  
19 1171-1178 prohibiting the transportation of gambling devices.

20           (c) This section does not prohibit an Indian tribe or tribal  
21 organization that was included on the December 30, 1998, list of  
22 Indian Entities Recognized and Eligible to Receive Services from  
23 the United States Bureau of Indian Affairs, published in the  
24 Federal Register by the Secretary of the Interior as required by 25  
25 U.S.C. Section 5131, from conducting gaming on land in this State  
26 that is held in trust for the tribe or organization or that is  
27 recognized by the United States as the tribe's or organization's

1 tribal land. The prohibitions described by Section 47(a) of this  
2 article do not apply to gaming by the tribe or organization on land  
3 described by this subsection, and the tribe or organization may  
4 conduct gaming on that land.

5 SECTION 3. This proposed constitutional amendment shall be  
6 submitted to the voters at an election to be held November 5, 2019.  
7 The ballot shall be printed to permit voting for or against the  
8 proposition: "The constitutional amendment authorizing the  
9 operation of casino gaming by licensed persons at nine locations in  
10 this state to provide additional money for the permanent school  
11 fund and authorizing federally recognized Indian tribes to conduct  
12 gaming on certain Indian lands."