

By: Gutierrez

S.B. No. 616

A BILL TO BE ENTITLED

AN ACT

relating to the operation of 12 casinos in this state by licensed persons in counties that have approved casino gaming; requiring occupational licenses; creating criminal offenses and providing other penalties; authorizing fees.

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

SECTION 1. Subtitle A, Title 13, Occupations Code, is amended by adding Chapter 2006 to read as follows:

CHAPTER 2006. CASINO GAMING

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2006.001. DEFINITIONS. In this chapter:

(1) "Casino game" means any game of chance, including a game of chance in which the outcome may be partially determined by skill or ability, that involves the making of a bet, as defined by Section 47.01, Penal Code.

(2) "Casino gaming" means the conduct of casino games authorized under this chapter.

(3) "Casino gaming manager" means a person licensed under this chapter to manage casino gaming operations at a location authorized under this chapter to conduct casino gaming in this state.

(4) "Commission" means the Texas Lottery Commission.

(5) "Executive director" means the executive director of the commission.

1 (6) "Gaming vendor" means a person licensed under this
2 chapter to provide, maintain, manufacture, distribute, sell, or
3 lease casino gaming equipment and services to a person licensed to
4 operate casino gaming in this state.

5 Sec. 2006.002. APPLICABILITY OF FEDERAL LAW. All shipments
6 of casino gaming equipment and devices into, out of, or within this
7 state in connection with casino gaming are legal shipments of the
8 devices and are exempt from the provisions of 15 U.S.C. Sections
9 1171-1178 prohibiting the transportation of gambling devices.

10 SUBCHAPTER B. ADMINISTRATION

11 Sec. 2006.051. POWERS AND DUTIES OF COMMISSION AND
12 EXECUTIVE DIRECTOR. (a) The commission and executive director
13 have broad authority and shall exercise strict control over and
14 closely monitor casino gaming authorized under Section 47a, Article
15 III, Texas Constitution, to protect the public health, welfare, and
16 safety and ensure integrity, security, honesty, and fairness in the
17 conduct and administration of casino gaming.

18 (b) The executive director may contract with or employ a
19 person to perform a function, activity, or service in connection
20 with casino gaming as prescribed by the executive director.

21 (c) The commission shall as necessary to protect the public
22 health and safety:

23 (1) monitor casino gaming operations on a continuing
24 basis;

25 (2) establish standards for:

26 (A) the operation of casino gaming;

27 (B) the provision of casino gaming equipment and

1 services; and

2 (C) the establishment and maintenance of casino
3 gaming facilities; and

4 (3) inspect and examine all casino gaming facilities,
5 equipment, services, records, and operations to ensure compliance
6 with the standards established by the commission.

7 Sec. 2006.052. RULES AND PROCEDURES. (a) The commission
8 shall adopt all rules necessary to supervise casino gaming in this
9 state, administer this chapter, and ensure the security of casino
10 gaming operations in this state.

11 (b) The commission shall establish procedures for the
12 approval, monitoring, and inspection of casino gaming operations as
13 necessary to protect the public health, welfare, and safety and the
14 integrity of this state and to prevent financial loss to this state.

15 Sec. 2006.053. FEES. The commission shall establish the
16 application, license, and license renewal fees for each type of
17 license issued under this chapter in amounts reasonable and
18 necessary to cover the state's costs incurred in the administration
19 of this chapter and the regulation of casino gaming.

20 Sec. 2006.054. ANNUAL REPORT. The commission shall submit
21 an annual report to the governor, the comptroller, and the
22 legislature that provides a summary of casino gaming revenues and
23 expenses for the state fiscal year preceding the report. The report
24 must be in the form and reported at the time provided by the General
25 Appropriations Act.

26 Sec. 2006.055. INVESTIGATIONS. The commission may
27 investigate a violation or alleged violation of:

1 (1) this chapter by any person; or

2 (2) the penal laws of this state in connection with the
3 administration of this chapter, the regulation of casino gaming, or
4 the conduct of casino gaming by a person authorized to operate
5 casino gaming under this chapter.

6 SUBCHAPTER C. CASINO GAMING

7 Sec. 2006.101. CASINO GAMING OPERATOR LICENSE. (a) A
8 person may not conduct casino gaming in this state unless:

9 (1) the person holds a casino gaming operator license
10 issued under this chapter; and

11 (2) the casino is in a county in which a majority of
12 the voters of the county voted in favor of authorizing casino gaming
13 in that county in accordance with Subchapter F of this chapter or
14 Section 47a(b), Article III, Texas Constitution.

15 (b) A person issued a casino gaming operator license under
16 this chapter may operate only one casino under the license.

17 (c) The commission may not issue more than 12 casino gaming
18 operator licenses under this chapter as provided by Section 47a,
19 Article III, Texas Constitution.

20 Sec. 2006.102. OTHER LICENSES REQUIRED. (a) A person may
21 not provide, maintain, manufacture, distribute, sell, or lease
22 casino games or casino gaming equipment or services for use in this
23 state unless the person holds a gaming vendor license issued under
24 this chapter.

25 (b) A person may not act as a casino gaming manager for a
26 gaming facility in this state unless the person holds a casino
27 gaming manager license issued under this chapter.

1 (c) Unless the person holds the required gaming employee
2 license, a person may not act as a gaming employee in any gaming
3 employee position for which the commission by rule requires a
4 person to hold a license issued under this chapter.

5 Sec. 2006.103. GAMING VENDOR LICENSE. (a) The commission
6 shall issue a gaming vendor license to an eligible person with the
7 resources and experience required to provide casino games or casino
8 gaming equipment and services for casino gaming operations
9 authorized under this chapter.

10 (b) The commission by rule shall establish the minimum
11 qualifications for a gaming vendor license to ensure a competitive
12 market for casino gaming equipment and services and the
13 availability of reliable casino gaming equipment and services,
14 consistent with the health and safety of the public.

15 Sec. 2006.104. CASINO GAMING MANAGER LICENSE. (a) The
16 commission shall issue a casino gaming manager license to an
17 eligible person with the qualifications and experience required to
18 manage casino gaming operations under this chapter.

19 (b) The commission by rule shall establish the minimum
20 qualifications for a casino gaming manager license necessary to
21 protect the health and safety of the public.

22 Sec. 2006.105. GAMING EMPLOYEE LICENSE. The commission by
23 rule and as necessary to protect the health and safety of the public
24 may establish other gaming employee positions that require a
25 license issued under this chapter to act in those positions.

26 Sec. 2006.106. BACKGROUND INVESTIGATIONS. Before issuing a
27 license to a person under this chapter, the commission shall

1 conduct a background investigation that includes obtaining
2 criminal history record information of the person seeking the
3 license to assist the commission in determining the person's
4 eligibility or suitability for the license.

5 SUBCHAPTER D. REVENUE

6 Sec. 2006.151. STATE CASINO GAMING ACCOUNT. The state
7 casino gaming account is a special account in the general revenue
8 fund. The account consists of all revenue received by the
9 commission from casino gaming, fees received under this chapter,
10 and all money credited to the account from any other fund or source
11 under law.

12 SUBCHAPTER E. CRIMINAL OFFENSES; DISCIPLINARY ACTIONS;

13 ADMINISTRATIVE AND CIVIL PENALTIES

14 Sec. 2006.201. CRIMINAL OFFENSE: MANIPULATION OR
15 TAMPERING. (a) A person commits an offense if the person
16 intentionally or knowingly manipulates the outcome of a casino
17 game, the amount of a casino game prize, or the operation of a
18 casino gaming device by physical, electronic, or other means, other
19 than in accordance with commission rules.

20 (b) An offense under this section is a felony of the third
21 degree.

22 Sec. 2006.202. CRIMINAL OFFENSE: SALE OF CASINO GAME TO
23 PERSON YOUNGER THAN 18 YEARS OF AGE. (a) A casino gaming manager or
24 an employee or agent of a casino gaming manager commits an offense
25 if the person intentionally or knowingly:

26 (1) sells or offers to sell a play of a casino game to
27 an individual the person knows is younger than 18 years of age or

1 allows the individual to purchase a play of a casino game; or

2 (2) pays money or issues a credit slip or other
3 winnings for a play of a casino game to an individual the person
4 knows is younger than 18 years of age.

5 (b) An individual who is younger than 18 years of age
6 commits an offense if the individual:

7 (1) purchases a play of a casino game;

8 (2) accepts money, a credit slip, or other payment of
9 winnings for play of a casino game; or

10 (3) falsely represents the individual to be 18 years
11 of age or older by displaying evidence of age that is false or
12 fraudulent or misrepresents in any way the individual's age in
13 order to purchase a play of a casino game.

14 (c) An offense under Subsection (a) is a Class B
15 misdemeanor.

16 (d) An offense under Subsection (b) is a misdemeanor
17 punishable by a fine not to exceed \$250.

18 Sec. 2006.203. DISCIPLINARY ACTION. (a) The commission
19 may refuse to issue a license or may revoke, suspend, or refuse to
20 renew a license or may reprimand a license holder for a violation of
21 this chapter, other state law, or a commission rule.

22 (b) If the commission proposes to take action against a
23 license holder or applicant under Subsection (a), the license
24 holder or applicant is entitled to notice and a hearing.

25 (c) The commission may place on probation subject to
26 reasonable conditions a person whose license is suspended under
27 this section.

1 (d) The commission may summarily suspend a license issued
2 under this chapter in the same manner as the commission is
3 authorized to suspend a license under Section 466.160, Government
4 Code, if the commission determines that the action is necessary to
5 maintain the integrity, security, or fairness of casino gaming.

6 (e) The commission by rule shall develop a system for
7 monitoring a license holder's compliance with this chapter.

8 Sec. 2006.204. ADMINISTRATIVE PENALTY. (a) The commission
9 may impose an administrative penalty against a person who violates
10 this chapter or a rule or order adopted by the commission under this
11 chapter in the same manner as the commission is authorized to impose
12 an administrative penalty under Subchapter M, Chapter 2001.

13 (b) The amount of the administrative penalty may not exceed
14 \$1,000 for each violation. Each day a violation continues or occurs
15 may be considered a separate violation for purposes of imposing a
16 penalty.

17 (c) In determining the amount of the penalty, the executive
18 director shall consider:

19 (1) the seriousness of the violation, including the
20 nature, circumstances, extent, and gravity of the violation;

21 (2) the history of previous violations;

22 (3) the amount necessary to deter future violations;

23 (4) efforts to correct the violation; and

24 (5) any other matter that justice may require.

25 (d) The notice, hearing, and appeal for an administrative
26 penalty assessed under this section shall be provided or conducted
27 in the same manner as notice, hearing, and appeals are provided or

1 conducted under Subchapter M, Chapter 2001.

2 Sec. 2006.205. CIVIL PENALTY. (a) A person who violates
3 this chapter or a rule adopted by the commission under this chapter
4 is liable to the state for a civil penalty not to exceed \$5,000 for
5 each day of violation.

6 (b) At the request of the commission, the attorney general
7 shall bring an action to recover a civil penalty authorized by this
8 section. The attorney general may recover reasonable expenses,
9 including attorney's fees, incurred in recovering the civil
10 penalty.

11 SUBCHAPTER F. LOCAL OPTION ELECTIONS

12 Sec. 2006.251. ORDERING LOCAL OPTION ELECTION. The
13 commissioners court of a county may at any time order an election to
14 legalize casino gaming under this chapter in that county. The
15 commissioners court shall order and hold an election to legalize
16 casino gaming under this chapter in the county if the commissioners
17 court is presented with a petition that meets the requirements of
18 Section 2006.252 and is certified as valid under Section 2006.253.

19 Sec. 2006.252. PETITION REQUIREMENTS. (a) A petition for a
20 legalization election must include a statement substantially as
21 follows before the space reserved for signatures on each page:
22 "This petition is to require that an election be held in (name of
23 county) to legalize casino gaming in (name of county)."

24 (b) A petition is valid only if it is signed by registered
25 voters of the county in a number that is not less than three percent
26 of the total number of votes cast for governor by qualified voters
27 of the county in the most recent gubernatorial general election.

1 (c) Each voter must enter beside the voter's signature the
2 date the voter signs the petition. A signature may not be counted
3 as valid if the date of signing is earlier than the 90th day before
4 the date the petition is submitted to the commissioners court.

5 (d) Each voter must provide on the petition the voter's
6 current voter registration number, printed name, and residence
7 address, including zip code.

8 Sec. 2006.253. VERIFICATION. (a) Not later than the fifth
9 day after the date a petition for an election under this chapter is
10 received in the office of the commissioners court, the
11 commissioners court shall submit the petition for verification to
12 the county clerk.

13 (b) The county clerk shall determine whether the petition is
14 signed by the required number of registered voters of the county.
15 Not later than the 30th day after the date the petition is submitted
16 to the clerk for verification, the clerk shall certify in writing to
17 the commissioners court whether the petition is valid or invalid.
18 If the clerk determines that the petition is invalid, the clerk
19 shall state the reasons for that determination.

20 Sec. 2006.254. ORDERING ELECTION. If the county clerk
21 certifies that a petition is valid, not later than the 30th day
22 after the date of certification, the commissioners court shall
23 order that an election be held in the county on the next uniform
24 election date under Section 41.001, Election Code, that allows
25 sufficient time to comply with applicable provisions of law,
26 including Section 3.005, Election Code. The commissioners court
27 shall state in the order the issue to be voted on in the election.

1 The county clerk shall notify the commission by certified mail,
2 return receipt requested, that an election has been ordered.

3 Sec. 2006.255. BALLOT PROPOSITION. The ballot in a
4 legalization election shall be printed to provide for voting for or
5 against the proposition: "Legalizing casino gaming within (name of
6 county)."

7 Sec. 2006.256. ELECTION RESULTS. (a) If the majority of
8 the votes cast in a legalization election favor the legalization of
9 casino gaming, casino gaming authorized under this chapter is
10 authorized within the county holding the election effective on the
11 10th day after the date of the election.

12 (b) The commissioners court of a county in which a
13 legalization election has been held shall give written notice of
14 the results of the election to the commission not later than the
15 third day after the date the election is canvassed.

16 (c) If less than a majority of the votes cast in a
17 legalization election in any county are cast in favor of the
18 legalization of casino gaming, casino gaming is not authorized in
19 the county, and a subsequent election on the issue may not be held
20 in the county before the corresponding uniform election date one
21 year after the date of the election.

22 (d) If less than a majority of the votes cast in two
23 consecutive legalization elections within any county are cast in
24 favor of the legalization of casino gaming, casino gaming is not
25 authorized in the county, and a subsequent election on the issue may
26 not be held in the county before the corresponding uniform election
27 date five years after the date of the second election.

1 SECTION 2. Section 411.108(a-1), Government Code, is
2 amended to read as follows:

3 (a-1) The Texas Lottery Commission is entitled to obtain
4 from the department criminal history record information maintained
5 by the department that relates to:

6 (1) a person licensed under Chapter 2001, Occupations
7 Code, or described by Section 2001.3025, Occupations Code; or

8 (2) a person holding or applying for a license under
9 Chapter 2006, Occupations Code.

10 SECTION 3. Section 466.024(b), Government Code, is amended
11 to read as follows:

12 (b) The commission shall adopt rules prohibiting the
13 operation of any game using a video lottery machine or video gaming
14 machine, except in accordance with Chapter 2006, Occupations Code.

15 SECTION 4. Section 47.02(c), Penal Code, is amended to read
16 as follows:

17 (c) It is a defense to prosecution under this section that
18 the actor reasonably believed that the conduct:

19 (1) was permitted under Chapter 2001, Occupations
20 Code;

21 (2) was permitted under Chapter 2002, Occupations
22 Code;

23 (3) was permitted under Chapter 2004, Occupations
24 Code;

25 (4) was permitted under Chapter 2006, Occupations
26 Code;

27 (5) consisted entirely of participation in the state

1 lottery authorized by the State Lottery Act (Chapter 466,
2 Government Code);

3 (6) [~~(5)~~] was permitted under Subtitle A-1, Title 13,
4 Occupations Code (Texas Racing Act); or

5 (7) [~~(6)~~] consisted entirely of participation in a
6 drawing for the opportunity to participate in a hunting, fishing,
7 or other recreational event conducted by the Parks and Wildlife
8 Department.

9 SECTION 5. Section 47.09, Penal Code, is amended by
10 amending Subsection (a) and adding Subsection (c) to read as
11 follows:

12 (a) It is a defense to prosecution under this chapter that
13 the conduct:

14 (1) was authorized under:

15 (A) Chapter 2001, Occupations Code;

16 (B) Chapter 2002, Occupations Code;

17 (C) Chapter 2004, Occupations Code;

18 (D) Chapter 2006, Occupations Code;

19 (E) Subtitle A-1, Title 13, Occupations Code
20 (Texas Racing Act); or

21 (F) [~~(E)~~] Chapter 280, Finance Code;

22 (2) consisted entirely of participation in the state
23 lottery authorized by Chapter 466, Government Code; or

24 (3) was a necessary incident to the operation of the
25 state lottery and was directly or indirectly authorized by:

26 (A) Chapter 466, Government Code;

27 (B) the lottery division of the Texas Lottery

1 Commission;

2 (C) the Texas Lottery Commission; or

3 (D) the director of the lottery division of the
4 Texas Lottery Commission.

5 (c) Subsection (a)(1)(D) applies to a person manufacturing,
6 possessing, or operating a gambling device under a license under
7 Chapter 2006, Occupations Code.

8 SECTION 6. Chapter 47, Penal Code, is amended by adding
9 Section 47.095 to read as follows:

10 Sec. 47.095. INTERSTATE OR FOREIGN COMMERCE DEFENSE. It is
11 a defense to prosecution under this chapter that a person sells,
12 leases, transports, possesses, stores, or manufactures a gambling
13 device with the authorization of the Texas Lottery Commission under
14 Chapter 2006, Occupations Code, for transportation in interstate or
15 foreign commerce.

16 SECTION 7. (a) As soon as practicable after the effective
17 date of this Act, the Texas Lottery Commission shall adopt the rules
18 necessary to implement casino gaming in accordance with Chapter
19 2006, Occupations Code, as added by this Act.

20 (b) The Texas Lottery Commission may adopt initial rules for
21 purposes of implementing casino gaming in accordance with Chapter
22 2006, Occupations Code, as added by this Act, that expire not later
23 than May 1, 2022. Chapter 2001, Government Code, does not apply to
24 the adoption of those rules. This subsection expires June 1, 2022.

25 SECTION 8. This Act takes effect December 1, 2021, but only
26 if the constitutional amendment authorizing the operation of 12
27 casinos in this state by licensed persons in counties that have

S.B. No. 616

1 approved casino gaming is approved by the voters. If that amendment
2 is not approved by the voters, this Act has no effect.