

By: Kuempel

H.B. No. 2843

A BILL TO BE ENTITLED

AN ACT

relating to the authorization, licensing, and regulation of casino gaming and sports wagering in this state, to the creation, powers, and duties of the Texas Gaming Commission, to support of the horse racing industry and reform of horse racing and greyhound racing conducted by certain persons, and to other provisions related to gambling; imposing and authorizing administrative and civil penalties; imposing taxes; imposing and authorizing fees; requiring occupational licenses; creating criminal offenses.

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

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

SUBTITLE E. CASINO GAMING AND SPORTS WAGERING REGULATED BY TEXAS

GAMING COMMISSION

CHAPTER 2201. GENERAL PROVISIONS; TEXAS GAMING COMMISSION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2201.001. DEFINITIONS. In this subtitle:

(1) "Active casino license" means a casino license that was issued by the commission and has not expired without being renewed, been revoked, or been permanently surrendered.

(2) "Affiliate" means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person. A person is considered to control a company if the person

1 beneficially owns more than a five percent equity interest in the  
2 company under the beneficial ownership rules adopted by the  
3 commission.

4 (3) "Applicant" means a person who has applied for a  
5 casino license, an operator license, an occupational license, a  
6 manufacturer license, a casino service license, or a qualification  
7 to hold an equity interest in a casino license holder.

8 (4) "Associated equipment" means any equipment used in  
9 connection with casino gaming or sports wagering, including a  
10 mechanical, electromechanical, or electronic contrivance,  
11 component, or machine that would not otherwise be classified as a  
12 gaming device. The term includes dice, playing cards, links  
13 connecting progressive slot machines, equipment affecting the  
14 proper reporting of gross casino gaming revenue or gross sports  
15 wagering revenue, computerized systems of betting for sports  
16 wagering, computerized systems or software for monitoring slot  
17 machines, and devices for weighing or counting money.

18 (5) "Casino" means facilities within a destination  
19 resort at which gambling games or sports wagering are conducted for  
20 profit, as authorized by Chapters 2202 and 2203.

21 (6) "Casino gaming," "casino game," or "gambling  
22 game":

23 (A) means any game or similar activity that  
24 involves the making of a bet, as defined by Section 47.01, Penal  
25 Code, for consideration;

26 (B) includes the following games or devices  
27 played for consideration using money, property, checks, credit, or

1 a representative of value--

2 (i) a banking game, percentage game, or  
3 game of chance played with cards, dice, or a mechanical,  
4 electromechanical, electronic, or other device; and

5 (ii) a game or device approved by the  
6 commission as a casino game; and

7 (C) does not include--

8 (i) placing, receiving, or otherwise  
9 knowingly transmitting a bet by a means that requires the use of the  
10 Internet, except for placing, receiving, or otherwise knowingly  
11 transmitting a bet using the Internet in connection with the play of  
12 games or devices that are offered by a casino license holder and  
13 that are played onsite at a casino;

14 (ii) any mechanical, electromechanical,  
15 electronic, or other device designed, made, and adapted solely for  
16 bona fide amusement purposes if the device rewards the player  
17 exclusively with noncash merchandise prizes, toys, or novelties, or  
18 a representation of value redeemable for those items, that have a  
19 wholesale value available from a single play of the game or device  
20 of not more than 10 times the amount charged to play the game or  
21 device once or \$5, whichever is less;

22 (iii) bingo authorized under Chapter 2001;

23 (iv) charitable raffles authorized under  
24 Chapter 2002;

25 (v) the state lottery conducted under  
26 Chapter 466, Government Code;

27 (vi) sports wagering; or

1                   (vii) the making of a bet that:

2                   (a) occurs in a private place, as  
3 defined by Section 47.01, Penal Code;

4                   (b) in connection with, no person  
5 receives any economic benefit other than personal winnings; and

6                   (c) except for the advantage of skill  
7 or luck, involves risks of losing and chances of winning that are  
8 the same for all participants.

9                   (7) "Casino license" means a license to conduct casino  
10 gaming and sports wagering at a casino.

11                   (8) "Casino service" means the provision of goods or  
12 services, including security service and gaming schools, to a  
13 person holding a casino license or operator license under this  
14 subtitle, other than a service requiring a manufacturer license.

15                   (9) "Casino service license" means a license issued  
16 under Section 2202.152.

17                   (10) "Commission" means the Texas Gaming Commission.

18                   (11) "Company" means a corporation, partnership,  
19 limited partnership, trust, association, joint stock company,  
20 joint venture, limited liability company, or other form of business  
21 organization. The term does not include a sole proprietorship or  
22 natural person.

23                   (12) "Credit instrument" means a writing that  
24 evidences a casino gaming debt or sports wagering debt owed to a  
25 casino license holder at the time the debt is created, and includes  
26 any writing taken in consolidation, redemption, or payment of a  
27 previous credit instrument.

1           (13) "Destination resort" means a mixed-use  
2 development consisting of casino gaming facilities and a  
3 combination of various tourism amenities and facilities, including  
4 hotels, restaurants, meeting facilities, attractions,  
5 entertainment facilities, and shopping centers.

6           (14) "Director" means a member of the board of  
7 directors of a corporation and a person performing similar  
8 functions with respect to a company other than a corporation.

9           (15) "Education" means public education, public  
10 higher education, and adult education related to responsible  
11 gaming.

12           (16) "Equity interest" means a proprietary interest,  
13 right, or claim allowing the holder to vote with respect to matters  
14 of organizational governance or participate in the profits and  
15 residual assets of a company, including common and preferred stock  
16 in a corporation, a general or limited partnership interest in a  
17 partnership, a similar interest in any other form of business  
18 organization, and a warrant, right, or similar interest to  
19 subscribe for a proprietary right or claim or that is convertible  
20 into a proprietary right or claim, with or without the payment of  
21 additional consideration.

22           (17) "Executive director" means the executive  
23 director of the commission.

24           (18) "Gaming agreement" means an agreement authorized  
25 under Chapter 2202 or 2203 between this state and a federally  
26 recognized Indian tribe with Indian lands in this state under which  
27 this state allows the tribe to conduct limited casino gaming

1 activities authorized under Chapter 2202 or 2203 or applicable  
2 federal law.

3 (19) "Gaming-related business" means any business  
4 engaged in the service or support of casino gaming or sports  
5 wagering activities regulated under this subtitle or commission  
6 rule.

7 (20) "Gaming device" means a mechanical,  
8 electromechanical, or electronic contrivance, component, or  
9 machine, including a slot machine, used in connection with casino  
10 gaming that affects the result of a bet by determining win or loss.  
11 The term includes a system for processing information that can  
12 alter the normal criteria of random selection, affect the operation  
13 of a game, or determine the outcome of a game.

14 (21) "Gaming employee":

15 (A) means an individual directly involved in the  
16 operation or conduct of casino gaming in a casino performing a  
17 service in a capacity that the commission finds appropriate for  
18 occupational licensing under Section 2202.102 and includes:

19 (i) a boxman, a cashier, change personnel,  
20 counting room personnel, a dealer, a floor person, a host empowered  
21 to extend credit or complimentary services, a keno runner, a keno  
22 writer, a machine mechanic, or security personnel;

23 (ii) a shift or pit boss or a supervisor or  
24 manager involved in casino gaming activities;

25 (iii) accounting or internal auditing  
26 personnel directly involved in recordkeeping or the examination of  
27 records generated from casino gaming activities; and

1                   (iv) a junketeer or other independent agent  
2 whose compensation is based on the amount of money a patron wagers  
3 or loses or who is paid per patron more than the price of admission;  
4 and

5                   (B) does not include bartenders, cocktail  
6 waitresses, or other individuals engaged exclusively in preparing  
7 or serving food or beverages or individuals providing nominal or  
8 maintenance services.

9                   (22) "Gross casino gaming revenue":

10                   (A) means the total amount of the following, less  
11 the sum of all money paid as losses to patrons playing a gambling  
12 game, the amounts paid to purchase from independent financial  
13 institutions annuities to fund losses paid to patrons playing a  
14 gambling game, and the items made deductible as losses under  
15 Section 2202.253:

16                   (i) money received by a casino license  
17 holder from players playing a gambling game;

18                   (ii) money received by a casino license  
19 holder in payment for credit extended by the casino license holder  
20 to a patron for the purposes of casino gaming; and

21                   (iii) compensation received by a casino  
22 license holder for conducting any gambling game in which the  
23 license holder is not a party to a wager; and

24                   (B) does not include:

25                   (i) counterfeit money or tokens;

26                   (ii) coins of other countries that are  
27 received in slot machines or other gaming devices;

1                   (iii) cash taken in fraudulent acts  
2 perpetrated against a casino license holder for which the license  
3 holder is not reimbursed; or

4                   (iv) cash received as entry fees for  
5 contests or tournaments in which the patrons compete for prizes.

6           (23) "Gross sports wagering revenue":

7                   (A) means the total amount of the following, less  
8 the sum of all money paid as losses to patrons engaged in sports  
9 wagering and the amounts paid to purchase from independent  
10 financial institutions annuities to fund losses paid to patrons  
11 engaged in sports wagering:

12                   (i) money received by a license holder from  
13 patrons engaged in sports wagering;

14                   (ii) money received by a license holder in  
15 payment for credit extended by the license holder to a patron for  
16 the purposes of sports wagering; and

17                   (iii) compensation received by a license  
18 holder for conducting any sports wagering in which the license  
19 holder is not a party to a wager; and

20                   (B) does not include:

21                   (i) counterfeit money or tokens;

22                   (ii) cash taken in fraudulent acts  
23 perpetrated against a license holder for which the license holder  
24 is not reimbursed; or

25                   (iii) cash received as entry fees for  
26 contests or tournaments in which the patrons compete for prizes.

27           (24) "Hearing examiner" means a person authorized by



1 the commission to conduct hearings.

2 (25) "Indian lands" means land on which gaming is  
3 permitted under the Indian Gaming Regulatory Act (18 U.S.C.  
4 Sections 1166-1168 and 25 U.S.C. Section 2701 et seq.) or land that  
5 was held in trust by the United States on January 1, 1998, for the  
6 benefit of the Indian tribe pursuant to the Ysleta del Sur Pueblo  
7 and Alabama and Coshatta Indian Tribes of Texas Restoration Act  
8 (Pub. L. No. 100-89).

9 (26) "Institutional investor" means a person, other  
10 than a state or federal government pension plan, that meets the  
11 requirements of a qualified institutional buyer, as that term is  
12 defined by 17 C.F.R. Section 230.144A and is:

13 (A) a bank as defined by Section 3(a)(6),  
14 Securities Exchange Act of 1934 (15 U.S.C. Section 78c);

15 (B) an insurance company as defined by Section  
16 2(a)(17), Investment Company Act of 1940 (15 U.S.C. Section 80a-2);

17 (C) an investment company registered under  
18 Section 8, Investment Company Act of 1940 (15 U.S.C. Section  
19 80a-8);

20 (D) an investment adviser registered under  
21 Section 203, Investment Advisers Act of 1940 (15 U.S.C. Section  
22 80b-3);

23 (E) a collective trust fund as defined by Section  
24 3(c)(11), Investment Company Act of 1940 (15 U.S.C. Section 80a-3);

25 (F) an employee benefit plan or pension fund that  
26 is subject to the Employee Retirement Income Security Act of 1974  
27 (29 U.S.C. Section 1001 et seq.), excluding an employee benefit

1 plan or pension fund sponsored by a publicly traded corporation  
2 registered with the commission;

3 (G) a state or federal government pension plan;

4 (H) a group composed entirely of persons  
5 specified in Paragraphs (A)-(G); or

6 (I) any other person the commission determines  
7 for reasons consistent with the policies expressed in Section  
8 2202.001.

9 (27) "Internet" means the largest nonproprietary  
10 nonprofit cooperative public computer network, popularly known as  
11 the Internet.

12 (28) "Key executive" means a corporation's directors  
13 and executive officers, a partnership's general partners, a trust's  
14 trustee, a joint venture's managing venturers, and each person  
15 possessing similar responsibilities and authorities in any other  
16 form of business organization.

17 (29) "License holder" means a person who holds a  
18 license issued by the commission.

19 (30) "Live sporting event" means:

20 (A) a football, basketball, baseball, hockey, or  
21 similar game;

22 (B) a boxing or martial arts match;

23 (C) a horse race on which pari-mutuel wagering is  
24 authorized by law; or

25 (D) any other event designated by the commission.

26 (31) "Manufacturer license" means a license issued  
27 under Section 2202.151.

1           (32) "Metropolitan statistical area" means a  
2 metropolitan statistical area designated by the United States  
3 Office of Management and Budget.

4           (33) "Mixed-use development" means a developed area of  
5 land.

6           (34) "Occupational license" means a license issued  
7 under Section 2202.102.

8           (35) "Operator" means a person other than the casino  
9 license holder who contractually agrees to provide operational and  
10 managerial services on behalf of the casino license holder for the  
11 operation of any activities occurring at the casino in return for  
12 receiving a payment based wholly or partly on profits or receipts  
13 from the conduct of casino gaming or sports wagering.

14           (36) "Operator license" means a license issued under  
15 Section 2202.101 to provide services as an operator.

16           (37) "Pari-mutuel wagering" has the meaning assigned  
17 by Section 2021.003.

18           (38) "Patron" or "Player" means a person who  
19 contributes any part of the consideration to play a gambling game or  
20 to engage in sports wagering. Consideration does not include a  
21 separate fee payable in order to wager.

22           (39) "Principal manager" means a person who, as  
23 determined under the rules of the commission, holds or exercises  
24 managerial, supervisory, or policy-making authority over the  
25 management or operation of a casino gaming activity or casino  
26 service that in the judgment of the commission warrants the  
27 occupational licensing as a principal manager for the protection of

1 the public interest. The term includes a key executive of a license  
2 holder that is a company.

3 (40) "Public safety program" means a program for crime  
4 prevention and law enforcement, including a program designed to  
5 prevent and prosecute crimes involving human trafficking and money  
6 laundering.

7 (41) "Racetrack" has the meaning assigned by Section  
8 2021.003.

9 (42) "Racetrack association" has the meaning assigned  
10 by Section 2021.003.

11 (43) "Slot machine" means a casino game that involves  
12 a player using a mechanical, electromechanical, electronic, or  
13 other device that, on insertion of a coin, token, or similar object  
14 or on payment of consideration, is available to play or operate, the  
15 play or operation of which, wholly or partly by the element of  
16 chance, may entitle the player operating the machine to receive or  
17 deliver to the player a payment for winnings in the form of cash,  
18 premiums, merchandise, tokens, or any other thing of value.

19 (44) "Sports wagering" means placing wagers on live  
20 sporting events as authorized by this subtitle.

21 (45) "Table game" means any casino game played in a  
22 casino other than on a slot machine, including games such as  
23 roulette, keno, twenty-one, blackjack, craps, poker, chuck-a-luck  
24 (dai shu), wheel of fortune, chemin de fer, baccarat, and pai gow.

25 Sec. 2201.002. APPLICATION OF SUNSET ACT. (a) The Texas  
26 Gaming Commission is subject to Chapter 325, Government Code (Texas  
27 Sunset Act). Unless continued in existence as provided by that

1 chapter, the commission is abolished September 1, 2033.

2 (b) On the date the commission is abolished under Subsection  
3 (a), the following statutes are repealed:

4 (1) this chapter;

5 (2) Chapter 2202; and

6 (3) Chapter 2203.

7 Sec. 2201.003. REFERENCES TO LICENSE INCLUDE CERTIFICATE OF  
8 REGISTRATION, FINDING OF SUITABILITY, OR OTHER APPROVAL. A  
9 reference in this subtitle to a license applies to a certificate of  
10 registration, finding of suitability, or other affirmative  
11 regulatory approval provided under this subtitle or commission  
12 rule, unless otherwise expressly provided by this subtitle, another  
13 state or federal law, or commission rule.

14 Sec. 2201.004. EXEMPTION FROM TAXATION. A political  
15 subdivision of this state may not impose:

16 (1) a tax on the payment of a prize under Chapters 2202  
17 or 2203;

18 (2) a tax, fee, or other assessment on consideration  
19 paid to play a gambling game or engage in sports wagering authorized  
20 by this subtitle;

21 (3) a tax on gross casino gaming revenue or gross  
22 sports wagering revenue; or

23 (4) a tax or fee on attendance at or admission to a  
24 casino authorized by this subtitle unless specifically authorized  
25 by statute.

26 SUBCHAPTER B. TEXAS GAMING COMMISSION

27 Sec. 2201.051. COMMISSION; MEMBERSHIP. (a) The Texas

1 Gaming Commission is comprised of five qualified members appointed  
2 by the governor with the advice and consent of the senate.

3 (b) Appointments to the commission shall be made without  
4 regard to race, color, disability, sex, religion, age, or national  
5 origin.

6 Sec. 2201.052. QUALIFICATIONS OF COMMISSION MEMBERS. To be  
7 eligible for appointment to the commission, a person:

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

9 (2) must submit a financial statement that contains  
10 the information required by Chapter 572, Government Code;

11 (3) may not be pecuniarily interested in an entity  
12 engaged in the conduct of casino gaming or sports wagering or the  
13 provision of services that require a casino service license,  
14 including having any security issued by that entity, or be related  
15 within the second degree by affinity or the third degree by  
16 consanguinity, as determined under Chapter 573, Government Code, to  
17 an individual who has such a pecuniary interest or holds such a  
18 security;

19 (4) may not be an applicant for or holder of a license  
20 under a law administered by the commission or hold an equity  
21 interest in a casino license holder requiring qualification under  
22 Section 2202.060;

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

25 (6) may not hold an elective office or be an officer or  
26 official of a political party; and

27 (7) must, before entering upon the duties of office,

1 affirm that the person meets the qualification requirements stated  
2 in this section, including that the person is not pecuniarily  
3 interested in any business or entity holding a license for  
4 involvement in casino gaming or sports wagering or doing business  
5 with any such person or entity.

6 Sec. 2201.053. MEMBERSHIP AND EMPLOYEE RESTRICTIONS. (a)

7 In this section, "Texas trade association" means a cooperative and  
8 voluntarily joined association of business or professional  
9 competitors in this state designed to assist its members and its  
10 industry or profession in dealing with mutual business or  
11 professional problems and in promoting their common interest.

12 (b) A person may not be a commission member or an employee of  
13 the commission employed in a "bona fide executive, administrative,  
14 or professional capacity," as that phrase is used for purposes of  
15 establishing an exemption to the overtime provisions of the federal  
16 Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) if:

17 (1) the person is an officer, employee, manager, or  
18 paid consultant of a Texas trade association in the field of gaming;  
19 or

20 (2) the person's spouse is an officer, manager, or paid  
21 consultant of a Texas trade association in the field of gaming.

22 (c) A person may not be a commission member or act as general  
23 counsel to the commission if the person is required to register as a  
24 lobbyist under Chapter 305, Government Code, because of the  
25 person's activities for compensation on behalf of a profession  
26 related to the operation of the commission.

27 Sec. 2201.054. TERMS; VACANCIES. (a) Members of the

1 commission serve staggered six-year terms, with the term or terms  
2 of one or two members expiring February 1 of each odd-numbered year.

3 (b) The governor shall fill a vacancy in a position on the  
4 commission for the remainder of the unexpired term.

5 Sec. 2201.055. PRESIDING OFFICER. The governor shall  
6 designate a commission member as presiding officer of the  
7 commission to serve in that capacity at the pleasure of the  
8 governor.

9 Sec. 2201.056. MEETINGS; OFFICIAL RECORD. (a) The  
10 commission shall meet not fewer than 12 times each year.

11 (b) The commission may meet at other times at the call of the  
12 presiding officer or as provided by commission rule.

13 (c) The commission shall keep an official record of all  
14 commission meetings and proceedings.

15 Sec. 2201.057. GROUNDS FOR REMOVAL. (a) It is a ground for  
16 removal from the commission that a member:

17 (1) does not have at the time of taking office the  
18 qualifications required by Section 2201.052;

19 (2) does not maintain during service on the commission  
20 the qualifications required by Section 2201.052;

21 (3) is ineligible for membership under Section  
22 2201.053;

23 (4) cannot, because of illness or disability,  
24 discharge the member's duties for a substantial part of the member's  
25 term; or

26 (5) is absent from more than half of the regularly  
27 scheduled commission meetings that the member is eligible to attend



1 during a calendar year without an excuse approved by a majority vote  
2 of the other commission members.

3 (b) The validity of an action of the commission is not  
4 affected by the fact that it is taken when a ground for removal of a  
5 commission member exists.

6 (c) If the executive director or any other commission member  
7 has knowledge that a potential ground for removal of a commission  
8 member exists, the executive director shall notify the presiding  
9 officer of the commission of the potential ground for removal. The  
10 presiding officer shall then notify the governor and the attorney  
11 general that a potential ground for removal exists. If the  
12 potential ground for removal involves the presiding officer, the  
13 executive director shall notify the other commission members, the  
14 governor, and the attorney general that a potential ground for  
15 removal exists.

16 Sec. 2201.058. TRAINING. (a) A person who is appointed to  
17 and qualifies for office as a commission member may not vote,  
18 deliberate, or be counted as a member in attendance at a meeting of  
19 the commission until the person completes a training program that  
20 complies with this section.

21 (b) The training program must provide the person with  
22 information regarding:

23 (1) this subtitle and other laws related to casino  
24 gaming or gambling regulated by the commission;

25 (2) the commission's programs, functions, rules, and  
26 budget;

27 (3) the results of the most recent formal audit of the

1 commission;

2 (4) the requirements of laws relating to open  
3 meetings, public information, administrative procedure, and  
4 conflict of interest; and

5 (5) any applicable ethics policies adopted by the  
6 commission or the Texas Ethics Commission.

7 (c) A person appointed to the commission is entitled to  
8 reimbursement, as provided by the General Appropriations Act, for  
9 travel expenses incurred in attending the training program  
10 regardless of whether the attendance at the program occurs before  
11 or after the person qualifies for office.

12 Sec. 2201.059. QUALIFICATIONS AND STANDARDS OF CONDUCT  
13 INFORMATION. The executive director or the executive director's  
14 designee shall provide to commission members, as often as  
15 necessary, information regarding their:

16 (1) qualifications for office under this chapter; and  
17 (2) responsibilities under applicable laws relating  
18 to standards of conduct for state officers.

19 Sec. 2201.060. BOND. (a) Before assuming the duties of  
20 office, a commission member must execute a bond in the amount of  
21 \$25,000 payable to the state and conditioned on the member's  
22 faithful performance of the member's duties of office.

23 (b) The bond must be approved by the governor.

24 (c) The cost of the bond shall be paid by the commission.

25 Sec. 2201.061. PROHIBITION OF CERTAIN ACTIVITIES. (a) A  
26 commission member may not:

27 (1) use the member's official authority to affect the

1 result of an election or nomination for public office; or

2 (2) directly or indirectly coerce, attempt to coerce,  
3 command, or advise a person to pay, lend, or contribute anything of  
4 value to another person for political purposes.

5 (b) A commission member or the parent, spouse, or child of a  
6 commission member may not solicit or accept employment or any  
7 financial interest or benefit from a license holder under a law  
8 administered by the commission or from an applicant for a license  
9 before the second anniversary of the date the commission member's  
10 service on the commission ends.

11 Sec. 2201.062. APPLICATION OF FINANCIAL DISCLOSURE LAW. For  
12 purposes of Chapter 572, Government Code, a commission member and  
13 the executive director are appointed officers of a major state  
14 agency.

15 Sec. 2201.063. PER DIEM; EXPENSES; SALARY. (a) A  
16 commission member is entitled to:

17 (1) a per diem in an amount prescribed by  
18 appropriation for each day spent in performing the duties of the  
19 member;

20 (2) reimbursement for actual and necessary expenses  
21 incurred in performing those duties; and

22 (3) an annual salary in an amount prescribed by  
23 appropriation.

24 (b) Reimbursement for expenses under this section is  
25 subject to any applicable limitation in the General Appropriations  
26 Act.

27 Sec. 2201.064. EXECUTIVE DIRECTOR. (a) The commission

1 shall appoint an executive director, who serves at the pleasure of  
2 the commission.

3 (b) A person is not eligible for appointment as executive  
4 director if the person:

5 (1) holds an elective office or is an officer or  
6 official of a political party; or

7 (2) is required to register as a lobbyist under  
8 Chapter 305, Government Code, because of the person's activities  
9 for compensation on behalf of a profession related to the operation  
10 of the commission.

11 (c) The executive director must have five or more years of  
12 responsible administrative experience in public or business  
13 administration or possess broad management skills.

14 (d) The executive director may not pursue any other business  
15 or occupation or hold any other office for profit.

16 (e) The executive director must meet all eligibility  
17 requirements relating to commission members.

18 (f) The executive director is entitled to an annual salary  
19 and other compensation specified by the commission.

20 (g) The executive director or the parent, spouse, or child  
21 of the executive director may not, before the second anniversary of  
22 the date the executive director's service to the commission ends,  
23 acquire a direct or indirect interest in or be employed by an entity  
24 licensed or registered by the commission in connection with the  
25 conduct of casino gaming or the provision of casino services in this  
26 state.

27 Sec. 2201.065. OFFICES. The commission shall maintain its

1 primary office in Travis County and may maintain other offices  
2 determined to be necessary by the commission.

3 Sec. 2201.066. AUTHORITY TO SUE OR BE SUED; VENUE FOR CIVIL  
4 SUITS. (a) Subject to Section 2202.360, the commission may sue and  
5 be sued.

6 (b) Service of process in a suit against the commission may  
7 be secured by serving the executive director.

8 (c) A suit against the commission must be brought in Travis  
9 County.

10 Sec. 2201.067. AUDIT. The transactions of the commission  
11 are subject to audit by the state auditor under Chapter 321,  
12 Government Code.

13 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION

14 Sec. 2201.101. GENERAL POWERS AND DUTIES. (a) The  
15 commission has broad authority and shall exercise strict control  
16 and close supervision over all activities authorized and conducted  
17 in this state under a law administered by the commission.

18 (b) The commission shall ensure that all gambling games,  
19 other casino gaming activities, sports wagering, and other gambling  
20 subject to the oversight or regulatory authority of the commission  
21 are conducted fairly and in compliance with the law.

22 (c) The commission also has the powers and duties granted  
23 under Chapters 2202 and 2203.

24 (d) All aspects of this subtitle and other laws administered  
25 by the commission, including those relating to licensing,  
26 qualification, execution, and enforcement, shall be administered  
27 by the executive director and the commission for the protection of

1 the public and in the public interest.

2 (e) The commission and the executive director have full  
3 power and authority to hold hearings and, in connection with the  
4 hearings, to issue subpoenas, to compel the attendance of witnesses  
5 at any place in this state, to administer oaths, and to require  
6 testimony under oath. Any process or notice relating to a hearing  
7 may be served in the manner provided for service of process and  
8 notices in civil actions. The commission and the executive  
9 director may pay transportation and other expenses of witnesses as  
10 they consider reasonable.

11 (f) The executive director and the executive director's  
12 authorized employees may:

13 (1) inspect and examine a premises where casino  
14 gaming, sports wagering, or other gambling regulated by the  
15 commission is conducted or equipment or supplies, including an  
16 electronic or other gaming device, or associated equipment is  
17 manufactured, assembled, produced, programmed, sold, leased,  
18 marketed, distributed, repaired, or modified for use in gaming;

19 (2) for good cause, seize and remove from a premises  
20 and impound equipment or supplies for the purpose of examination  
21 and inspection; and

22 (3) demand access to, inspect, examine, photocopy, or  
23 audit papers, books, and records of applicants and license holders,  
24 on their premises or elsewhere as practicable, in the presence of  
25 the applicant or license holder or the applicant's or license  
26 holder's agent, that report the gross income produced by a  
27 gaming-related business, verify the gross income, or affect other

1 matters on the enforcement of this subtitle or other law  
2 administered by the commission.

3 (g) For the purpose of conducting audits after the cessation  
4 of casino gaming or sports wagering by a license holder, a former  
5 license holder shall furnish, on demand of the executive director  
6 or the executive director's authorized employees, books, papers,  
7 and records as necessary to conduct the audits. The former license  
8 holder shall maintain all books, papers, and records necessary for  
9 audits for three years after the date of the surrender or revocation  
10 of the license and is responsible for the costs incurred by the  
11 commission in the conduct of an audit under this section. If the  
12 former license holder seeks judicial review of a deficiency  
13 determination or files a petition for a redetermination, the former  
14 license holder must maintain all books, papers, and records until a  
15 final order is entered on the determination.

16 (h) The commission shall contract with at least one  
17 independent testing laboratory to scientifically test and  
18 technically evaluate gambling games, gaming devices, and  
19 associated equipment for compliance with this subtitle. The  
20 independent testing laboratory must have a national or  
21 international reputation of being demonstrably competent and must  
22 be qualified to scientifically test and evaluate all components of  
23 gambling games, gaming devices, and associated equipment for  
24 compliance with this subtitle and to perform the functions assigned  
25 to it under this subtitle. An independent testing laboratory may  
26 not be owned or controlled by a person licensed to conduct gambling  
27 games or sports wagering, or to manufacture gaming devices or

1 associated equipment. The use of an independent testing laboratory  
2 for purposes related to the conduct of casino gaming or sports  
3 wagering under this subtitle must be made from a list of at least  
4 two laboratories approved by the commission.

5 Sec. 2201.102. RULEMAKING AUTHORITY. (a) The commission  
6 shall adopt rules the commission considers necessary or desirable  
7 for the public interest in carrying out the policy and provisions of  
8 this subtitle and the other laws administered by the commission.

9 (b) The rules must prescribe:

10 (1) the method and form of application that an  
11 applicant for a license under this subtitle must follow and  
12 complete before consideration of an application by the commission;

13 (2) the manner of any notice related to applying for a  
14 license pursuant to this subtitle;

15 (3) the information to be furnished by an applicant or  
16 license holder under Chapter 2202 concerning antecedents, habits,  
17 character, associates, criminal history record information,  
18 business activities, and financial affairs;

19 (4) the criteria to be used in the award, revocation,  
20 and suspension of licenses under Chapter 2202;

21 (5) the information to be furnished by a license  
22 holder under Chapter 2202 relating to the holder's employees;

23 (6) the manner and procedure of hearings conducted by  
24 the commission or a hearing examiner of the commission;

25 (7) the payment of fees or costs an applicant or  
26 license holder under Chapter 2202 must pay;

27 (8) the procedures for the issuance of temporary



1 licenses and temporary qualification to hold equity interests in a  
2 casino license holder under Chapter 2202;

3 (9) the manner and method of collection and payment of  
4 fees and the issuance of licenses;

5 (10) the conditions under which the nonpayment of a  
6 gambling debt by a license holder constitutes grounds for  
7 disciplinary action;

8 (11) the manner of approval of gambling games, gaming  
9 devices, and associated equipment;

10 (12) access to confidential information obtained  
11 under this chapter, Chapter 2202, Chapter 2203, or other law and the  
12 means to ensure that the confidentiality of the information is  
13 maintained and protected;

14 (13) financial reporting and internal control  
15 requirements for license holders;

16 (14) the manner in which money awarded to players,  
17 compensation from gambling games and sports wagering, and gross  
18 casino gaming revenue and gross sports wagering revenue must be  
19 computed and reported under Chapter 2202;

20 (15) requirements for the annual audit of the  
21 financial statements of a license holder;

22 (16) requirements for periodic financial reports from  
23 each license holder consistent with standards and intervals  
24 prescribed by the commission;

25 (17) the procedures to be followed by a license holder  
26 for excluding a person from a casino;

27 (18) the procedures and criteria for requiring a

1 finding of suitability under Section 2202.006; and

2 (19) the procedures and criteria for exempting a group  
3 or class of persons from the registration or qualification  
4 requirements of Chapter 2202.

5 Sec. 2201.103. AUTHORITY OF EXECUTIVE DIRECTOR. (a) With  
6 commission approval, the executive director may create executive  
7 positions as the director considers necessary to implement this  
8 chapter, Chapter 2202, Chapter 2203, and any other law administered  
9 by the commission.

10 (b) The executive director shall employ directors in the  
11 areas of audit, investigation, and enforcement. The audit director  
12 must be a certified public accountant, have five or more years of  
13 progressively responsible experience in general accounting, and  
14 have a comprehensive knowledge of the principles and practices of  
15 corporate finance or must possess qualifications of an expert in  
16 the field of corporate finance and auditing, general finance,  
17 gaming, and economics. Other directors must possess five or more  
18 years of training and experience in the fields of investigation,  
19 law enforcement, law, or gaming.

20 (c) The executive director may investigate, for the purpose  
21 of prosecution, a suspected criminal violation of this subtitle or  
22 other laws related to casino gaming, sports wagering, or gambling  
23 regulated by the commission. For the purpose of the administration  
24 and enforcement of this subtitle or another related law, the  
25 executive director and employees designated as enforcement  
26 officers by the executive director may be commissioned as peace  
27 officers.

1       (d) The executive director, to further the objectives and  
2 purposes of this subtitle or other laws related to casino gaming,  
3 sports wagering, or gambling regulated by the commission, may:

4           (1) direct and supervise all administrative actions of  
5 the commission;

6           (2) bring legal action in the name and on behalf of the  
7 commission;

8           (3) make, execute, and effect an agreement or contract  
9 authorized by the commission;

10          (4) employ the services of persons considered  
11 necessary for consultation or investigation and set the salaries of  
12 or contract for the services of legal, professional, technical, and  
13 operational personnel and consultants, except that outside legal  
14 assistance may be retained only with the approval of the  
15 commission;

16          (5) acquire furnishings, equipment, supplies,  
17 stationery, books, and all other things the executive director  
18 considers necessary or desirable in carrying out the executive  
19 director's functions; and

20          (6) perform other duties the executive director may  
21 consider necessary to effect the purposes of this subtitle or other  
22 laws related to casino gaming, sports wagering, or gambling  
23 regulated by the commission.

24       (e) Except as otherwise provided in this subtitle, the costs  
25 of administration incurred by the executive director shall be paid  
26 in the same manner as other claims against the state are paid.

27       Sec. 2201.104. OFFICE OF HEARING EXAMINERS. (a) The

1 commission shall create an office of hearing examiners to assist  
2 the commission in carrying out its powers and duties.

3 (b) The office of hearing examiners shall:

4 (1) hold hearings under the authority of the  
5 commission on matters relating to the commission's administration  
6 of this subtitle and other laws related to casino gaming, sports  
7 wagering, or gambling regulated by the commission as the commission  
8 orders; and

9 (2) report after a hearing in the manner prescribed by  
10 the commission.

11 (c) The commission shall refer any contested case arising  
12 under this subtitle or other laws related to casino gaming, sports  
13 wagering, or gambling regulated by the commission to the office of  
14 hearing examiners or the State Office of Administrative Hearings.

15 (d) The office of hearing examiners is independent of the  
16 executive director and is under the exclusive control of the  
17 commission.

18 (e) The office of hearing examiners is under the direction  
19 of a chief hearing examiner appointed by the commission.

20 (f) The commission may authorize the chief hearing examiner  
21 to delegate to one or more hearing examiners the authority to hold  
22 any hearing called by the chief hearing examiner.

23 (g) The chief hearing examiner and each assistant hearing  
24 examiner employed by the office of hearing examiners must be an  
25 attorney licensed to practice law in this state.

26 (h) The chief hearing examiner and each assistant hearing  
27 examiner may administer oaths, receive evidence, and issue

1 subpoenas to compel the attendance of witnesses and the production  
2 of papers and documents in all matters delegated to the office of  
3 hearing examiners by the commission.

4 (i) The chief hearing examiner and each assistant hearing  
5 examiner is entitled to an annual salary and other compensation  
6 specified by the commission.

7 (j) The office of hearing examiners may contract for  
8 additional services it considers necessary to carry out its powers.

9 Sec. 2201.105. JUDICIAL REVIEW IN CONTESTED CASES. A final  
10 ruling of the commission in a contested case is subject to judicial  
11 review under Chapter 2001, Government Code. Judicial review is  
12 under the substantial evidence rule, as provided by that chapter.

13 Sec. 2201.106. RECORDS; CONFIDENTIAL INFORMATION. (a) The  
14 executive director shall maintain a file of all applications for  
15 licenses under this subtitle, together with a record of all action  
16 taken with respect to the applications.

17 (b) The commission and the executive director may maintain  
18 other records they consider desirable.

19 (c) The information made confidential by this section may be  
20 disclosed, wholly or partly, only:

21 (1) in the course of the necessary administration of  
22 this subtitle or in the enforcement of other laws related to casino  
23 gaming, sports wagering, or other gambling regulated by the  
24 commission;

25 (2) under Section 2202.353;

26 (3) on the order of a court; or

27 (4) as authorized under commission rule, to an

1 authorized agent of any agency of the United States, another state,  
2 or a political subdivision of this state.

3 (d) Notice of the content of any information furnished or  
4 released under Subsection (c) may be given to any affected  
5 applicant or license holder as prescribed by commission rule.

6 (e) The following information is confidential and may not be  
7 disclosed:

8 (1) information requested by the commission or the  
9 executive director under this subtitle or another applicable law  
10 that may otherwise be obtained relating to the finances, earnings,  
11 or revenue of an applicant or license holder;

12 (2) information pertaining to an applicant's criminal  
13 history record information, antecedents, and background that has  
14 been furnished to or obtained by the commission or the executive  
15 director from any source;

16 (3) information provided to the commission or the  
17 executive director or a commission employee by a governmental  
18 agency or an informer or on the assurance that the information will  
19 be held in confidence and treated as confidential;

20 (4) information obtained by the executive director or  
21 the commission from a license holder, including a casino service  
22 license holder, relating to the manufacturing, modification, or  
23 repair of gaming devices;

24 (5) security plans and procedures of the commission  
25 designed to ensure the integrity and security of the regulation and  
26 operation of casino gaming, sports wagering, or other gambling  
27 regulated by the commission;

1           (6) the street address and telephone number of a  
2 patron unless the patron has consented to the release of the  
3 information;

4           (7) information relating to all system operations of  
5 gambling games and sports wagering, including security related to  
6 gambling games or sports wagering, and commission plans and  
7 procedures intended to ensure the integrity and security of the  
8 operation of gambling games, sports wagering, and other gambling  
9 regulated by the commission; and

10           (8) reports and related information filed under  
11 Section 2202.010.

12           Sec. 2201.107. REPRESENTATION BY ATTORNEY GENERAL. (a)  
13 The attorney general shall represent the commission and the  
14 executive director in any proceeding to which the commission or the  
15 executive director is a party under this subtitle or another law  
16 administered by the commission or in any suit filed against the  
17 commission or executive director.

18           (b) The office of the attorney general on request shall  
19 advise the commission and the executive director in all other  
20 matters, including representing the commission when the commission  
21 acts in its official capacity.

22           Sec. 2201.108. RULES RESTRICTING ADVERTISING OR  
23 COMPETITIVE BIDDING. (a) The commission may not adopt rules  
24 restricting advertising or competitive bidding by a person  
25 regulated by the commission except to prohibit false, misleading,  
26 or deceptive practices by that person.

27           (b) The commission may not include in its rules to prohibit

1 false, misleading, or deceptive practices by a person regulated by  
2 the commission a rule that:

3 (1) restricts the use of any advertising medium;

4 (2) restricts the person's personal appearance or the  
5 use of the person's voice in an advertisement;

6 (3) relates to the size or duration of an  
7 advertisement by the person; or

8 (4) restricts the use of a trade name in advertising by  
9 the person.

10 Sec. 2201.109. RULES ON CONSEQUENCES OF CRIMINAL  
11 CONVICTION. (a) The commission shall adopt rules necessary to  
12 comply with Chapter 53.

13 (b) In adopting rules under this section, the commission  
14 shall list the specific offenses for which a conviction would  
15 constitute grounds for the commission to take action under Section  
16 53.021.

17 Sec. 2201.110. SUBPOENA. (a) The commission may request  
18 and, if necessary, compel by subpoena:

19 (1) the attendance of a witness for examination under  
20 oath; and

21 (2) the production for inspection and copying of  
22 records and other evidence relevant to the investigation of an  
23 alleged violation of this subtitle or other laws related to casino  
24 gaming, sports wagering, or other gambling regulated by the  
25 commission.

26 (b) If a person fails to comply with a subpoena issued under  
27 this section, the commission, acting through the attorney general,



1 may file suit to enforce the subpoena in a district court in Travis  
2 County or in the county in which a hearing conducted by the  
3 commission may be held.

4 (c) The court shall order a person to comply with the  
5 subpoena if the court determines that good cause exists for issuing  
6 the subpoena.

7 Sec. 2201.111. DIVISION OF RESPONSIBILITIES. The  
8 commission shall develop and implement policies that clearly  
9 separate the policy-making responsibilities of the commission and  
10 the management responsibilities of the executive director and the  
11 staff of the commission.

12 Sec. 2201.112. USE OF TECHNOLOGY. The commission shall  
13 implement a policy requiring the commission to use appropriate  
14 technological solutions to improve the commission's ability to  
15 perform its functions. The policy must ensure that the public is  
16 able to interact with the commission through the commission's  
17 Internet website.

18 Sec. 2201.113. NEGOTIATED RULEMAKING AND ALTERNATIVE  
19 DISPUTE RESOLUTION POLICY. (a) The commission shall develop and  
20 implement a policy to encourage the use of:

21 (1) negotiated rulemaking procedures under Chapter  
22 2008, Government Code, for the adoption of commission rules; and

23 (2) appropriate alternative dispute resolution  
24 procedures under Chapter 2009, Government Code, to assist in the  
25 resolution of internal and external disputes under the commission's  
26 jurisdiction.

27 (b) The commission's procedures relating to alternative

1 dispute resolution must conform, to the extent possible, to any  
2 model guidelines issued by the State Office of Administrative  
3 Hearings for the use of alternative dispute resolution by state  
4 agencies.

5 (c) The commission shall designate an appropriately  
6 qualified person to:

7 (1) coordinate the implementation of the policy  
8 adopted under Subsection (a);

9 (2) serve as a resource for any training needed to  
10 implement the procedures for negotiated rulemaking or alternative  
11 dispute resolution; and

12 (3) collect data concerning the effectiveness of those  
13 procedures, as implemented by the commission.

14 Sec. 2201.114. COMMITTEES. The commission may appoint  
15 committees that it considers necessary to carry out its duties.

16 Sec. 2201.115. CONTRACT AUTHORITY. (a) The commission and  
17 executive director have broad authority and shall exercise strict  
18 control and close supervision over gambling games and sports  
19 wagering conducted in this state to promote and ensure integrity,  
20 security, honesty, and fairness in the operation and administration  
21 of casino gaming and sports wagering under this subtitle.

22 (b) The executive director may contract with a third party  
23 to perform a function, activity, or service in connection with the  
24 operation of casino gaming or sports wagering under this subtitle,  
25 other than investigative services, as prescribed by the executive  
26 director. A contract relating to the operation of casino gaming or  
27 sports wagering must be consistent with this subtitle.

1       (c) The executive director may award a contract for  
2 supplies, equipment, or services, including a contract under  
3 Subsection (b), pending the completion of any investigation and  
4 license required by this subtitle. A contract awarded under this  
5 subsection must include a provision permitting the executive  
6 director to terminate the contract without penalty if the  
7 investigation reveals that the person to whom the contract is  
8 awarded does not satisfy the applicable requirements for a license  
9 under this subtitle.

10       (d) In the acquisition or provision of facilities,  
11 supplies, equipment, materials, or services related to the  
12 implementation of casino gaming or sports wagering under this  
13 subtitle, the commission must comply with procurement procedures  
14 prescribed under Subtitle D, Title 10, Government Code.

15       Sec. 2201.116. INVESTIGATIONS AND ENFORCEMENT. (a) A  
16 violation or alleged violation of this subtitle or of the penal laws  
17 of this state by the commission, its employees, or a person  
18 regulated under this subtitle may be investigated by the attorney  
19 general, the district attorney for Travis County, or a district  
20 attorney, criminal district attorney, or county attorney for the  
21 county in which violation or alleged violation occurred.

22       (b) The commission may investigate violations of this  
23 subtitle, rules adopted under this subtitle, or other laws related  
24 to casino gaming, sports wagering, or other gambling regulated by  
25 the commission and may file a complaint requesting that an  
26 investigation be conducted in accordance with Subsection (a).

27       Sec. 2201.117. SECURITY. (a) The executive director shall

1 maintain a department of security in the commission. The executive  
2 director shall appoint a deputy to administer the department. The  
3 deputy must be qualified by training and experience in law  
4 enforcement or security to supervise, direct, and administer the  
5 activities of the department.

6 (b) The executive director may employ security officers or  
7 investigators as the executive director considers necessary and may  
8 commission investigators or security officers as peace officers.  
9 The deputy and all investigators employed by the department of  
10 security and commissioned as peace officers must meet the  
11 requirements under Chapter 1701 for employment and commission as  
12 peace officers.

13 (c) A security officer or investigator employed by the  
14 department of security and commissioned as a peace officer, or a  
15 peace officer who is working in conjunction with the commission or  
16 the Department of Public Safety in the enforcement of this subtitle  
17 may:

18 (1) without a search warrant, search and seize a  
19 gaming device or associated equipment that is located on premises  
20 for which a person holds a license issued under this subtitle; or

21 (2) seize a gaming device or associated equipment that  
22 is being used or is in the possession of any person in violation of  
23 this subtitle or other laws related to casino gaming, sports  
24 wagering, or other gambling regulated by the commission.

25 (d) The Department of Public Safety or any other state or  
26 local law enforcement agency, at the commission's request and in  
27 accordance with an interagency agreement, shall perform a full

1 criminal history record information and background investigation  
2 of a prospective deputy or investigator of the department of  
3 security of the commission. The commission shall reimburse the  
4 agency for the actual costs of an investigation.

5 (e) At least once every two years, the executive director  
6 shall employ an independent firm that is experienced in security,  
7 including computer security and systems security, to conduct a  
8 comprehensive study of all aspects of casino gaming and sports  
9 wagering security.

10 Sec. 2201.118. PROHIBITED GAMBLING GAMES. (a) Except as  
11 provided by this subtitle or other law, the executive director or  
12 any other person may not establish or operate a gambling game in  
13 which the winner is chosen on the basis of the outcome of a live  
14 sporting event.

15 (b) Except as provided by this subtitle, the operation of  
16 any game using a slot machine or other gaming device is prohibited.

17 Sec. 2201.119. DEPARTMENT OF PUBLIC SAFETY RECORDS. (a)  
18 Except as otherwise provided by this subtitle, all files, records,  
19 information, compilations, documents, photographs, reports,  
20 summaries, and reviews of information and related matters  
21 collected, retained, or compiled by the Department of Public Safety  
22 in the discharge of its duties under this subtitle are confidential  
23 and are not subject to public disclosure.

24 (b) An investigation report or other document submitted by  
25 the Department of Public Safety to the commission becomes part of  
26 the investigative files of the commission.

27 (c) Information that is made available to the public is not

1 privileged or confidential under this section and is subject to  
2 public disclosure.

3 Sec. 2201.120. CRIMINAL BACKGROUND INVESTIGATION FOR  
4 CASINO GAMING OR SPORTS WAGERING. (a) The commission is entitled  
5 to conduct an investigation of and is entitled to obtain criminal  
6 history record information maintained by the Department of Public  
7 Safety, the Federal Bureau of Investigation Identification  
8 Division, or another law enforcement agency to assist in the  
9 criminal background investigation of any person directly involved  
10 with casino gaming, sports wagering, or other gambling regulated  
11 under this subtitle.

12 (b) Except as otherwise provided by this subtitle, a  
13 criminal background investigation is governed by commission rules  
14 adopted under this chapter.

15 (c) The Department of Public Safety or a state or local law  
16 enforcement agency in this state, in accordance with an interagency  
17 agreement with the commission, shall provide any assistance  
18 requested by the commission in the administration and enforcement  
19 of this subtitle, including conducting criminal background  
20 investigations of a person seeking a license required under this  
21 subtitle or of any person required to be named in an application for  
22 a license under this subtitle.

23 (d) This section does not limit the commission's right to  
24 obtain criminal history record information from any other local,  
25 state, or federal agency. The commission may enter into a  
26 confidentiality agreement with the agency as necessary and proper.

27 (e) Except as otherwise provided by this subtitle or other

1 law, criminal history record information obtained by the commission  
2 under this section may be disclosed only:

3 (1) to another law enforcement agency to assist in or  
4 further an investigation related to the commission's operation and  
5 oversight of gaming; or

6 (2) under a court order.

7 Sec. 2201.121. PLAYER AGREEMENT TO ABIDE BY RULES AND  
8 INSTRUCTIONS. By participating as a player, a player agrees to  
9 abide by and be bound by the commission's and the license holder's  
10 rules and instructions, including the rules or instructions  
11 applicable to the particular gambling game or sports wagering  
12 involved. The player also agrees that the determination of whether  
13 the player is a valid winner is subject to:

14 (1) the commission's and the license holder's rules,  
15 instructions, and claims procedures, including those developed for  
16 the particular gambling game or sports wagering involved;

17 (2) any validation tests established by the commission  
18 for the particular gambling game or sports wagering involved; and

19 (3) the limitations and other provisions prescribed by  
20 this subtitle.

21 Sec. 2201.122. VENUE FOR CRIMINAL PROCEEDING. Venue is  
22 proper in Travis County or any county in which venue is proper under  
23 Chapter 13, Code of Criminal Procedure, for:

24 (1) an offense under this subtitle;

25 (2) an offense under the Penal Code, if the accused:

26 (A) is regulated under this subtitle; and

27 (B) is alleged to have committed the offense

1 while engaged in casino gaming or sports wagering activities; or  
2 (3) an offense under Title 7 or 11, Penal Code, that  
3 involves property consisting of or including a gaming device or  
4 gambling game prize.

5 SUBCHAPTER D. PUBLIC PARTICIPATION AND COMPLAINT PROCEDURES

6 Sec. 2201.151. PUBLIC INTEREST INFORMATION. (a) The  
7 commission shall prepare and disseminate consumer information that  
8 describes the regulatory functions of the commission and the  
9 procedures by which consumer complaints are filed with and resolved  
10 by the commission.

11 (b) The commission shall make the information available to  
12 the public and appropriate state agencies.

13 Sec. 2201.152. COMPLAINTS. (a) The commission by rule  
14 shall establish methods by which consumers and service recipients  
15 are notified of the name, mailing address, telephone number, and  
16 other contact information of the commission for the purpose of  
17 directing complaints to the commission. The commission may provide  
18 for that notice:

19 (1) on each form, application, or written contract for  
20 services of a person regulated under a law administered by the  
21 commission;

22 (2) on a sign prominently displayed in the place of  
23 business of each person regulated under a law administered by the  
24 commission; or

25 (3) in a bill for service provided by a person  
26 regulated under this subtitle.

27 (b) The commission shall list with its regular telephone



1 number any toll-free telephone number established under other state  
2 law that may be called to present a complaint about a person  
3 regulated under this subtitle.

4 Sec. 2201.153. RECORDS OF COMPLAINTS. (a) The commission  
5 shall maintain a system to promptly and efficiently act on  
6 complaints filed with the commission. The commission shall  
7 maintain:

8 (1) information about the parties to the complaint and  
9 the subject matter of the complaint;

10 (2) a summary of the results of the review or  
11 investigation of the complaint; and

12 (3) information about the disposition of the  
13 complaint.

14 (b) The commission shall make information available  
15 describing its procedures for complaint investigation and  
16 resolution.

17 (c) The commission shall periodically notify the parties of  
18 the status of the complaint until final disposition of the  
19 complaint.

20 Sec. 2201.154. GENERAL RULES REGARDING COMPLAINT  
21 INVESTIGATION AND DISPOSITION. The commission shall adopt rules  
22 concerning the investigation of a complaint filed with the  
23 commission. The rules must:

24 (1) distinguish between categories of complaints;

25 (2) ensure that complaints are not dismissed without  
26 appropriate consideration;

27 (3) require that the commission be advised of a

1 complaint that is dismissed and that a letter be sent to the person  
2 who filed the complaint explaining the action taken on the  
3 dismissed complaint;

4 (4) ensure that the person who files a complaint has an  
5 opportunity to explain the allegations made in the complaint; and

6 (5) prescribe guidelines concerning the categories of  
7 complaints that require the use of a private investigator and the  
8 procedures for the commission to obtain the services of a private  
9 investigator.

10 Sec. 2201.155. DISPOSITION OF COMPLAINT. (a) The  
11 commission shall:

12 (1) dispose of each complaint in a timely manner; and

13 (2) establish a schedule for conducting each phase of  
14 a complaint that is under the control of the commission not later  
15 than the 30th day after the date the commission receives the  
16 complaint.

17 (b) Each party shall be notified of the projected time  
18 requirements for pursuing the complaint. The commission shall  
19 notify each party to the complaint of any change in the schedule  
20 established under Subsection (a)(2) not later than the seventh day  
21 after the date the change is made.

22 (c) The executive director shall notify the commission of a  
23 complaint that is not resolved within the time prescribed by the  
24 commission for resolving the complaint.

25 Sec. 2201.156. PUBLIC PARTICIPATION. (a) The commission  
26 shall develop and implement policies that provide the public with a  
27 reasonable opportunity to appear before the commission and to speak

1 on any issue under the commission's jurisdiction.

2 (b) The commission shall prepare and maintain a written plan  
3 that describes how a person who does not speak English may be  
4 provided reasonable access to the commission's programs.

5 Sec. 2201.157. INFORMAL SETTLEMENT CONFERENCE. The  
6 commission by rule shall establish procedures for an informal  
7 settlement conference related to a complaint filed with the  
8 commission.

9 CHAPTER 2202. CASINO GAMING; SPORTS WAGERING

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 2202.001. PUBLIC POLICY. (a) All casino gaming and  
12 sports wagering that is conducted in this state and that is  
13 authorized by law shall be regulated and licensed under this  
14 chapter, unless federal law or another state law specifically  
15 provides otherwise.

16 (b) The legislature hereby finds, and declares it to be the  
17 public policy of this state, that:

18 (1) the development of regulated casino gaming at a  
19 limited number of destination resorts in the state will benefit the  
20 general welfare of the people of this state by enhancing  
21 investment, economic development, and tourism in this state,  
22 resulting in thousands of new jobs and significant new revenue to  
23 the state for essential services;

24 (2) the conduct of regulated casino gaming by adults  
25 of legal age in a limited number of destination resorts will not  
26 harm the welfare of this state;

27 (3) the regulation of casino gaming and sports

1 wagering in this state is important to ensure that casino gaming and  
2 sports wagering is:

3 (A) conducted honestly and competitively; and

4 (B) free from criminal and corruptive elements;

5 (4) public confidence and trust can be maintained only  
6 by strict regulation of all persons, locations, practices,  
7 associations, and activities related to the conduct of casino  
8 gaming, the casino service industry, and sports wagering;

9 (5) persons owning any direct or indirect material  
10 interest in a casino should be licensed and controlled to protect  
11 the public health, safety, morals, good order, and general welfare  
12 of the people of this state;

13 (6) certain operators and employees of casinos should  
14 be regulated, licensed, and controlled to accomplish and promote  
15 these public policies while protecting the public health, safety,  
16 morals, good order, and general welfare of the people of this state;

17 (7) certain persons engaging in the casino service  
18 industry should be regulated, licensed, and controlled to  
19 accomplish and promote these public policies while protecting the  
20 public health, safety, morals, good order, and general welfare of  
21 the people of this state; and

22 (8) it is the intent of the legislature that the  
23 resources, goods, labor, and services of the people of this state be  
24 used, where possible, in the operation and construction of  
25 destination resorts, casinos, and related amenities to the extent  
26 allowable by law.

27 Sec. 2202.002. EXEMPTION FROM FEDERAL STATUTE. (a) This

1 chapter provides an exemption to the application of 15 U.S.C.  
2 Section 1172, in accordance with that section.

3 (b) All shipments of gaming devices into this state,  
4 including slot machines, conducted in compliance with the  
5 applicable provisions of 15 U.S.C. Sections 1173 and 1174 are legal  
6 shipments of the devices into this state.

7 Sec. 2202.003. CONSTRUCTION; APPLICABILITY OF OTHER LAWS.

8 (a) Nothing in this chapter may be construed to implicitly repeal  
9 or modify existing state laws with respect to gambling, except that  
10 casino gaming and sports wagering is not prohibited by another law  
11 if conducted as authorized under this chapter.

12 (b) To the extent of any conflict between Chapter 2003,  
13 Government Code, and this chapter or a commission rule governing  
14 casino gaming or sports wagering, this chapter or the commission  
15 rule prevails in all matters related to casino gaming or sports  
16 wagering, including in connection with hearings before the State  
17 Office of Administrative Hearings.

18 (c) This chapter prevails to the extent of any conflict  
19 between this chapter and a provision of Subtitle A-1, Title 13  
20 (Texas Racing Act).

21 Sec. 2202.004. AUTHORITY TO IMPLEMENT CASINO GAMING AND  
22 SPORTS WAGERING. (a) The commission may implement casino gaming  
23 and sports wagering in accordance with this subtitle.

24 (b) The commission shall allow the operation of limited  
25 casino gaming pursuant to this subtitle at locations on Indian  
26 lands in accordance with an effective gaming agreement and in  
27 compliance with applicable federal law.

1       Sec. 2202.005. IMMUNITY FOR STATEMENT MADE IN PROCEEDING OR  
2 INVESTIGATION. Any member or agent of the commission or any witness  
3 testifying under oath has absolute privilege for any written or  
4 oral statement made in the course of, and relevant to the purpose  
5 of, an official commission proceeding or investigative activities  
6 related to commission licensing under this chapter. Such written or  
7 oral statement does not impose liability for defamation or  
8 constitute a ground for recovery in any civil action.

9       Sec. 2202.006. FINDING OF SUITABILITY. To promote the  
10 integrity and security of casino gaming and sports wagering under  
11 this subtitle, the commission in its discretion may require a  
12 finding of suitability for any person conducting business with or  
13 in relation to the operation of casino gaming or sports wagering who  
14 is not otherwise required to obtain a license from the commission  
15 for the person's operations.

16       Sec. 2202.007. CONSENT TO COMMISSION DETERMINATION. (a)  
17 An application for a license under this chapter constitutes a  
18 request to the commission for a decision on the applicant's general  
19 suitability, character, integrity, and ability to participate or  
20 engage in or be associated with casino gaming or sports wagering  
21 under this chapter in the manner or position sought.

22       (b) By filing an application with the commission, the  
23 applicant specifically consents to the commission's determination  
24 if the application, after filing, becomes moot for any reason other  
25 than death.

26       Sec. 2202.008. LICENSING AS REVOCABLE PERSONAL PRIVILEGES.

27 (a) An applicant for a license under this chapter does not have any

1 right to the license sought.

2 (b) Any license issued under this chapter is a revocable  
3 privilege, and not a right or property under the United States  
4 Constitution or the Texas Constitution. An applicant or license  
5 holder does not acquire any vested right in or under the privilege.

6 (c) The courts of this state have jurisdiction to review a  
7 decision to deny, limit, or condition a casino license pursuant to  
8 Section 2202.357 or if judicial review is sought on the ground that  
9 the denial, limitation, or condition violates the Texas  
10 Constitution or is based on a suspect classification, such as race,  
11 color, religion, sex, or national origin, in violation of the Equal  
12 Protection Clause of the Fourteenth Amendment to the United States  
13 Constitution. The state court must affirm the commission's action  
14 unless the violation is proven by clear and convincing evidence.

15 (d) A license issued or renewed under this chapter may not  
16 be transferred or assigned to another person unless approved in  
17 advance by the commission, and a license may not be pledged as  
18 collateral. The purchaser or successor of a license holder must  
19 independently qualify for a license required by this chapter.

20 (e) The following acts are void unless approved by the  
21 commission in advance or within 60 days of the occurrence of the  
22 act:

23 (1) the transfer, sale, or other disposition of an  
24 interest in the license holder that results in a change in the  
25 identity of an equity interest holder requiring qualification under  
26 Section 2202.060; or

27 (2) the sale of the assets of the license holder, other

1 than assets bought and sold in the ordinary course of business, or  
2 any interest in the assets, to any person not already determined to  
3 have met the applicable qualifications of this chapter.

4 Sec. 2202.009. PRIZE RULES, PAYMENT, AND REDEMPTION. (a)  
5 The payment of prizes is the sole and exclusive responsibility of  
6 the casino license holder or operator license holder. A prize may  
7 not be paid by the commission or this state except as otherwise  
8 authorized.

9 (b) Nothing in this chapter limits the ability of a casino  
10 license holder or an operator license holder to provide promotional  
11 prizes, including wide area progressive networks, in addition to  
12 prize payouts regulated by the commission.

13 (c) The commission shall enact rules consistent with this  
14 section governing the use and redemption of prizes and credits  
15 recorded on player account records, such as players' club cards and  
16 smart cards.

17 Sec. 2202.010. REPORT ON LITIGATION. (a) A casino license  
18 holder or an operator license holder shall report to the commission  
19 any litigation relating to casino or sports wagering operations,  
20 including a criminal proceeding, a proceeding involving an issue  
21 related to pari-mutuel activities that impact casino gaming or  
22 sports wagering operations, or a matter related to character or  
23 reputation relevant to a person's suitability under this chapter.

24 (b) The report required under Subsection (a) must be filed  
25 not later than the 30th day after the date the license holder  
26 acquires knowledge of the litigation.

27 Sec. 2202.011. COMMISSION APPROVAL REQUIRED FOR PROCEDURES



1 AND ADMINISTRATIVE AND ACCOUNTING CONTROLS. (a) The commission's  
2 or executive director's approval is required for all internal  
3 procedures and administrative and accounting controls of a casino  
4 license holder or an operator license holder.

5 (b) The commission by rule shall establish general  
6 accounting and auditing requirements and internal control  
7 standards for the conduct of casino gaming at casinos.

8 Sec. 2202.012. GAMING EMPLOYEE REPORTING. (a) In this  
9 section, "employee" includes any person connected directly with or  
10 compensated by an applicant or license holder as an agent, personal  
11 representative, consultant, or independent contractor.

12 (b) On or before the 15th day of each month, a casino owner  
13 or casino operator license holder shall submit to the commission a  
14 gaming employee report for the casino operated by the owner or  
15 operator. For each gaming employee, the report must provide the  
16 employee's name, job title, date of birth, and social security  
17 number.

18 (c) The gaming employee report is confidential and may not  
19 be disclosed except under commission order or in accordance with  
20 this subtitle.

21 (d) The commission may conduct criminal history background  
22 investigations of gaming employees.

23 (e) The commission may prohibit an employee from performing  
24 any act relating to gaming if the commission finds that an employee  
25 has:

26 (1) committed, attempted, or conspired to commit any  
27 act prohibited by this chapter;

1           (2) concealed or refused to disclose any material fact  
2 in any commission investigation;

3           (3) committed, attempted, or conspired to commit an  
4 offense involving or related to larceny or embezzlement;

5           (4) been convicted in any jurisdiction of an offense  
6 involving or relating to gambling;

7           (5) accepted and continued in employment in a position  
8 for which commission approval is required after commission approval  
9 was denied for a reason involving personal unsuitability or after  
10 failing to apply for approval on commission request;

11           (6) been prohibited under color of governmental  
12 authority from being present on the premises of any casino or any  
13 establishment where casino gaming or pari-mutuel wagering is  
14 conducted for any reason relating to improper gambling activity or  
15 other illegal acts;

16           (7) wilfully defied any legislative investigative  
17 committee or other officially constituted body acting on behalf of  
18 the United States or any state, county, or municipality that sought  
19 to investigate alleged or potential crimes relating to gambling,  
20 corruption of public officials, or any organized criminal  
21 activities; or

22           (8) been convicted of any felony or any crime  
23 involving moral turpitude.

24           (f) The commission may prohibit an employee from performing  
25 any act relating to casino gaming based on a revocation or  
26 suspension of any casino gaming or pari-mutuel wagering license or  
27 for any other reason the commission finds appropriate, including a

1 refusal by a regulatory authority to issue a license for the  
2 employee to engage in or be involved with casino gaming or with  
3 other regulated gaming or pari-mutuel wagering in any jurisdiction.

4 Sec. 2202.013. REPORT OF VIOLATIONS. A person who holds a  
5 license under this chapter shall immediately report a violation or  
6 suspected violation of this chapter or a rule adopted under this  
7 chapter by any license holder, by an employee of a license holder,  
8 or by any person on the premises of a casino, whether or not  
9 associated with the license holder.

10 Sec. 2202.014. INDEMNIFICATION, INSURANCE, AND BONDING  
11 REQUIREMENTS. (a) A license holder shall indemnify and hold  
12 harmless this state, the commission, and all officers and employees  
13 of this state and the commission from any and all claims which may  
14 be asserted against a license holder, the commission, this state,  
15 and the members, officers, employees, and authorized agents of this  
16 state or the commission arising from the license holder's  
17 participation in casino gaming authorized under this subtitle.

18 (b) Surety and insurance required under this chapter may  
19 only be issued by companies or financial institutions financially  
20 rated "A-" or better as rated by AM Best Company or another rating  
21 organization designated by the commission and duly licensed,  
22 admitted, and authorized to conduct business in this state, or by  
23 other surety approved by the commission.

24 (c) The commission shall be named as the obligee in each  
25 required surety and as an additional insured in each required  
26 insurance contract.

27 (d) A casino license holder or an operator license holder

1 may not be self-insured with regard to gaming operations under this  
2 section in excess of \$50,000,000 per occurrence.

3 (e) The commission by rule shall establish minimum  
4 insurance coverage requirements for license holders under this  
5 chapter, including:

6 (1) crime or fidelity insurance against losses caused  
7 by fraudulent or dishonest acts by an officer or employee of the  
8 license holder;

9 (2) commercial general liability insurance;

10 (3) property insurance;

11 (4) business auto liability insurance.

12 Sec. 2202.015. LIABILITY FOR CREDIT AWARDED OR DENIED;  
13 PLAYER DISPUTE. This state and the commission are not liable for  
14 any gaming device malfunction or error occurring at a casino that  
15 causes credit to be wrongfully awarded or denied to players.

16 SUBCHAPTER B. CASINO LICENSE

17 Sec. 2202.051. CASINO LICENSE; LIMITED NUMBER; CASINO  
18 LOCATIONS. (a) Casino gaming and sports wagering may be lawfully  
19 conducted in a casino operating under a casino license. The  
20 commission shall issue casino licenses as required and limited by  
21 the Texas Constitution.

22 (b) A person may not own an equity interest in a casino at  
23 which casino gaming, sports wagering, or other gambling is  
24 conducted in this state unless the casino is operating under a  
25 casino license issued for the conduct of gambling at that casino.

26 (c) A separate casino license must be obtained for each  
27 casino conducting casino gaming, sports wagering, or other gambling

1 regulated by the commission. The commission shall not issue a  
2 casino license if such issuance would cause the number of active  
3 casino licenses to exceed any limit established by the Texas  
4 Constitution or this subtitle.

5 (d) The commission shall not issue a casino license for a  
6 casino located outside of an area where a casino may be located  
7 pursuant to the Texas Constitution and this subtitle.

8 (e) The commission may issue a temporary license for one  
9 year or less to authorize the casino license holder to temporarily  
10 conduct casino gaming and sports wagering in accordance with  
11 commission rules at a location within 20 miles of the site for which  
12 the casino license was issued.

13 (f) For purposes of determining the location of a casino, a  
14 casino is considered to be located in the county in which the main  
15 public entrance to the casino is located.

16 Sec. 2202.052. APPLICATION. (a) A person seeking a casino  
17 license shall submit an application in accordance with commission  
18 rules containing information the commission finds necessary to  
19 determine:

20 (1) the suitability and eligibility of the applicant;  
21 (2) the eligibility of the proposed location; and  
22 (3) the economic impact of the overall destination  
23 resort or casino project.

24 (b) In addition to any other information the commission may  
25 require, an application must include the following information  
26 concerning the feasibility of the overall destination resort:

27 (1) proof that casino gaming was approved by the

1 constitutional amendment proposed by the 88th Legislature, Regular  
2 Session, 2023, authorizing and regulating casino gaming at  
3 destination resorts;

4 (2) evidence that the applicant possesses, or has the  
5 right to acquire, sufficient real property on which the proposed  
6 destination resort will be located that accommodates the  
7 applicant's construction and operation of the destination resort  
8 substantially as proposed;

9 (3) evidence that the applicant will meet, and a  
10 specific schedule for meeting, all requirements established by the  
11 Texas Constitution to conduct casino gaming, including  
12 satisfaction of any minimum new investment commitment;

13 (4) evidence that the applicant is of good character,  
14 honesty, and integrity;

15 (5) evidence that issuance of the casino license will  
16 not be detrimental to the public interest or the casino gaming  
17 industry;

18 (6) a detailed estimate of the total new investment to  
19 be made by the applicant for the destination resort and evidence of  
20 the applicant's financial capacity to operate and complete  
21 development of the destination resort;

22 (7) evidence that the applicant possesses, or  
23 reasonably expects to obtain, all state, county, and municipal  
24 permits and approvals necessary for the construction and operation  
25 of the proposed destination resort within the time prescribed in  
26 this chapter; and

27 (8) evidence that the applicant is prepared to begin

1 construction of its proposed destination resort within 24 months of  
2 receiving a casino license and to proceed with the construction of  
3 the destination resort or casino without unnecessary delay.

4 (c) An applicant may apply for not more than two casino  
5 licenses but must submit a separate application for each  
6 destination resort for which a casino license is sought.

7 Sec. 2202.053. CASINO LICENSE ISSUED TO INDIAN TRIBE;  
8 AGREEMENT. (a) In addition to the casino licenses issued under  
9 this subchapter, the commission may issue a casino license to a  
10 federally recognized Indian tribe that had Indian lands in this  
11 state held in trust by the United States on January 1, 1998. A  
12 license issued under this subsection authorizes the tribe to  
13 operate not more than one casino on Indian lands held in trust by  
14 the United States on January 1, 1998.

15 (b) A casino license issued by the commission under  
16 Subsection (a) to an Indian tribe constitutes an agreement between  
17 this state and the tribe for purposes of the Indian Gaming  
18 Regulatory Act (18 U.S.C. Sections 1166-1168 and 25 U.S.C. Section  
19 2701 et seq.).

20 (c) An Indian tribe to which Subsection (a) applies may, in  
21 lieu of a casino license, operate a casino on Indian lands described  
22 by Subsection (a) under an agreement with this state. The agreement  
23 is governed by this chapter and Chapter 2203.

24 (d) A casino license may not be issued for a location in an  
25 area in which casino gaming is prohibited under a gaming agreement  
26 between an Indian tribe and this state.

27 Sec. 2202.054. MANDATORY REQUIREMENTS. (a) A company is

1 eligible to apply for and hold a casino license only if:

2 (1) the company is incorporated or organized and in  
3 good standing in this state or organized under the laws of another  
4 state of the United States and qualified to conduct business in this  
5 state; and

6 (2) the company complies with all laws of this state.

7 (b) To be eligible to receive a casino license, an applicant  
8 must submit an application to the commission by the date  
9 established by the commission.

10 (c) An application may not be considered filed for purposes  
11 of this chapter if the application does not include the information  
12 prescribed by Section 2202.052(b) or is not accompanied by the  
13 required application fee.

14 Sec. 2202.055. CASINO LICENSE INITIAL AND CONTINUING  
15 SUITABILITY CONSIDERATIONS. (a) The commission shall determine  
16 the initial and continuing suitability of each applicant for or  
17 holder of a casino license based on suitability criteria the  
18 commission prescribes by rule to ensure that all casino license  
19 holders are of good character, honesty, integrity, and financial  
20 stability, that a casino license holder has sufficient business  
21 probity and competence, and that a casino license holder meets  
22 other applicable qualifications for the issuance of the license.

23 (b) The commission shall give due consideration to the  
24 protection of the public health, safety, morals, and general  
25 welfare of the people of this state and for the reputation of the  
26 state's casino gaming industry.

27 (c) In considering the initial and continuing suitability



1 of an applicant for or holder of a casino license, the commission  
2 shall consider:

3 (1) whether the applicant or casino license holder is  
4 a "qualified applicant" as defined by Section 47-a, Texas  
5 Constitution;

6 (2) the applicant's or casino license holder's  
7 experience in conducting licensed casino gaming operations and the  
8 applicant's financial ability to promptly construct and adequately  
9 maintain the proposed casino project; and

10 (3) the applicant's or casino license holder's  
11 progress towards satisfaction of any minimum new investment  
12 commitment established in the Texas Constitution and the schedule  
13 specified in the application.

14 (d) In determining whether an applicant meets any minimum  
15 investment commitment established in the Texas Constitution, the  
16 commission may not consider the expenditure of any public money or  
17 facilities developed or built with public assistance or tax  
18 incentives of any kind.

19 (e) The burden of proving suitability to receive or hold a  
20 casino license is on the applicant or license holder.

21 (f) In considering the initial and continuing suitability  
22 of an applicant for or holder of a casino license, the commission  
23 may consider the suitability of:

24 (1) each person holding an equity interest in the  
25 applicant or license holder requiring qualification under Section  
26 2202.060;

27 (2) each person holding, or proposed to receive, an

1 operator license, occupational license, or manufacturer license  
2 employed by or conducting business with the applicant or license  
3 holder; and

4 (3) each affiliate of the applicant or license holder.

5 (g) An applicant for or holder of a casino license may not  
6 receive or hold a casino license if the person or an officer or  
7 director:

8 (1) has been convicted of a felony in the past 20 years  
9 under the laws of this state, any other state, or the United States;

10 (2) has ever knowingly or intentionally submitted an  
11 application for a license under this chapter that contained false  
12 information;

13 (3) served as a principal manager for an applicant or  
14 license holder described by Subdivision (1) or (2);

15 (4) retains or employs another person described by  
16 Subdivision (2);

17 (5) holds a manufacturer license or casino service  
18 license;

19 (6) is a commission member; or

20 (7) is a member of the judiciary or an elected official  
21 of this state.

22 (h) The commission may adopt rules providing for a person's  
23 reciprocal determination of suitability to hold a casino license  
24 based in part on a determination of suitability to own and operate a  
25 casino in any other jurisdiction the commission considers  
26 reasonable in light of the purpose of this chapter.

27 Sec. 2202.056. REVIEW OF APPLICATION. (a) The commission

1 shall issue an order approving or denying an application for a  
2 casino license not later than 180 days after the date the  
3 application is filed.

4 (b) The commission may adopt rules for issuing any temporary  
5 or interim licenses the commission finds necessary to administer  
6 this chapter.

7 Sec. 2202.057. TRANSFERABILITY; SITE. A casino license is  
8 not transferable unless approved in advance by the commission. A  
9 casino license authorizes casino gaming only at the specific site  
10 identified in the license.

11 Sec. 2202.058. REPLACEMENT CASINO LICENSE. (a) Provided  
12 that the number and location of casinos operating pursuant to  
13 active casino licenses does not exceed any limit or violate any  
14 restriction established by the Texas Constitution, if a casino  
15 license has expired without being renewed, been revoked, or been  
16 permanently surrendered, the commission may issue a replacement  
17 casino license to an applicant that proposes to conduct casino  
18 gaming at the same destination resort that operated pursuant to the  
19 now-expired, now-revoked, or now-permanently surrendered license  
20 or at a new destination resort located in the same metropolitan  
21 statistical area. A casino license issued to conduct casino gaming  
22 at a new destination resort located in the same metropolitan  
23 statistical area as a destination resort that operated pursuant to  
24 a now-expired, now-revoked, or now-permanently surrendered license  
25 shall include a condition requiring the license holder to make  
26 minimum new investments for the development of the new destination  
27 resort in the amount required of an initial qualified applicant, as

1 that term is used in the Texas Constitution.

2 (b) In determining whether to issue a casino license to an  
3 applicant under Subsection (a), the commission shall determine the  
4 initial suitability of the applicant using the considerations and  
5 requirements established in Sections 2202.054 and 2202.055.

6 (c) The commission may adopt rules providing additional  
7 considerations or requirements related to issuance of a casino  
8 license pursuant to Subsection (a).

9 Sec. 2202.059. DENIAL, SUSPENSION, AND REVOCATION. (a)  
10 The commission may deny an application for a casino license or  
11 suspend or revoke a casino license if the commission determines  
12 that the applicant or casino license holder is unsuitable to hold a  
13 casino license based on the applicant's or casino license holder's  
14 failure to meet or maintain the requirements of Section 2202.054 or  
15 the applicant's or casino license holder's lack of suitability as  
16 determined by the commission pursuant to Section 2202.055.

17 (b) If the commission has reasonable grounds to believe that  
18 an applicant may be unsuitable as provided by Subsection (a), the  
19 commission shall conduct an investigation and hearing under  
20 Sections 2202.351 and 2202.356 and may, based on its determination,  
21 deny issuance of the license.

22 (c) If the commission has reasonable grounds to believe that  
23 a casino license holder may be unsuitable to continue to hold a  
24 casino license, the commission shall conduct an investigation and  
25 hearing under Sections 2202.351 and 2202.356 and may, based on its  
26 determination, suspend, limit, or revoke the license. On  
27 suspension or revocation of a casino license, the license holder

1 must immediately cease all casino gaming activities.

2 (d) If the holder of a casino license fails to begin  
3 construction of a casino within 24 months after the receipt of the  
4 casino license, or fails to begin casino gaming operations within  
5 five years after the receipt of the license, the license may be  
6 forfeited, unless the commission, for good cause, has previously  
7 granted an appropriate extension of time. The commission shall  
8 adopt rules regarding the process and substantive reasons for  
9 granting an extension of time.

10 Sec. 2202.060. REGISTRATION OF INTEREST IN APPLICANT OR  
11 LICENSE HOLDER. (a) Except as provided by Subsection (b), a person  
12 who directly or indirectly owns an equity interest in an applicant  
13 for a casino license or a casino license holder shall register and  
14 qualify with the commission under commission rules and shall  
15 provide information the commission finds necessary to determine the  
16 suitability and eligibility of the person to retain the interest.

17 (b) The following persons are not required to register or  
18 qualify under this section:

19 (1) a key employee of the casino license holder that is  
20 required to apply for an occupational license under Section  
21 2202.102;

22 (2) an institutional investor that is a record owner  
23 of 25 percent or less of the total equity of the casino license  
24 holder;

25 (3) a person that beneficially owns five percent or  
26 less of the total equity of the casino license holder; and

27 (4) any other group or class of persons that the

1 commission by rule exempts from registration or qualification.

2 (c) A casino license holder shall provide to the commission  
3 the name, address, and interest in the casino license holder of each  
4 person who is exempt from registration or qualification under  
5 Subsection (b).

6 (d) A registration filed under this section must be  
7 accompanied by the application fee set out in Section 2202.202.

8 Sec. 2202.061. TRANSFERABILITY OF INTEREST; LIMITATION ON  
9 OWNERSHIP. (a) Except as provided by this subsection, a casino  
10 license holder may not issue an equity interest to a person without  
11 the commission's determination of the qualification of the proposed  
12 subscriber or purchaser to hold the interest. A casino license  
13 holder that is a publicly held company or is wholly owned by one or  
14 more publicly held companies may issue equity interests of five  
15 percent or less of its equity interest to any person without the  
16 consent of the commission.

17 (b) A person beneficially owning more than five percent of  
18 the equity interest of a casino license holder may not transfer an  
19 interest in the license holder requiring qualification under  
20 Section 2202.060 to any person without the commission's  
21 determination of the qualification of the proposed transferee to  
22 hold the interest, except that a person may transfer five percent or  
23 less of its interest in the license holder to an affiliate of the  
24 transferor or an individual related to the transferor within the  
25 fourth degree by affinity or consanguinity, as determined under  
26 Chapter 573, Government Code, provided that notice is given to the  
27 commission at least 90 days in advance of the transfer.

1       (c) A person beneficially owning more than five percent of  
2 the equity interest of a casino license holder may not  
3 simultaneously beneficially own more than five percent of the  
4 equity interest of more than one other casino license holder  
5 licensed under this subtitle.

6       (d) A subscriber or proposed transferee of an interest by a  
7 casino license holder shall provide the commission with information  
8 the commission considers necessary to determine the qualification  
9 of the person. The commission, not later than 60 days after the  
10 date of the application, shall determine the qualification of a  
11 subscriber or proposed transferee and approve or deny the issuance  
12 or transfer.

13       Sec. 2202.062. DETERMINATION OF QUALIFICATION. (a) The  
14 commission shall determine the qualification of a person to acquire  
15 or continue to hold an equity interest in an applicant for or holder  
16 of a casino license based on the qualification requirements the  
17 commission adopts for the protection of the public interest to  
18 ensure that persons holding securities issued by license holders  
19 are of good character, honesty, integrity, and financial stability,  
20 and are otherwise qualified to hold the interest.

21       (b) The burden of proving qualification to acquire or hold  
22 an equity interest in a license holder is on the person acquiring or  
23 holding the interest.

24       (c) A person is unsuitable to acquire or retain an equity  
25 interest in an applicant for or holder of a casino license if the  
26 person would be unsuitable to receive a casino license under  
27 Section 2202.055(g).

1       (d) If the commission has reasonable grounds to believe that  
2 a person holding an equity interest in an applicant for or holder of  
3 a casino license may be unqualified to retain the person's  
4 interest, the commission shall conduct an investigation and hearing  
5 under Sections 2202.351 and 2202.356 and may, based on its  
6 determination, issue an unsuitability finding and divestiture  
7 order to the holder of the interest and the issuer of the interest.  
8 On receipt of a divestiture order, the person holding the interest  
9 shall tender the person's entire interest for purchase to the  
10 issuer or a third party on terms the commission approves.

11       (e) If the commission issues an unsuitability finding and  
12 divestiture order to a holder of an equity interest, the person  
13 subject to the order may not:

14               (1) receive, directly or indirectly, a dividend,  
15 interest, payment, or distribution of any kind relating to the  
16 security that is the subject of the order; or

17               (2) exercise, directly or indirectly, any voting power  
18 or other right with respect to the security to which the order  
19 relates.

20       (f) A person subject to an order may receive payment for the  
21 sale of the person's interest on terms the commission approves.

22       Sec. 2202.063. HORSE RACING; GREYHOUND RACING; SCOPE OF  
23 COMMISSION AUTHORITY GOVERNING RACETRACK ASSOCIATIONS. (a) The  
24 commission by rule shall ensure that a casino license holder that is  
25 also a racetrack association that holds a license to conduct a horse  
26 race meeting pursuant to Subtitle A-1, Title 13 (Texas Racing Act)  
27 at a class 1 racetrack continues to maintain live horse racing



1 operations consistent with a minimum number of live race dates that  
2 were conducted in the calendar year 2022.

3 (b) A racetrack association that holds a license to conduct  
4 a greyhound race meeting pursuant to Subtitle A-1, Title 13 (Texas  
5 Racing Act) shall cease all greyhound racing operations and  
6 surrender that license as a condition to receiving and holding a  
7 casino license or naming a designee to receive and hold a casino  
8 license as provided by the Texas Constitution.

9 (c) If required by the Texas Constitution, a racetrack  
10 association that holds a license to conduct a race meeting at a  
11 racetrack pursuant to Subtitle A-1, Title 13 (Texas Racing Act)  
12 shall cease all racing operations at that racetrack and surrender  
13 that license as a condition to receiving and holding a casino  
14 license or naming a designee to receive and hold a casino license as  
15 provided by the Texas Constitution.

16 (d) Except as otherwise authorized by the commission, the  
17 casino operations and financial records of a casino license holder  
18 that is also a racetrack association shall be kept separate from the  
19 racing operations and records of the license holder.

20 (e) Activities regulated by the Texas Racing Commission  
21 pursuant to Subtitle A-1, Title 13 (Texas Racing Act) are not  
22 subject to the authority of the commission.

23 Sec. 2202.064. TERM OF CASINO LICENSE. Each casino license  
24 issued under this subchapter expires on the 50th anniversary of the  
25 date of issuance and may be renewed for one or more terms of 50  
26 years.

27 Sec. 2202.065. LOCAL ZONING LAWS. Notwithstanding any

1 other law, destination resorts at which casino gaming is authorized  
2 under this subchapter shall be subject to any applicable local  
3 government zoning and land use regulations in place on January 1,  
4 2023. To the extent destination resorts could be classified under  
5 multiple regulations or classifications, local government zoning  
6 and land use authorities shall treat and classify destination  
7 resorts under the most permissive classification so as to ensure  
8 the maximum economic benefit to the state in the shortest possible  
9 timeline.

10 SUBCHAPTER C. OPERATOR LICENSE AND OCCUPATIONAL LICENSE

11 Sec. 2202.101. OPERATOR LICENSE. A person may not provide  
12 services as an operator unless the person holds an operator  
13 license. An operator license holder must hold a separate operator  
14 license for each casino that the license holder operates.

15 Sec. 2202.102. OCCUPATIONAL LICENSE. (a) Except as  
16 provided by Subsection (b), a person may not be employed as a gaming  
17 employee unless the person holds an occupational license.

18 (b) A casino license holder or operator license holder is  
19 not required to obtain an occupational license to provide services  
20 as a gaming employee in the casino to which the license relates.

21 (c) A casino license holder shall designate not fewer than  
22 one occupational license holder as a key employee having  
23 responsibility over all gaming activities. The commission shall  
24 note on each key employee's occupational license that the  
25 individual is designated as a key employee. At least one key  
26 employee must be available at the casino at all times when casino  
27 gaming is conducted on the casino license holder's premises.

1       Sec. 2202.103. APPLICATION. (a) An application for an  
2 operator license or an occupational license shall be made in  
3 compliance with commission rules and must contain information the  
4 commission finds necessary to determine the suitability and  
5 eligibility of the applicant to function as a casino operator or to  
6 be employed or retained as a gaming employee.

7       (b) An application for an operator license or an  
8 occupational license must be accompanied by the required  
9 application fee.

10       (c) The commission may issue a temporary operator license  
11 and a temporary occupational license. The commission shall adopt  
12 rules regarding the terms of temporary operator licenses and  
13 temporary occupational licenses.

14       Sec. 2202.104. RESIDENCY. A person is eligible to apply for  
15 and hold an operator license or occupational license without regard  
16 to the residency of the applicant.

17       Sec. 2202.105. DETERMINATION OF SUITABILITY. (a) The  
18 commission shall determine the suitability of an applicant for or  
19 holder of an operator license or occupational license based on  
20 suitability criteria the commission adopts in order to ensure that  
21 a license holder:

22               (1) is of good character, honesty, and integrity;

23               (2) has sufficient business probity, competence, and  
24 training or experience in the gaming industry to perform the  
25 function contemplated; and

26               (3) is otherwise qualified to be licensed.

27       (b) The burden of proving suitability to receive and hold an

1 operator license or occupational license is on the applicant or  
2 license holder.

3 (c) In considering the suitability of a company applying for  
4 or holding an operator license or occupational license to receive  
5 and continue to hold the license, the commission shall consider the  
6 suitability of each principal manager and each holder of more than  
7 five percent of the equity interest of the company to individually  
8 receive and hold an occupational license based on the suitability  
9 standards that apply to the applicants for the license generally.

10 (d) A person may not be found suitable to receive or hold an  
11 operator license or occupational license if that person would be  
12 found unsuitable to hold a casino license under Section  
13 2202.055(g), except that an applicant for an operator license or  
14 occupational license who has been convicted of a felony may be found  
15 suitable if the person is found to be adequately rehabilitated  
16 under applicable rehabilitation requirements adopted by the  
17 commission and the applicant or license holder is otherwise  
18 suitable for licensing.

19 Sec. 2202.106. DENIAL, SUSPENSION, AND REVOCATION. (a)  
20 The commission may deny an application for an operator license or  
21 occupational license or suspend, limit, or revoke an operator  
22 license or occupational license for a reasonable cause.

23 (b) If the commission has reasonable cause to believe that  
24 an operator license holder or occupational license holder may be  
25 unsuitable to continue to hold the license, giving due  
26 consideration to the protection of the health, safety, morals, and  
27 general welfare of this state and to the reputation of the state's

1 gaming industry, the commission shall conduct an investigation and  
2 hearing under Sections 2202.351 and 2202.356 and may, based on its  
3 determination, suspend, limit, or revoke the license. On the  
4 suspension or revocation of an operator license or occupational  
5 license, the license holder shall cease the provision of all  
6 services in any capacity requiring a license under Section 2202.101  
7 or 2202.102.

8 (c) A holder of an operator license or occupational license  
9 that has been revoked or suspended may not, while the license is  
10 revoked or suspended:

11 (1) receive, directly or indirectly, any  
12 compensation, consideration, or payment of any kind relating to the  
13 conduct of casino gaming in any capacity requiring a license under  
14 Section 2202.101 or 2202.102, other than the payment for services  
15 rendered before the suspension or revocation; or

16 (2) serve or function in a capacity that would require  
17 a license under Section 2202.101 or 2202.102.

18 SUBCHAPTER D. MANUFACTURER LICENSE AND CASINO SERVICE LICENSE

19 Sec. 2202.151. MANUFACTURER LICENSE. (a) A person may not  
20 engage in any segment of the slot machine manufacturing industry in  
21 this state that requires a manufacturer license under this section  
22 without obtaining a manufacturer license covering that segment of  
23 the industry. This subsection applies only to slot machines  
24 manufactured for use in this state.

25 (b) The commission shall adopt rules identifying segments  
26 of the manufacturing industry directly involved in the design,  
27 manufacture, assembly, production, programming, sale, lease,

1 marketing, distribution, repair, or modification of slot machines  
2 or component parts of slot machines that the commission finds  
3 appropriate for licensing under this section.

4 (c) A manufacturer license is personal to the license holder  
5 and allows the license holder to conduct business with any casino.

6 Sec. 2202.152. CASINO SERVICE LICENSE. (a) A person may  
7 not engage in any segment of the casino service industry that  
8 requires a casino service license under this section without  
9 obtaining a casino service license.

10 (b) The commission shall adopt rules identifying segments  
11 of the casino service industry directly involved with providing  
12 casino gaming-related services, equipment, and supplies that the  
13 commission finds appropriate for licensing under this section.

14 (c) A person is required to obtain a casino service license  
15 if the person:

16 (1) operates, conducts, or maintains a casino  
17 gaming-related business; or

18 (2) furnishes goods, property, or services to a casino  
19 in exchange for:

20 (A) a payment based on a percentage of the  
21 earnings, profits, or receipts from the casino; or

22 (B) a payment the commission finds to be grossly  
23 disproportionate to the value of the goods, property, or service  
24 provided.

25 (d) A utility company, a retail electric provider, a  
26 municipality, or another political subdivision is not required to  
27 obtain a casino service license under this section.

1       (e) A casino service license is personal to the license  
2 holder and allows the license holder to conduct business with any  
3 casino.

4       (f) A casino license holder or operator license holder or an  
5 employee, officer, or director of a casino license holder or  
6 operator license holder is not required to obtain a casino service  
7 license to provide services for or in the casino to which the casino  
8 license or operator license relates.

9       Sec. 2202.153. APPLICATION. (a) A person seeking a  
10 manufacturer license or casino service license shall submit an  
11 application in accordance with commission rules.

12       (b) The application must:

13               (1) contain information the commission finds  
14 necessary to determine the suitability and eligibility of the  
15 applicant; and

16               (2) be accompanied by the required application fee.

17       Sec. 2202.154. DETERMINATION OF SUITABILITY. (a) In  
18 considering the suitability of a company applying for or holding a  
19 manufacturer license or casino service license to receive and  
20 continue to hold the license, the commission shall consider the  
21 suitability of each principal manager and each holder of more than  
22 five percent of the equity interest of the company to individually  
23 receive and hold a manufacturer license or casino service license  
24 based on the suitability standards that apply to the company  
25 applicant.

26       (b) A person may not be found suitable to receive or hold a  
27 manufacturer license or casino service license if that person would

1 be found unsuitable to hold a casino license under Section  
2 2202.055(g), except that an applicant for a manufacturer license or  
3 casino service license who has been convicted of a felony may be  
4 found suitable if the person is found to be adequately  
5 rehabilitated under applicable rehabilitation requirements adopted  
6 by the commission and the applicant or license holder is otherwise  
7 suitable for licensing.

8 Sec. 2202.155. DENIAL, SUSPENSION, AND REVOCATION. (a)  
9 The commission may deny an application for a manufacturer license  
10 or casino service license or suspend, limit, or revoke a  
11 manufacturer license or casino service license for a reasonable  
12 cause.

13 (b) If the commission has reasonable grounds to believe that  
14 a manufacturer license or casino service license holder may be  
15 unsuitable to continue to hold the license, giving due  
16 consideration to the protection of the health, safety, morals, and  
17 general welfare of this state and to the reputation of the state's  
18 gaming industry, the commission shall conduct an investigation and  
19 hearing under Sections 2202.351 and 2202.356 and may, based on its  
20 determination, suspend, limit, or revoke the license.

21 (c) On suspension or revocation of a license, the license  
22 holder must cease the performance of manufacturing activity or  
23 casino service requiring a license under this chapter. After the  
24 revocation or suspension of the license, the affected license  
25 holder may not, while the license is revoked or suspended, receive,  
26 directly or indirectly, compensation, consideration, or payment of  
27 any kind relating to manufacturing activity or provision of casino



1 services in any capacity requiring a license under this chapter,  
2 other than the payment for goods or services provided before the  
3 suspension or revocation.

4 (d) A casino license holder or an operator license holder  
5 who has entered into a lease with a manufacturer license holder or  
6 casino services license holder whose license has been revoked or  
7 suspended may continue to make payments on the lease based on the  
8 original terms and conditions of the lease without modification or  
9 may accelerate the lease and pay it off, at the sole option of the  
10 casino license holder or operator license holder.

11 (e) The burden of proving suitability to receive and hold a  
12 manufacturer license or casino service license is on the applicant  
13 or license holder.

14 SUBCHAPTER E. LICENSE RENEWAL AND FEES

15 Sec. 2202.201. TERMS; RENEWAL. Except as provided by  
16 Section 2202.064, an original or renewal license expires on the  
17 first anniversary of the date it is issued.

18 Sec. 2202.202. APPLICATION FEES. (a) An application fee  
19 received under this section must be:

- 20 (1) deposited in the Texas casino gaming fund; and  
21 (2) used for the operation of the commission.

22 (b) An applicant for a casino license must pay an  
23 application fee of the following amount, regardless of whether the  
24 destination resort with the casino has been constructed:

- 25 (1) \$2.5 million for a license for a casino located  
26 within a destination resort that requires or required a minimum new  
27 investments commitment of at least \$2 billion;

1           (2) \$1.25 million for a license for a casino located  
2 within a destination resort that requires or required a minimum new  
3 investments commitment of at least \$1 billion; or

4           (3) \$500,000 for a license for a casino located within  
5 a destination resort that requires or required a minimum new  
6 investments commitment of at least \$250 million.

7           (c) An applicant for a manufacturer license must pay an  
8 application fee of \$1,000.

9           (d) An applicant for an operator license must pay an  
10 application fee of \$1,000.

11           (e) An applicant for a casino service license must pay an  
12 application fee of \$200.

13           (f) A person registering and applying to qualify to hold an  
14 equity interest in a license holder must pay an application fee of  
15 \$200.

16           (g) An individual applying for an occupational license must  
17 pay an application fee of \$100.

18           (h) All application fees must be in the form of a money order  
19 or cashier's check and be payable to the Texas Gaming Commission,  
20 except that the commission may provide for the payment of the fees  
21 by electronic funds transfer or similar method. Application fees  
22 are nonrefundable.

23           (i) Application fees shall be applied toward the cost of  
24 investigating applicants' suitability for licensing or  
25 qualification under this chapter. Any costs of investigation  
26 incurred in excess of the application fee shall be paid by the  
27 applicant, except that the commission may by rule provide for an

1 exception to this requirement for casino service licenses and  
2 occupational licenses.

3 (j) Applicants who are granted a license pursuant to  
4 Subsections (c), (d), (e), (f), and (g) shall be required to renew  
5 their license annually and pay a renewal fee equal to the original  
6 application fee.

7 SUBCHAPTER F. TEXAS CASINO GAMING FUND; TAXES

8 Sec. 2202.251. TEXAS CASINO GAMING FUND. (a) The Texas  
9 casino gaming fund is a special fund in the state treasury.

10 (b) All application fees and investigation fees, collected  
11 by the commission or on the commission's behalf related to casino  
12 gaming shall be deposited to the credit of the Texas casino gaming  
13 fund.

14 (c) The Texas casino gaming fund may be used only for the  
15 operation of the commission and the administration of this chapter.  
16 If the money in the fund exceeds the amount necessary for the  
17 operation of the commission and the administration of this chapter,  
18 the legislature may transfer any excess amount to the general  
19 revenue fund.

20 (d) The operation of the commission and the administration  
21 of this chapter shall be supported by fees generated under this  
22 chapter and by a portion of the taxes imposed by Section 2202.252.

23 Sec. 2202.252. CASINO GAMING TAX; SPORTS WAGERING TAX;  
24 ALLOCATION OF TAXES. (a) A casino gaming tax is imposed on each  
25 casino license holder in an amount equal to 15 percent of the gross  
26 casino gaming revenue of the casino operated under the license.

27 (b) The taxes imposed by this section shall be computed and

1 paid on a monthly basis in accordance with the procedures  
2 established by commission rule.

3 (c) Except as provided by Subsection (d), the revenue from  
4 the taxes imposed by this section is allocated to the general  
5 revenue fund.

6 (d) Of the revenue from the casino gaming tax imposed by  
7 Subsection (a):

8 (1) the comptroller shall deposit two percent to the  
9 credit of the escrow account administered by the Texas Racing  
10 Commission and established under Section 2028.204(b) to be used as  
11 horse racing purses in this state;

12 (2) three percent shall be allocated to the Texas  
13 casino gaming fund to support the operation of the commission and  
14 administration of this chapter;

15 (3) 0.5 percent shall be allocated to the general  
16 revenue fund and may be appropriated only to fund a compulsive  
17 gambling program established under Subchapter J;

18 (4) \$1 million may be appropriated in each state  
19 fiscal biennium to the Department of Public Safety to be used to  
20 provide grants to prosecuting attorneys for the investigation and  
21 prosecution of offenses related to the possession of gambling  
22 devices;

23 (5) the comptroller shall deposit 30 percent to the  
24 credit of the property tax relief fund under Section 403.109,  
25 Government Code;

26 (6) 30 percent may be appropriated only to fund public  
27 safety programs; and

1           (7) 30 percent may be appropriated only to fund  
2 education.

3           (e) To promote the growth of live horse racing in this  
4 state, amounts deposited pursuant to Subsection (d)(1) shall be  
5 allocated to horse racetrack associations by the Texas Racing  
6 Commission based on the number of live race dates conducted by each  
7 licensed horse racetrack association. The Texas Racing Commission  
8 may adopt rules to effect the purposes of this subsection.

9           (f) A sports wagering tax is imposed on each license holder  
10 in an amount equal to 10 percent of the gross sports wagering  
11 revenue of the license holder.

12           (g) The taxes imposed by this section are due and payable on  
13 or before the 20th day of the month following the month in which the  
14 taxes are imposed.

15           (h) If the amount of taxes required to be reported and paid  
16 under this section is later determined to be greater or less than  
17 the amount actually reported and paid by the license holder, the  
18 commission shall:

19                   (1) assess and collect the additional taxes determined  
20 to be due with interest until paid; or

21                   (2) refund any overpayment, with interest, to the  
22 license holder.

23           (i) Interest required to be collected or refunded under  
24 Subsection (h) must be computed, until paid, at the rate of one  
25 percent per month from the first day of the first month following  
26 the due date or overpayment of the taxes.

27           Sec. 2202.253. DETERMINATION OF GROSS CASINO GAMING

1 REVENUE. (a) In calculating gross casino gaming revenue, a prize,  
2 premium, drawing, benefit, or ticket that is redeemable for money,  
3 merchandise, or other promotional allowance, except money, chips,  
4 or tokens paid at face value directly to a patron as the result of a  
5 specific wager and the amount of cash paid to purchase an annuity to  
6 fund winnings, may not be deducted from gross casino gaming revenue  
7 as a loss at any game except a slot machine or a table game with a  
8 progressive jackpot.

9 (b) In calculating gross casino gaming revenue from slot  
10 machines at a casino, the actual cost to the license holder of any  
11 personal property distributed to a patron as the result of a  
12 legitimate wager may be deducted as a loss, but travel expenses,  
13 food, refreshments, lodging, or services at the license holder's  
14 casino may not be deducted. For the purposes of this subsection,  
15 personal property is distributed as the result of a legitimate  
16 wager if a patron must make a wager before receiving the personal  
17 property, regardless of whether the receipt of the personal  
18 property is dependent on the outcome of the wager.

19 Sec. 2202.254. REFUND OF OVERPAYMENT. (a) Taxes imposed  
20 under this subchapter that are erroneously collected may be  
21 refunded, on approval of the commission, as other claims against  
22 the state are paid.

23 (b) Not later than the 90th day after the date notice of the  
24 commission's action on a claim for refund filed under this chapter  
25 is sent by mail, the claimant may bring an action against the  
26 commission on the grounds stated in the claim for the recovery of  
27 any part of the amount of the claim that has been disallowed.

1       (c) Failure to bring an action within the time specified by  
2 Subsection (b) constitutes a waiver of any demand against the state  
3 on account of alleged overpayments.

4       (d) If the commission fails to mail its notice of action on a  
5 claim within six months after the date the claim is filed, the  
6 claimant may consider the claim disallowed and bring an action  
7 against the commission on the grounds set forth in the claim for the  
8 recovery of any part of the amount claimed as an overpayment.

9       (e) A claim for refund of taxes imposed under this  
10 subchapter that are paid in excess of the amount required to be  
11 reported and paid must be filed not later than two years after the  
12 date of overpayment.

13       Sec. 2202.255. DETERMINATION OF DEFICIENCY. (a) If a  
14 casino license holder fails to make a report of the taxes imposed  
15 under this subchapter as required by this chapter, or if the  
16 executive director is not satisfied with the license holder's  
17 report of the taxes, the executive director may compute and  
18 determine the amount required to be paid based on:

19               (1) any facts contained in the report;  
20               (2) an audit conducted by the executive director;  
21               (3) an estimate of the amount of taxes due;  
22               (4) any information in the commission's possession or  
23 that may come into the executive director's possession; or

24               (5) any combination of the methods described by  
25 Subdivisions (1)-(4).

26       (b) In making a determination, the commission may offset  
27 overpayments and interest due against underpayments and interest or

1 penalties due for the period of the audit.

2 (c) The executive director shall give prompt written notice  
3 of a determination of a deficiency under this section to the casino  
4 license holder. Except in the case of fraud or intent to evade the  
5 payment of the tax, a notice of a determination of a deficiency must  
6 be mailed not later than that latter of the second anniversary of  
7 the:

8 (1) last day of the calendar month following the  
9 applicable reporting period in which the deficiency occurred; or

10 (2) date the report is filed by the license holder.

11 (d) If the reasons for the deficiency are not apparent, the  
12 executive director shall include an explanation of those reasons in  
13 the notice of a determination of a deficiency.

14 (e) If overpayments and interest exceed underpayments,  
15 penalties, and interest, the excess amount shall be refunded to the  
16 casino license holder.

17 Sec. 2202.256. PETITION FOR REDETERMINATION; PETITION FOR  
18 JUDICIAL REVIEW. (a) A casino license holder against whom a  
19 determination is made under Section 2202.255 may petition the  
20 commission for a redetermination not later than the 30th day after  
21 the date of service of notice of the determination. If a petition  
22 for redetermination satisfying the requirements of Subsection (c)  
23 is not filed within the 30-day period, the determination becomes  
24 final.

25 (b) If a petition for redetermination satisfying the  
26 requirements of Subsection (c) is filed within the 30-day period,  
27 the commission shall review the determination and, if the



1 petitioner requests, shall grant a hearing.

2 (c) A petition for redetermination must:

3 (1) specify the contested portions of the  
4 determination of deficiency;

5 (2) specify the grounds for redetermination;

6 (3) state whether a hearing is requested; and

7 (4) be accompanied by payment in full of the  
8 uncontested portion of the determination, including any interest  
9 and penalties.

10 (d) An order or decision of the commission on a petition for  
11 redetermination is final 10 days after the date of service on the  
12 petitioner.

13 (e) A petitioner against whom an order or decision of the  
14 commission becomes final may, not later than the 60th day after the  
15 date the decision is final, petition for judicial review in the  
16 manner provided by Chapter 2001, Government Code. The executive  
17 director may not petition for judicial review.

18 Sec. 2202.257. TAX ADMINISTRATION. (a) The commission  
19 shall perform all functions incident to the administration,  
20 collection, enforcement, and operation of a fee or tax imposed  
21 under this chapter. The commission may adopt rules and prescribe  
22 forms for the administration, collection, and enforcement of a fee  
23 or tax and for the reporting of a fee or tax.

24 (b) Subtitle B, Title 2, Tax Code, applies to the  
25 administration, collection, and enforcement of a tax imposed under  
26 this subchapter, except that the powers and duties assigned to the  
27 comptroller under that subtitle are assigned to the commission.

1           SUBCHAPTER G. REGULATION OF GAMBLING OPERATIONS

2           Sec. 2202.301. REGULATION OF CASINO OPERATIONS. (a) The  
3 commission shall adopt rules applicable to the operation of casinos  
4 as the commission finds necessary for the protection of the health,  
5 safety, morals, and general welfare of this state and for the  
6 reputation of the state's casino gaming industry.

7           (b) Casinos may operate 24 hours a day, seven days a week. A  
8 license holder may elect other hours of operation.

9           Sec. 2202.302. SPORTS WAGERING. Sports wagering is  
10 authorized only pursuant to a license issued by the commission and  
11 is subject to rules established by the commission.

12           Sec. 2202.303. USE OF CHIPS OR TOKENS. All casino gaming  
13 must be conducted with legal tender of the United States or with  
14 chips, tokens, or other instrumentality approved by the commission  
15 for that purpose.

16           Sec. 2202.304. REPORTING REQUIREMENTS. (a) A casino  
17 license holder shall keep the license holder's books and records in  
18 a manner that clearly shows the total amount of gross casino gaming  
19 revenue and gross sports wagering revenue, as applicable, and other  
20 revenues received.

21           (b) The books and records kept by a casino license holder  
22 relating to casino gaming operations are not public records and the  
23 publication and dissemination of the materials by the commission is  
24 prohibited.

25           (c) A casino license holder shall file a report of each  
26 change of the corporate officers and directors with the commission.

27           (d) A casino license holder shall report to the executive

1 director in writing a change in company employees who have been  
2 designated as key employees.

3 (e) The commission may require that a company furnish the  
4 commission with a copy of its federal income tax return not later  
5 than the 30th day after the date the return is filed with the  
6 federal government.

7 Sec. 2202.305. EXCLUSION OF PERSONS. (a) The commission by  
8 rule shall provide for the establishment of a list of persons who  
9 must be excluded or ejected from a casino. The list may include a  
10 person whose presence in the casino or establishment is determined  
11 by the commission to pose a threat to the interests of this state,  
12 to licensed casino gaming, or to both interests.

13 (b) In making a determination under this section, the  
14 commission may consider any:

15 (1) prior conviction of a crime that is a felony in  
16 this state or under the laws of the United States or a crime  
17 involving moral turpitude or a violation of the gaming laws of a  
18 state; or

19 (2) violation of or conspiracy to violate this chapter  
20 relating to:

21 (A) the failure to disclose an interest in a  
22 casino for which the person must obtain a license;

23 (B) willful evasion of a fee or a tax;

24 (C) notorious or unsavory reputation that would  
25 adversely affect public confidence and trust that the gaming  
26 industry is free from criminal or corruptive elements; or

27 (D) a written order of a governmental agency that

1 authorizes the exclusion or ejection of the person from a casino  
2 where casino gaming or pari-mutuel wagering is conducted.

3 Sec. 2202.306. INTERNAL AUDIT AND CONTROL SYSTEMS. (a) A  
4 casino license holder shall adopt an internal control system that  
5 provides for:

6 (1) the safeguarding of its assets and revenues,  
7 especially the recording of cash and evidences of indebtedness; and

8 (2) the provision of reliable records, accounts, and  
9 reports of transactions, operations, and events, including reports  
10 to the executive director and the commission.

11 (b) The internal control system must be designed to  
12 reasonably ensure that:

13 (1) assets are safeguarded;

14 (2) financial records are accurate and reliable;

15 (3) transactions are performed only in accordance with  
16 management's general or specific authorization;

17 (4) transactions are recorded adequately to allow  
18 proper reporting of gross casino gaming revenue, gross sports  
19 wagering revenue, and of fees and taxes and to maintain  
20 accountability for assets;

21 (5) access to assets is allowed only in accordance  
22 with management's specific authorization;

23 (6) recorded accountability for assets is compared  
24 with actual assets at reasonable intervals and appropriate action  
25 is taken with respect to any discrepancies; and

26 (7) functions, duties, and responsibilities are  
27 appropriately segregated and performed in accordance with sound

1 practices by competent, qualified personnel.

2 (c) A casino license holder and an applicant for a casino  
3 license shall describe, in a manner approved or required by the  
4 executive director, the license holder's or applicant's  
5 administrative and accounting procedures in detail in a written  
6 system of internal control. A casino license holder and applicant  
7 for a casino license shall submit a copy of the license holder's or  
8 applicant's written system to the executive director. A written  
9 system must include:

10 (1) an organizational chart depicting appropriate  
11 segregation of functions and responsibilities;

12 (2) a description of the duties and responsibilities  
13 of each position shown on the organizational chart;

14 (3) a detailed, narrative description of the  
15 administrative and accounting procedures designed to satisfy the  
16 requirements of Section 2202.304(a);

17 (4) a written statement signed by the license holder's  
18 chief financial officer and either the license holder's chief  
19 executive officer or the casino license holder attesting that the  
20 system satisfies the requirements of this section;

21 (5) if the written system is submitted by an  
22 applicant, a letter from an independent certified public accountant  
23 stating that the applicant's written system has been reviewed by  
24 the certified public accountant and complies with the requirements  
25 of this section; and

26 (6) other items the executive director may require.

27 (d) The commission shall adopt minimum standards for

1 internal control procedures.

2 Sec. 2202.307. AGE REQUIREMENTS. A person under the age of  
3 21 years may not:

4 (1) play, be allowed to play, place wagers, or collect  
5 winnings from, personally or through an agent, any casino gaming or  
6 sports wagering authorized under this chapter; or

7 (2) be employed as a gaming employee.

8 Sec. 2202.308. ACCEPTANCE OF CREDIT INSTRUMENTS. (a) A  
9 credit instrument evidencing a gaming transaction may be enforced  
10 by legal process.

11 (b) A license holder may accept an incomplete credit  
12 instrument that is signed by a patron and states the amount of the  
13 debt. The license holder may complete the instrument as is  
14 necessary for the instrument to be presented for payment.

15 (c) A license holder:

16 (1) may not accept a credit instrument that is  
17 incomplete, except as authorized by Subsection (b); and

18 (2) may accept a credit instrument that is payable to  
19 an affiliate or may complete a credit instrument in the name of an  
20 affiliate as payee if the credit instrument otherwise complies with  
21 this section and the records of the affiliate pertaining to the  
22 credit instrument are made available to the executive director on  
23 request.

24 (d) This section does not prohibit the establishment of an  
25 account by a deposit of cash, recognized traveler's check, or any  
26 other instrument that is equivalent to cash.

27 (e) Any person, license holder, or the agents or employees

1 of the person or license holder who violate this section are subject  
2 only to the penalties provided in this chapter relating to  
3 disciplinary actions. The failure of a person to comply with this  
4 section or commission rules does not invalidate a credit instrument  
5 or affect the ability to enforce the credit instrument or the  
6 transaction that the credit instrument represents.

7 Sec. 2202.309. GAMBLING DEBTS. (a) Except as otherwise  
8 provided by this chapter, gambling debts not evidenced by a credit  
9 instrument are void and unenforceable and do not give rise to any  
10 administrative or civil cause of action.

11 (b) A claim by a patron of a license holder for payment of a  
12 gambling debt not evidenced by a credit instrument may be resolved  
13 by the executive director under commission rules.

14 (c) The executive director shall send a copy of the  
15 director's ruling by first class mail to the attorneys of record and  
16 shall keep an appropriate copy of the mailing. If a party is not  
17 represented by an attorney of record, the executive director shall  
18 send a copy of the ruling by first class mail to the party and shall  
19 keep an appropriate record of the mailing.

20 (d) A party or attorney of record notified by mail under  
21 this section is presumed to have been notified on the date on which  
22 the notice is mailed.

23 (e) A party aggrieved by the executive director's ruling is  
24 entitled to have the claim resolved by the commission in a contested  
25 case under Chapter 2001, Government Code, if the party files a  
26 written complaint with the commission challenging the executive  
27 director's decision not later than the 20th day after the date on

1 which the party or the party's attorney of record is notified by  
2 mail.

3 Sec. 2202.310. QUESTIONING AND DETENTION OF PERSONS. (a)  
4 On the premises of a license holder's casino, the casino license  
5 holder or the license holder's officer, employee, or agent may  
6 question any person suspected of acting in violation of this  
7 chapter while on the casino premises. The casino license holder or  
8 the license holder's officer, employee, or agent is not criminally  
9 or civilly liable:

10 (1) as a result of the questioning; or

11 (2) for reporting the person suspected of the  
12 violation to the executive director or law enforcement authorities.

13 (b) A casino license holder or the license holder's officer,  
14 employee, or agent who has reasonable cause to believe that there  
15 has been a violation of this chapter in the license holder's casino  
16 by a person may take that person into custody and detain the person  
17 in the casino in a reasonable manner and for a reasonable length of  
18 time. The taking into custody and detention does not render a  
19 license holder or the license holder's officer, employee, or agent  
20 criminally or civilly liable unless it is established by clear and  
21 convincing evidence that the taking into custody and detention are  
22 unreasonable under all the circumstances.

23 (c) A casino license holder or the license holder's officer,  
24 employee, or agent is not entitled to the immunity from liability  
25 provided by Subsection (a) or (b) unless there is displayed in a  
26 conspicuous place in the license holder's establishment a notice in  
27 boldface type, clearly legible, and in substantially this form:



1           A CASINO LICENSE HOLDER OR THE HOLDER'S OFFICER,  
2           EMPLOYEE, OR AGENT WHO HAS A REASONABLE CAUSE TO  
3           BELIEVE THAT A PERSON HAS VIOLATED A PROVISION OF  
4           CHAPTER 2202, OCCUPATIONS CODE, MAY QUESTION OR DETAIN  
5           THAT PERSON IN THIS ESTABLISHMENT.

6           Sec. 2202.311. SLOT MACHINE DISABLED. (a) The commission  
7           may disable a slot machine operated by a license holder under this  
8           chapter at the time:

9                   (1) a proceeding to suspend a casino license is  
10           initiated;

11                   (2) the commission discovers the license holder failed  
12           to deposit money received from slot machine operations as required  
13           if the license is being suspended under this section; or

14                   (3) an act or omission occurs that, under commission  
15           rules, justifies the termination of slot machine operations to:

16                           (A) protect the integrity of gaming or the public  
17           health, welfare, or safety; or

18                           (B) prevent financial loss to this state.

19                   (b) The commission shall immediately disable a slot machine  
20           if necessary to protect the public health, welfare, or safety.

21           Sec. 2202.312. SLOT MACHINE DISTRIBUTION AND COMMISSION  
22           APPROVAL. (a) A person may not distribute a slot machine or other  
23           gaming device or associated equipment for placement at a casino in  
24           this state unless the machine or equipment has been approved by the  
25           commission.

26                   (b) Only a person that holds a casino license or  
27           manufacturer license issued under this chapter may apply for

1 approval of a slot machine or other gaming device or associated  
2 equipment.

3 Sec. 2202.313. TECHNICAL STANDARDS FOR GAMING EQUIPMENT.

4 The commission by rule shall establish minimum technical standards  
5 for gaming devices and associated equipment that may be operated in  
6 this state.

7 Sec. 2202.314. INCIDENT REPORTS. (a) A casino license  
8 holder or casino operator license holder shall record all potential  
9 criminal violations known to the license holder and related to  
10 casino gaming or sports wagering activity in the casino.

11 (b) The casino license holder or casino operator license  
12 holder for a casino shall assign each incident, without regard to  
13 materiality, a sequential number and, at a minimum, provide the  
14 following information in a permanent record prepared in accordance  
15 with commission rules to ensure the integrity of the record:

16 (1) the number assigned to the incident;

17 (2) the date and time of the incident;

18 (3) the nature of the incident;

19 (4) each person involved in the incident; and

20 (5) the name of the employee or other agent of the  
21 owner or operator who investigated the incident.

22 Sec. 2202.315. SLOT MACHINE EVENTS. A casino license  
23 holder or operator license holder shall keep a database of slot  
24 machine events. The commission by rule shall determine what  
25 constitutes a slot machine event for purposes of this section.

26 Sec. 2202.316. SECURITY. (a) The casino license holder or  
27 operator license holder shall:

1           (1) continuously monitor all slot machines through the  
2 use of a closed-circuit television system that records activity for  
3 a continuous 24-hour period, retain all videotapes or other media  
4 used to store video images for not fewer than seven days, and make  
5 the tapes or media available to the commission on request;

6           (2) submit for commission approval a security plan and  
7 a floor plan of the area where slot machines are operated showing  
8 slot machine locations and security camera mount locations; and

9           (3) employ at least the minimum number of private  
10 security personnel the commission determines is necessary to  
11 provide for safe operation of the casino and the safety and  
12 well-being of the players.

13           (b) Private security personnel must be present during all  
14 hours of operation at each casino.

15           (c) An agent or employee of the commission or the Department  
16 of Public Safety or other law enforcement personnel may be present  
17 at a casino at any time.

18           (d) The commission may adopt rules to impose additional  
19 surveillance and security requirements related to casinos and the  
20 operation of slot machines.

21           Sec. 2202.317. COMMISSION RIGHT TO ENTER. The commission  
22 or the commission's representative, after displaying appropriate  
23 identification and credentials, has the free and unrestricted right  
24 to:

25           (1) enter and inspect the premises wherein casino  
26 gaming or sports wagering is conducted or any premises where gaming  
27 devices, table games, or associated equipment are manufactured,

1 sold, or distributed; and

2 (2) inspect and copy the records of a casino license  
3 holder or operator license holder pertaining to the operation of  
4 casino gaming or sports wagering.

5 Sec. 2202.318. APPOINTMENT OF SUPERVISOR. (a) The  
6 commission by rule may provide for the appointment of a supervisor  
7 to manage and operate a casino at the direction of the commission  
8 and perform any act that a casino license holder or operator license  
9 holder is entitled to perform in the event that:

10 (1) the casino license or operator license or other  
11 license required for operation of the casino is revoked or  
12 suspended, lapses, or is surrendered;

13 (2) a casino has been conveyed or transferred to a  
14 secured party receiver or trustee who does not hold the necessary  
15 licenses to operate the casino; or

16 (3) any other event occurs that causes the casino to  
17 cease the operation of slot machines.

18 (b) The rules may allow the commission to:

19 (1) take any action or adopt any procedure necessary  
20 to operate a casino pending the licensing of a casino license  
21 applicant or operator license applicant that seeks to operate the  
22 casino on the transfer or sale of the casino; and

23 (2) if necessary to continue the operation of the  
24 casino, sell the casino to a person that holds or has applied for  
25 the licenses required to operate the casino under this chapter and  
26 make appropriate distributions of the proceeds of the sale.

27 Sec. 2202.319. OFFENSE: CONVEYANCE OF CASINO PROPERTY. (a)

1 A person commits an offense if during the pendency of any proceeding  
2 before the commission that may result in the appointment of a  
3 supervisor or during the period of supervision the person:

4 (1) sells, leases, or otherwise conveys for less than  
5 full market value or pledges as security any property of a casino;  
6 or

7 (2) removes from this state or secretes from the  
8 commission or the supervisor any property, money, books, or records  
9 of the casino, including evidences of debts owed to the casino.

10 (b) An offense under Subsection (a) is a felony of the third  
11 degree.

12 SUBCHAPTER H. ENFORCEMENT

13 Sec. 2202.351. ENFORCEMENT. (a) The executive director  
14 shall conduct an appropriate investigation to:

15 (1) determine whether there has been a violation of  
16 this chapter or of a commission rule;

17 (2) determine facts, conditions, practices, or  
18 matters that the executive director considers necessary or proper  
19 to aid in the enforcement of a law or rule;

20 (3) aid in adopting rules;

21 (4) secure information as a basis for recommending  
22 legislation relating to this chapter;

23 (5) determine facts regarding whether an applicant or  
24 a license holder meets all requirements and suitability criteria to  
25 be eligible to hold a license under this subtitle; and

26 (6) determine whether a license holder is able to meet  
27 the license holder's financial obligations, including all

1 financial obligations imposed by this chapter, as they become due.

2 (b) If after an investigation the executive director is  
3 satisfied that a license should be denied, limited, conditioned,  
4 suspended, or revoked, or that a fine should be levied, the  
5 executive director shall initiate a hearing under Section 2202.356.

6 Sec. 2202.352. ABSOLUTE PRIVILEGE FOR REQUIRED DOCUMENTS  
7 AND COMMUNICATIONS; PRIVILEGED DOCUMENTS. (a) An applicant or  
8 license holder has absolute privilege for the content of any  
9 document or communication of the applicant or license holder that  
10 is transmitted or made to the commission, its employees, or its  
11 designees to comply with any law, including a commission rule, to  
12 comply with a subpoena issued by the commission, or to assist the  
13 commission, its employees, or its designees in the performance of  
14 their respective duties. Any such document or communication does  
15 not impose liability for defamation and is not a ground for recovery  
16 in any civil action by a person other than the commission.

17 (b) If a document or communication contains information  
18 that is privileged under this state's law or the law of any other  
19 jurisdiction in which the document or communication is created or  
20 stored, the privilege is not waived or lost because the document or  
21 communication is disclosed to the commission, its employees, or its  
22 designees.

23 (c) Notwithstanding the powers granted to the commission  
24 and the executive director by this chapter:

25 (1) the commission, its employees, and its designees  
26 may not release or disclose privileged information, documents, or  
27 communications provided by an applicant or license holder and

1 required by a lawful court order unless timely notice of the  
2 potential release or disclosure has been given to the applicant or  
3 license holder and the applicant or license holder has provided  
4 prior written consent to the release or disclosure;

5 (2) the commission, its employees, and its designees  
6 shall maintain all privileged information, documents, and  
7 communications in a secure place accessible only to members of the  
8 commission, its employees, or its designees; and

9 (3) the commission shall adopt procedures to protect  
10 the privileged nature of information, documents, and  
11 communications provided by an applicant or license holder.

12 Sec. 2202.353. RELEASE OF CONFIDENTIAL INFORMATION. An  
13 application to a court for an order requiring the commission or the  
14 executive director to release any information declared by law to be  
15 confidential shall be made only on a motion in writing delivered not  
16 later than the 10th day before the date of application to the  
17 commission, the attorney general, and all persons who may be  
18 affected by the entry of the order. Copies of the motion and all  
19 papers filed in support of the motion shall be served with the  
20 notice by delivering a copy in person or by certified mail to the  
21 last known address of the person to be served.

22 Sec. 2202.354. EMERGENCY ORDERS. (a) The commission may  
23 issue an emergency order for suspension, limitation, or  
24 conditioning of a license or may issue an emergency order requiring  
25 a casino to keep an individual license holder from the premises of  
26 the licensed establishment or to not pay the license holder any  
27 remuneration for services or any profits, income, or accruals on

1 the license holder's investment in the casino.

2 (b) An emergency order may be issued only if the commission  
3 determines that:

4 (1) a license holder has wilfully failed to report,  
5 pay, or truthfully account for a fee or tax imposed under this  
6 chapter or wilfully attempted in any manner to evade or defeat a fee  
7 or tax payment;

8 (2) a license holder or gaming employee has cheated at  
9 a gambling game; or

10 (3) the action is necessary for the immediate  
11 preservation of the public peace, health, safety, morals, good  
12 order, or general welfare.

13 (c) The emergency order must state the grounds on which it  
14 is issued, including a statement of facts constituting the alleged  
15 emergency necessitating the action.

16 (d) An emergency order may be issued only with the approval  
17 of and under the signature of four or more members of the  
18 commission.

19 (e) An emergency order is effective immediately on issuance  
20 and service on the license holder or resident agent of the license  
21 holder, gaming employee, or, in cases involving registration, on  
22 issuance and service on the person or entity involved or registered  
23 agent of the entity involved. An emergency order may suspend,  
24 limit, condition, or take other action in relation to the license of  
25 one or more persons in an operation without affecting other  
26 individual license holders or the casino. An emergency order  
27 remains effective until further order of the commission or final



1 disposition of the case.

2 (f) Not later than the fifth day after the date of issuance  
3 of an emergency order, the executive director shall file a  
4 complaint and serve it on the person or entity involved. The person  
5 or entity against whom the emergency order has been issued and  
6 served is entitled to a hearing before the commission and to  
7 judicial review of the decision and order of the commission under  
8 Chapter 2001, Government Code. Judicial review is under the  
9 substantial evidence rule, as provided by that chapter.

10 Sec. 2202.355. REVOCATION OR SUSPENSION OF LICENSE. (a)  
11 The commission may revoke or suspend a license issued under this  
12 chapter if the holder of the license at any time fails to meet the  
13 eligibility requirements set forth in this chapter.

14 (b) Failure to timely remit gaming revenue generated by slot  
15 machines to the commission or any tax or other fee owed to this  
16 state as demonstrated by report from the applicable taxing  
17 authority or to timely file any report or information required  
18 under this chapter as a condition of any license issued under this  
19 chapter may be grounds for suspension or revocation, or both, of a  
20 license issued under this chapter.

21 Sec. 2202.356. LICENSE HEARING; DISCIPLINARY HEARING. (a)  
22 Before the commission denies an application, or revokes or suspends  
23 a license, or imposes a fine for a violation of this chapter, the  
24 commission shall provide written notice to the applicant or license  
25 holder of the denial, revocation, the period of suspension, or the  
26 amount of the fine. The notice shall include:

27 (1) the effective date of the denial, revocation, the

1 period of suspension, or the amount of the fine, as applicable;

2 (2) each reason for the denial, revocation,  
3 suspension, or fine;

4 (3) an explanation of the evidence supporting the  
5 reasons;

6 (4) a statement explaining the person's opportunity to  
7 present the applicant's or the license holder's position in  
8 response on or before the 15th day after the date the notice is  
9 delivered personally or is mailed; and

10 (5) a statement explaining the person's right to an  
11 administrative hearing to determine whether the denial,  
12 revocation, suspension, or fine is warranted.

13 (b) The notice required under Subsection (a) must be made by  
14 personal delivery or by mail to the person's mailing address as it  
15 appears on the commission's records.

16 (c) To obtain an administrative hearing on a denial,  
17 suspension, revocation, or fine under this section, a person must  
18 submit a written request for a hearing to the commission not later  
19 than the 20th day after the date notice is delivered personally or  
20 is mailed.

21 (d) If the commission receives a timely request under  
22 Subsection (c), the commission shall provide the person with an  
23 opportunity for a hearing as soon as practicable. If the commission  
24 does not receive a timely request under Subsection (c), the  
25 commission may impose the fine, deny, revoke or suspend a license,  
26 or sustain the denial, revocation or suspension without a hearing.

27 (e) Except as provided by Subsection (g), the hearing must

1 be held not earlier than the 11th day after the date the written  
2 request is submitted to the commission, unless the commission and  
3 the hearing requestor agree to an earlier day.

4 (f) The commission may provide that a revocation or  
5 suspension takes effect on receipt of notice under Subsection (a)  
6 if the commission finds that the action is necessary to prevent or  
7 remedy a threat to public health, safety, or welfare. The  
8 commission by rule shall establish a nonexclusive list of  
9 violations that present a threat to the public health, safety, or  
10 welfare.

11 (g) A hearing on a revocation or suspension that takes  
12 effect on receipt of notice must be held not later than the 14th day  
13 after the date the commission receives the request for hearing  
14 under this section and not earlier than 9th day after the date the  
15 written request is submitted to the commission, unless the  
16 commission and the hearing requestor agree to an earlier day. The  
17 revocation or suspension continues in effect until the hearing is  
18 completed. If the hearing is continued, the revocation or  
19 suspension shall continue in effect beyond the 14-day period at the  
20 request of the hearing requestor or on a finding of good cause by  
21 the commission or administrative law judge.

22 (h) To prevail in an administrative hearing under this  
23 section, the applicant or the license holder must demonstrate by  
24 clear and convincing evidence that the denial, deprivation, or  
25 imposition of a fine was unwarranted or otherwise unlawful. The  
26 hearing may be conducted by the commission or referred to the State  
27 Office of Administrative Hearings.

1       (i) The administrative record created by the hearing  
2 conducted by the State Office of Administrative Hearings shall be  
3 provided to the commission for review and determination.

4       (j) If an administrative law judge of the State Office of  
5 Administrative Hearings conducts a hearing under this section and  
6 the proposal for decision supports the commission's position, the  
7 administrative law judge shall include in the proposal a finding of  
8 the costs, fees, expenses, and reasonable and necessary attorney's  
9 fees this state incurred in bringing the proceeding.

10       (k) The commission may adopt the findings for costs, fees,  
11 and expenses and make the finding a part of the final order entered  
12 in the proceeding. Proceeds collected from a finding made under  
13 this section shall be paid to the commission.

14       Sec. 2202.357. JUDICIAL REVIEW OF DENIAL, REVOCATION,  
15 SUSPENSION, OR FINE IMPOSITION. (a) A person aggrieved by a final  
16 decision of the commission to deny, revoke, or suspend a license, or  
17 to impose any fine may obtain judicial review before a district  
18 court in Travis County.

19       (b) The judicial review must be instituted by serving on the  
20 commission and filing a petition not later than the 20th day after  
21 the effective date of the final decision and must identify the order  
22 appealed from and the grounds or reason why the petitioner contends  
23 the decision of the commission should be reversed or modified.

24       (c) The review must be conducted by the court sitting  
25 without jury, and must not be a trial de novo but is confined to the  
26 record on review. The reviewing court may only affirm the decision,  
27 remand the case for further proceedings, or reverse the decision if

1 the substantial rights of the petitioner have been violated.

2 (d) If any court of competent jurisdiction concludes on  
3 judicial review limited to the administrative record before the  
4 commission and subject to the substantial evidence standard that:

5 (1) the revocation, suspension, or fine was  
6 unwarranted or otherwise unlawful, then the sole remedy available  
7 is invalidation of the fine, or reinstatement of the license; or

8 (2) the denial of the issuance of the license was  
9 unwarranted or otherwise unlawful, then the sole remedy available  
10 is invalidation of the commission's final decision and remand to  
11 the commission for reconsideration of the application.

12 (e) The commission, this state, or the members, officers,  
13 employees, and authorized agents of the commission or the state are  
14 not under any circumstances subject to monetary damages, attorney's  
15 fees, or court costs resulting from a fine imposed or from the  
16 denial, revocation, or suspension of a license.

17 Sec. 2202.358. EFFECT OF DENIAL OF LICENSE. (a) If a  
18 person denied a license has previously been issued a temporary  
19 license, the temporary license expires immediately on the issuance  
20 of the denial.

21 (b) Except as otherwise authorized by the commission, a  
22 person denied a license may not reapply for any license before the  
23 second anniversary of the date of the denial.

24 Sec. 2202.359. AGREEMENT TO WAIVE ENFORCEABILITY. A  
25 license holder by virtue of accepting the license agrees that the  
26 privilege of holding a license under this chapter is conditioned on  
27 the license holder's agreement to Sections 2202.355, 2202.356, and

1 2202.357 and the license holder waives any right to challenge or  
2 otherwise appeal the enforceability of those sections.

3 Sec. 2202.360. LIMITED WAIVER OF SOVEREIGN IMMUNITY; NO  
4 LIABILITY OF STATE FOR ENFORCEMENT. (a) This state does not waive  
5 its sovereign immunity by negotiating gaming agreements with Indian  
6 tribes or other persons for the operation of casino gaming or  
7 gambling games under this subtitle. An actor or agent for this state  
8 may not waive this state's sovereign immunity absent an express  
9 legislative grant of that authority.

10 (b) With regard to gaming operations on Indian lands, this  
11 state consents to the jurisdiction of the District Court of the  
12 United States with jurisdiction in the county where the Indian  
13 lands are located, or if the federal court lacks jurisdiction, to  
14 the jurisdiction of a district court in Travis County, solely for  
15 the purpose of resolving disputes arising from a gaming agreement  
16 authorized under this chapter or Chapter 2203 for declaratory or  
17 injunctive relief or contract damages of \$100,000 or more or the  
18 failure of the state to enter into a gaming agreement as required by  
19 Section 2203.001. Any disputes relating to damages or other awards  
20 valued at less than \$100,000 shall be arbitrated under the rules of  
21 the American Arbitration Association, provided, however, that  
22 application of the rules may not be construed as a waiver of  
23 sovereign immunity.

24 (c) All financial obligations of the commission are payable  
25 solely out of the income, revenues, and receipts of the commission  
26 and are subject to statutory restrictions and appropriations.

27 (d) This state and the commission are not liable if

1 performance by the commission is compromised or terminated by acts  
2 or omissions of the legislature or the state or federal judiciary.

3 (e) This state and the commission are not liable for acts or  
4 omissions related to the enforcement of this subtitle.

5 SUBCHAPTER I. PENALTIES AND OFFENSES

6 Sec. 2202.401. FAILURE TO PAY FEE OR TAX. (a) License fees  
7 and other fees required by this chapter must be paid to the  
8 commission on or before the dates provided by law for each fee.

9 (b) A person failing to timely pay a fee or tax when due  
10 shall pay in addition a penalty of not less than \$50 or 25 percent of  
11 the amount due, whichever is the greater. The penalty may not exceed  
12 \$1,000 if the fee or tax is less than 10 days late and may not exceed  
13 \$5,000 under any circumstances. The commission shall collect the  
14 penalty in the same manner as other charges, license fees, and fines  
15 are collected under this chapter.

16 Sec. 2202.402. WILFUL FAILURE TO REPORT, PAY, OR ACCOUNT  
17 FOR FEE OR TAX. (a) A person commits an offense if the person  
18 wilfully:

19 (1) fails to report, pay, or truthfully account for a  
20 fee or tax imposed under this chapter; or

21 (2) attempts in any manner to evade or defeat a fee or  
22 tax imposed under this chapter.

23 (b) An offense under this section is a Class A misdemeanor.

24 Sec. 2202.403. CASINO GAMING AND SPORTS WAGERING FRAUD.

25 (a) A person commits an offense if the person knowingly:

26 (1) in connection with a casino game or sports  
27 wagering--

1           (A) alters or misrepresents the outcome of a game  
2 or other event on which wagers have been made after the outcome is  
3 made sure but before it is revealed to the players;

4           (B) places, increases, or decreases a bet or  
5 determines the course of play after acquiring knowledge, not  
6 available to all players, of the outcome of the game or an event  
7 that affects the outcome of the game or that is the subject of the  
8 bet or aids anyone in acquiring such knowledge for the purpose of  
9 placing, increasing, or decreasing a bet or determining the course  
10 of play contingent on that event or outcome;

11           (C) places or increases a bet after acquiring  
12 knowledge of the outcome of the game or other event that is the  
13 subject of the bet, including past posting and pressing bets; or

14           (D) reduces the amount wagered or cancels the bet  
15 after acquiring knowledge of the outcome of the game or other event  
16 that is the subject of the bet, including pinching bets;

17           (2) claims, collects, or takes, or attempts to claim,  
18 collect, or take, money or anything of value in or from a gambling  
19 game, with the intent to defraud, without having made a wager  
20 contingent on the gambling game;

21           (3) claims, collects, or takes an amount greater than  
22 the amount won from a gambling game;

23           (4) entices or induces another to go to a place where a  
24 gambling game is being conducted or operated in violation of this  
25 subtitle, with the intent that the other person play or participate  
26 in that gambling game; or

27           (5) manipulates, with the intent to cheat, a component



1 of a gaming device in a manner contrary to the designed and normal  
2 operational purpose for the component, including varying the pull  
3 of the handle of a slot machine, with knowledge that the  
4 manipulation affects the outcome of the game or with knowledge of an  
5 event that affects the outcome of the game.

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

8 Sec. 2202.404. USE OF PROHIBITED DEVICES. (a) A person  
9 commits an offense if the person, at a casino, uses or possesses  
10 with the intent to use a device, other than those customarily used  
11 in the conduct of gaming to assist in:

- 12 (1) projecting the outcome of the game;  
13 (2) keeping track of the cards played; or  
14 (3) analyzing the probability of the occurrence of an  
15 event relating to the game.

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

18 Sec. 2202.405. USE OF COUNTERFEIT OR UNAUTHORIZED TOKEN,  
19 CHIP, OR COIN. (a) A person commits an offense if the person  
20 knowingly uses counterfeit tokens, chips, or coins in a gambling  
21 game.

22 (b) A person commits an offense if the person, in playing  
23 any gambling game designed to receive, be played with, or be  
24 operated by lawful tender of the United States of America or by  
25 tokens or chips approved by the executive director or by other  
26 instrumentality approved by the commission for use in such gambling  
27 game knowingly uses a token, chip, coin, or other instrumentality

1 other than tokens, chips, coins, or other instrumentality approved  
2 by the commission and designed for the gambling game.

3 (c) A person, other than an authorized employee of a license  
4 holder acting in furtherance of the person's employment within an  
5 establishment, commits an offense if the person knowingly has on  
6 the person's body or in the person's possession on or off the  
7 premises of a casino a device intended to be used to violate the  
8 provisions of this chapter.

9 (d) A person, other than an authorized employee of a license  
10 holder acting in furtherance of the person's employment within a  
11 casino, commits an offense if the person knowingly has on the  
12 person's body or in the person's possession on or off the premises  
13 of a casino a key or device known to have been designed for the  
14 purpose of and suitable for opening, entering, or affecting the  
15 operation of a gambling game, a drop box, or an electronic or  
16 mechanical device connected to the game or box or for removing money  
17 or other contents from the game or box.

18 (e) A person commits an offense if the person, with the  
19 intent to manufacture slugs for unauthorized use in gaming devices  
20 located at a casino, knowingly has on the person's body or in the  
21 person's possession paraphernalia for manufacturing slugs. In this  
22 subsection, "paraphernalia for manufacturing slugs" means the  
23 equipment, products, and materials that are intended for use or  
24 designed for use in manufacturing, producing, fabricating,  
25 preparing, testing, analyzing, packaging, storing, or concealing a  
26 counterfeit facsimile of the chips or tokens approved by the  
27 executive director or a lawful coin of the United States, the use of

1 which is an offense under Subsection (b). The term includes:

2 (1) lead or lead alloys;

3 (2) molds, forms, or similar equipment capable of  
4 producing a likeness of a gaming token or United States coin;

5 (3) melting pots or other receptacles;

6 (4) torches; and

7 (5) tongs, trimming tools, or other similar equipment.

8 (f) Possession of more than one of the devices, equipment,  
9 products, or materials described in this section permits a  
10 rebuttable inference that the possessor intended to use them to  
11 cheat. In this subsection, "cheat" has the meaning assigned by  
12 Section 2202.406.

13 (g) An offense under this section is a felony of the third  
14 degree.

15 Sec. 2202.406. CHEATING. (a) In this section, "cheat"  
16 means to alter the elements of chance, method of selection, or  
17 criteria that determine the result of a game or the amount or  
18 frequency of payment in a game.

19 (b) A person commits an offense if the person knowingly  
20 cheats at any gambling game.

21 (c) An offense under this section is a state jail felony.

22 Sec. 2202.407. POSSESSION OF UNLAWFUL GAMING DEVICE. (a) A  
23 person commits an offense if the person possesses any slot machine  
24 or other gaming device that the person knows has been manufactured,  
25 sold, or distributed in violation of this chapter.

26 (b) An offense under this section is a Class A misdemeanor.

27 Sec. 2202.408. UNLAWFUL MANUFACTURE, SALE, OR DISTRIBUTION

1 OF GAMING EQUIPMENT. (a) In this section, "cheat" has the meaning  
2 assigned by Section 2202.406.

3 (b) A person commits an offense if the person manufactures,  
4 sells, or distributes a gaming device or associated equipment with  
5 the intent that it be used to violate this chapter.

6 (c) A person commits an offense if the person marks, alters,  
7 or otherwise modifies any associated equipment or gaming device in  
8 a manner that:

9 (1) affects the result of a wager by determining a win  
10 or loss; or

11 (2) alters the normal criteria of random selection  
12 that affect the operation of a game or determine the outcome of a  
13 game.

14 (d) A person commits an offense if the person instructs  
15 another person in cheating or in the use of a device for cheating at  
16 any gambling game authorized to be conducted at a casino, with the  
17 knowledge or intent that the information or use may be employed to  
18 violate this chapter.

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

21 Sec. 2202.409. UNLAWFUL REPORTING. (a) A person commits an  
22 offense if the person, in a license application, in a book or record  
23 required to be maintained by this chapter or a rule adopted under  
24 this chapter, or in a report required to be submitted by this  
25 chapter or a rule adopted under this chapter:

26 (1) makes a statement or entry that the person knows to  
27 be false or misleading; or

1           (2) knowingly fails to maintain or make an entry the  
2 person knows is required to be maintained or made.

3           (b) A person commits an offense if the person knowingly  
4 refuses to produce for inspection by the executive director a book,  
5 record, or document required to be maintained or made by this  
6 chapter or a rule adopted under this chapter.

7           (c) An offense under this section is a Class A misdemeanor.

8           Sec. 2202.410. OTHER UNLAWFUL VIOLATIONS. (a) A person  
9 commits an offense if the person knowingly violates, attempts to  
10 violate, or conspires to violate a provision of this chapter  
11 specifying a prohibited act in a manner that is not otherwise  
12 specified as an offense under this subchapter.

13           (b) An offense under this section is a Class A misdemeanor.

14           Sec. 2202.411. UNAUTHORIZED OPERATION, USE, OR POSSESSION  
15 OF GAMING DEVICE. (a) A person may not operate, use, or possess a  
16 gaming device unless the operation, use, or possession is expressly  
17 authorized by this chapter or other law.

18           (b) Except for transport to or from a casino and as provided  
19 by this chapter, a person commits an offense if the person operates,  
20 uses, or possesses a gaming device that is not authorized under this  
21 chapter or other law. An offense under this subsection is a felony  
22 of the third degree.

23           (c) Notwithstanding Subsection (b), a casino license  
24 holder, an operator license holder, or a manufacturer license  
25 holder may store a gaming device as authorized by the commission for  
26 a period not to exceed 180 consecutive days or a longer period  
27 approved by the commission, and the commission may possess gaming

1 devices for study and evaluation.

2 (d) Nothing in this section shall be construed to prohibit  
3 the operation, use, or possession of equipment, machines,  
4 technological aids, or other devices allowed in connection with the  
5 play of bingo under Chapter 2001.

6 Sec. 2202.412. SALE OF GAMBLING GAME TO OR PURCHASE OF  
7 GAMBLING GAME BY PERSON YOUNGER THAN 21 YEARS OF AGE. (a) A person  
8 licensed under this chapter or an employee of the person commits an  
9 offense if the person intentionally or knowingly allows a person  
10 younger than 21 years of age to play a gambling game or engage in  
11 sports wagering.

12 (b) An individual who is younger than 21 years of age  
13 commits an offense if the individual:

14 (1) plays a gambling game;

15 (2) engages in sports wagering; or

16 (3) falsely represents the individual to be 21 years  
17 of age or older by displaying evidence of age that is false or  
18 fraudulent or misrepresents in any way the individual's age in  
19 order to play a gambling game or engage in sports wagering.

20 (c) It is a defense to prosecution under Subsection (b) that  
21 the individual younger than 21 years of age is participating in an  
22 inspection or investigation on behalf of the commission or other  
23 appropriate governmental entity regarding compliance with this  
24 section.

25 (d) An offense under Subsection (a) is a Class C  
26 misdemeanor.

27 (e) An offense under Subsection (b) is a misdemeanor

1 punishable by a fine not to exceed \$250.

2 Sec. 2202.413. PLAY OF GAMBLING GAME WITH PUBLIC ASSISTANCE  
3 FUNDS. (a) A person commits an offense if the person intentionally  
4 or knowingly plays a gambling game with public assistance funds  
5 issued to the person under:

6 (1) Chapter 31, Human Resources Code; or

7 (2) Chapter 33, Human Resources Code, including funds  
8 on electronic benefit transfer cards administered under Chapter 33,  
9 Human Resources Code.

10 (b) An offense under this section is a Class C misdemeanor.

11 Sec. 2202.414. EFFECT ON OTHER LAWS. A person who is  
12 subject to prosecution under an offense under this subchapter and  
13 an offense under Chapter 47, Penal Code, may be prosecuted under  
14 either or both laws.

15 SUBCHAPTER J. PROBLEM GAMBLING AND ADDICTION

16 Sec. 2202.451. PROBLEM GAMBLING AND ADDICTION GRANT FUND.

17 (a) The problem gambling and addiction grant fund is an account in  
18 the general revenue fund.

19 (b) Money credited to the fund may be used only for awarding  
20 grants under this subchapter. The fund shall be administered in  
21 accordance with this subchapter.

22 (c) An expenditure from the problem gambling and addiction  
23 grant fund shall be made in accordance with the General  
24 Appropriations Act.

25 (d) Grants from money in the fund may be used only to:

26 (1) provide treatment for problem gambling, gambling  
27 addiction, alcoholism, drug abuse, and other addictive behaviors;

1 and

2 (2) provide funding for research related to the impact  
3 of gambling on state residents.

4 Sec. 2202.452. GRANT PROGRAM. (a) From funds appropriated  
5 for the purpose, the commission shall administer a grant program to  
6 provide assistance for the direct treatment of persons diagnosed as  
7 suffering from pathological gambling and other addictive behaviors  
8 and to provide funding for research regarding the impact of  
9 gambling on residents of this state.

10 (b) Research grants awarded under this section may include  
11 grants for determining the effectiveness of education and  
12 prevention efforts on the prevalence of pathological gambling in  
13 this state.

14 (c) A grant may be made only after open solicitation of  
15 proposals and evaluation of proposals against criteria established  
16 by commission rule.

17 (d) Public and private entities are eligible to apply for  
18 and receive grants under this section.

19 (e) A grant made in accordance with this section shall be  
20 made from funds appropriated to the commission from the problem  
21 gambling and addiction grant fund and funds provided to the  
22 commission in accordance with Section 2202.453.

23 Sec. 2202.453. GIFTS AND DONATIONS. The commission may  
24 solicit and accept grants, gifts, contributions, or bequests made  
25 for the purpose of funding grants under this subchapter and expend  
26 the money for the purpose described by Section 2202.452, for which  
27 the money was received.



1       Sec. 2202.454. RULES. (a) The commission shall administer  
2 this subchapter and adopt rules establishing criteria for  
3 qualification to receive grants and other matters considered  
4 necessary by the commission for the administration of this  
5 subchapter.

6       (b) The rules adopted by the commission must require that  
7 each recipient of a grant report at least annually to the commission  
8 the grantee's measurable achievement of specific outcome goals.

9               CHAPTER 2203. TRIBAL GAMING AGREEMENTS

10       Sec. 2203.001. DUTY OF GOVERNOR. The governor shall  
11 execute, on behalf of this state, with a federally recognized  
12 Indian tribe with Indian lands in this state a gaming agreement  
13 consistent with the provisions in 25 U.S.C. Section 2710(d) and  
14 containing the terms set forth in Section 2203.002 not later than  
15 the 180th day after the date the governor receives a request from  
16 the tribe, accompanied by or in the form of a duly enacted  
17 resolution of the tribe's governing body, to enter into the gaming  
18 agreement.

19       Sec. 2203.002. MODEL TRIBAL GAMING AGREEMENT. (a) A gaming  
20 agreement executed under Section 2203.001 must be in the form and  
21 contain the provisions as follows:

22       GAMING AGREEMENT GOVERNING GAMING OPERATIONS Between the [Name of  
23                               Tribe] and the STATE OF TEXAS

24       This agreement is made and entered into by and between the  
25 [Name of Tribe], a federally recognized Indian Tribe ("Tribe"), and  
26 the State of Texas ("State"), with respect to gaming on the Tribe's  
27 Indian lands (as defined by Chapter 2201, Texas Occupations Code).

1 This agreement governs gambling on Indian lands held in trust  
2 by the United States on January 1, 1998, for the Tribe.

3 Pursuant to express provisions of the Ysleta del Sur Pueblo  
4 and Alabama and Coushatta Indian Tribes of Texas Restoration Act  
5 (Pub. L. No. 100-89) addressing jurisdiction, the Tribe may engage  
6 in any gaming activities on Indian lands that another person may be  
7 authorized to engage in within Texas under Subtitle E, Title 13,  
8 Occupations Code.

9 The Tribe shall regulate the gaming activities authorized  
10 under this agreement on the Tribe's Indian lands.

11 The Tribe shall adopt rules and procedures substantially  
12 similar to the requirements of Subtitle E, Title 13, Occupations  
13 Code, except that any regulatory oversight established under  
14 Subtitle E for gaming conducted under a license shall be exercised  
15 by the Tribe for gaming conducted under this agreement. The Tribe  
16 may adopt the rules and procedures by reference to any provisions of  
17 Subtitle E, Title 13, Occupations Code.

18 (b) A gaming agreement under Subsection (a) between this  
19 state and a federally recognized Indian tribe that is not subject to  
20 the Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of  
21 Texas Restoration Act (Pub. L. No. 100-89) may not include the  
22 provision related to that Act.

23 Sec. 2203.003. NEGOTIATION FOR DIFFERENT TRIBAL GAMING  
24 AGREEMENT TERMS. (a) This chapter does not limit the ability of a  
25 federally recognized Indian tribe to request that a gaming  
26 agreement be negotiated with this state on terms that are different  
27 from those set forth in the gaming agreement under Section

1 2203.002, or the ability of this state to engage in negotiations and  
2 to reach agreement under any applicable federal law.

3 (b) In offering to enter into a gaming agreement with Indian  
4 tribes in this state under Section 2203.002, and excluding  
5 assessments, authorized under the Indian Gaming Regulatory Act (18  
6 U.S.C. Sections 1166-1168 and 25 U.S.C. Section 2701 et seq.), by  
7 this state of the amounts necessary to defray state costs of  
8 regulating activities as provided under the gaming agreement,  
9 nothing in this chapter may be construed to mean that:

10 (1) this state is imposing any tax, fee, charge, or  
11 other assessment on an Indian tribe or on any other person or entity  
12 authorized by an Indian tribe as a condition to engaging in a Class  
13 III activity as defined in the Indian Gaming Regulatory Act (18  
14 U.S.C. Sections 1166-1168 and 25 U.S.C. Section 2701 et seq.); or

15 (2) this state is refusing to enter into gaming  
16 agreement negotiations based on the lack of authority of this state  
17 or a political subdivision of this state to impose the tax, fee,  
18 charge, or other assessment.

19 (c) If any federally recognized Indian tribe with  
20 jurisdiction over Indian lands in this state requests that the  
21 governor enter into negotiations for a gaming agreement under  
22 federal law applicable to the Indian tribe, including the Indian  
23 Gaming Regulatory Act (18 U.S.C. Sections 1166-1168 and 25 U.S.C.  
24 Section 2701 et seq.), on terms different than those prescribed in  
25 the gaming agreement set forth in Section 2203.002, the governor  
26 shall enter into those negotiations under the federal law  
27 applicable to the tribe and without preconditions and is authorized

1 to reach agreement and execute the agreement on behalf of this  
2 state.

3 Sec. 2203.004. IMPLEMENTATION OF GAMING AGREEMENT. The  
4 governor shall execute any documents necessary to implement a  
5 gaming agreement authorized under this chapter.

6 Sec. 2203.005. INCORPORATION INTO STATE LAW. The model  
7 gaming agreement set out in Section 2203.002 is hereby incorporated  
8 into state law, and the operation of gaming authorized under the  
9 agreement is expressly authorized as a matter of state law for any  
10 Indian tribe entering into the gaming agreement in accordance with  
11 this chapter.

12 Sec. 2203.006. REGULATORY MONEY RECEIVED UNDER GAMING  
13 AGREEMENT. All money received by the commission under a gaming  
14 agreement for regulatory costs incurred relative to tribal gaming  
15 operations may be used only to defray expenses of the commission  
16 incurred in the oversight, compliance with, and enforcement of  
17 gaming operations conducted pursuant to a gaming agreement.

18 Sec. 2203.007. INJUNCTION; CIVIL PENALTY. (a) If the  
19 commission, the appropriate governing body for an Indian tribe, or  
20 the attorney general has reason to believe that this chapter has  
21 been or is about to be violated, the attorney general may petition a  
22 court for appropriate injunctive relief to restrain the violation.  
23 Filing of the petition does not waive applicable sovereign  
24 immunity.

25 (b) Venue for an action by this state seeking injunctive  
26 relief is in a district court in Travis County.

27 (c) If the court finds that this chapter has been knowingly

1 violated, the court shall order all proceeds from any illegal  
2 casino gaming and sports wagering to be forfeited to the  
3 appropriate governing body as a civil penalty.

4 (d) The remedies provided by this section are not exclusive.  
5 The commission may suspend or revoke a license, impose an  
6 administrative penalty, or seek injunctive or civil penalties or  
7 both, depending on the severity of the violation.

8 SECTION 2. Section 2028.2041, Occupations Code, is amended  
9 to read as follows:

10 Sec. 2028.2041. ALLOCATION OF CERTAIN FUNDS. (a) In each  
11 state fiscal biennium, the comptroller shall deposit the amounts  
12 allocated under Section 151.801(c-3), Tax Code, into the escrow  
13 account established under Section 2028.204(b), until the  
14 comptroller determines the amount deposited into the account in  
15 that fiscal biennium, excluding amounts deposited to the account  
16 pursuant to Section 2202.252, equals the greater of:

17 (1) the amount appropriated to the commission for the  
18 purposes of Section 2028.204 for that fiscal biennium; or

19 (2) \$50 million.

20 (b) Once the comptroller determines the greater of the  
21 amount described by Subsection (a)(1) or (2) has been deposited  
22 during a state fiscal biennium into the escrow account established  
23 under Section 2028.204(b), excluding amounts deposited to the  
24 account pursuant to Section 2202.252, for the remainder of that  
25 fiscal biennium the comptroller shall deposit the amounts allocated  
26 under Section 151.801(c-3), Tax Code, into the general revenue  
27 fund.

1 (c) The balance of the escrow account established under  
2 Section 2028.204(b) shall not exceed \$50 million, excluding amounts  
3 deposited to the account pursuant to Section 2202.252.

4 SECTION 3. Article 2.12, Code of Criminal Procedure, is  
5 amended to read as follows:

6 Art. 2.12. WHO ARE PEACE OFFICERS. The following are peace  
7 officers:

8 (1) sheriffs, their deputies, and those reserve  
9 deputies who hold a permanent peace officer license issued under  
10 Chapter 1701, Occupations Code;

11 (2) constables, deputy constables, and those reserve  
12 deputy constables who hold a permanent peace officer license issued  
13 under Chapter 1701, Occupations Code;

14 (3) marshals or police officers of an incorporated  
15 city, town, or village, and those reserve municipal police officers  
16 who hold a permanent peace officer license issued under Chapter  
17 1701, Occupations Code;

18 (4) rangers, officers, and members of the reserve  
19 officer corps commissioned by the Public Safety Commission and the  
20 Director of the Department of Public Safety;

21 (5) investigators of the district attorneys', criminal  
22 district attorneys', and county attorneys' offices;

23 (6) law enforcement agents of the Texas Alcoholic  
24 Beverage Commission;

25 (7) each member of an arson investigating unit  
26 commissioned by a city, a county, or the state;

27 (8) officers commissioned under Section 37.081,

1 Education Code, or Subchapter E, Chapter 51, Education Code;

2 (9) officers commissioned by the General Services  
3 Commission;

4 (10) law enforcement officers commissioned by the  
5 Parks and Wildlife Commission;

6 (11) officers commissioned under Chapter 23,  
7 Transportation Code;

8 (12) municipal park and recreational patrolmen and  
9 security officers;

10 (13) security officers and investigators commissioned  
11 as peace officers by the comptroller;

12 (14) officers commissioned by a water control and  
13 improvement district under Section 49.216, Water Code;

14 (15) officers commissioned by a board of trustees  
15 under Chapter 54, Transportation Code;

16 (16) investigators commissioned by the Texas Medical  
17 Board;

18 (17) officers commissioned by:

19 (A) the board of managers of the Dallas County  
20 Hospital District, the Tarrant County Hospital District, the Bexar  
21 County Hospital District, or the El Paso County Hospital District  
22 under Section 281.057, Health and Safety Code;

23 (B) the board of directors of the Ector County  
24 Hospital District under Section 1024.117, Special District Local  
25 Laws Code;

26 (C) the board of directors of the Midland County  
27 Hospital District of Midland County, Texas, under Section 1061.121,

1 Special District Local Laws Code; and

2 (D) the board of hospital managers of the Lubbock  
3 County Hospital District of Lubbock County, Texas, under Section  
4 [1053.113](#), Special District Local Laws Code;

5 (18) county park rangers commissioned under  
6 Subchapter [E](#), Chapter [351](#), Local Government Code;

7 (19) investigators employed by the Texas Racing  
8 Commission;

9 (20) officers commissioned under Chapter [554](#),  
10 Occupations Code;

11 (21) officers commissioned by the governing body of a  
12 metropolitan rapid transit authority under Section [451.108](#),  
13 Transportation Code, or by a regional transportation authority  
14 under Section [452.110](#), Transportation Code;

15 (22) investigators commissioned by the attorney  
16 general under Section [402.009](#), Government Code;

17 (23) security officers and investigators commissioned  
18 as peace officers under Chapter [466](#), Government Code;

19 (24) officers appointed by an appellate court under  
20 Subchapter [F](#), Chapter [53](#), Government Code;

21 (25) officers commissioned by the state fire marshal  
22 under Chapter [417](#), Government Code;

23 (26) an investigator commissioned by the commissioner  
24 of insurance under Section [701.104](#), Insurance Code;

25 (27) apprehension specialists and inspectors general  
26 commissioned by the Texas Juvenile Justice Department as officers  
27 under Sections [242.102](#) and [243.052](#), Human Resources Code;



1 (28) officers appointed by the inspector general of  
2 the Texas Department of Criminal Justice under Section 493.019,  
3 Government Code;

4 (29) investigators commissioned by the Texas  
5 Commission on Law Enforcement under Section 1701.160, Occupations  
6 Code;

7 (30) commission investigators commissioned by the  
8 Texas Private Security Board under Section 1702.061, Occupations  
9 Code;

10 (31) the fire marshal and any officers, inspectors, or  
11 investigators commissioned by an emergency services district under  
12 Chapter 775, Health and Safety Code;

13 (32) officers commissioned by the State Board of  
14 Dental Examiners under Section 254.013, Occupations Code, subject  
15 to the limitations imposed by that section;

16 (33) investigators commissioned by the Texas Juvenile  
17 Justice Department as officers under Section 221.011, Human  
18 Resources Code; ~~and~~

19 (34) the fire marshal and any related officers,  
20 inspectors, or investigators commissioned by a county under  
21 Subchapter B, Chapter 352, Local Government Code; and

22 (35) investigators, security officers, and  
23 enforcement officers commissioned by the Texas Gaming Commission  
24 under Chapter 2201, Occupations Code.

25 SECTION 4. Subchapter F, Chapter 411, Government Code, is  
26 amended by adding Section 411.1085 to read as follows:

27 Sec. 411.1085. ACCESS TO CRIMINAL HISTORY RECORD

1 INFORMATION: TEXAS GAMING COMMISSION. (a) The Texas Gaming  
2 Commission is entitled to obtain from the department criminal  
3 history record information maintained by the department that  
4 relates to a person who, under Subtitle E, Title 13, Occupations  
5 Code, is:

6 (1) a casino employee or an applicant for an  
7 occupational license;

8 (2) a person required to hold a license or be named in  
9 a license application under that subtitle;

10 (3) a person who manufactures or distributes casino  
11 equipment or supplies or a representative of a person who  
12 manufactures or distributes casino equipment or supplies offered to  
13 the casino;

14 (4) a person who has submitted a written bid or  
15 proposal to the commission in connection with the procurement of  
16 goods or services by the commission, if the amount of the bid or  
17 proposal exceeds \$500;

18 (5) a person who proposes to enter into or who has a  
19 contract with the commission to supply goods or services to the  
20 commission;

21 (6) if a person described in Subdivisions (3) through  
22 (5) is not an individual, each individual who:

23 (A) is an officer or director of the person;

24 (B) holds more than five percent of the stock in  
25 the person;

26 (C) holds an equitable interest greater than five  
27 percent in the person;

1                   (D) shares or will share in the profits, other  
2 than stock dividends, of the person;

3                   (E) participates in managing the affairs of the  
4 person; or

5                   (F) is an employee of the person who:

6                   (i) enters or will enter a casino in this  
7 state to perform a business function; or

8                   (ii) is or will be in close proximity to  
9 money from casino gaming;

10                  (7) an employee or prospective employee, including the  
11 executive director or a prospective executive director, of the  
12 commission; or

13                  (8) a person described under Subdivisions (1)-(7)  
14 whose license is renewed under that subtitle.

15                  (b) Criminal history record information obtained by the  
16 Texas Gaming Commission under Subsection (a) may not be released or  
17 disclosed to any person except on court order or as provided by  
18 Subsection (c).

19                  (c) The Texas Gaming Commission is not prohibited from  
20 disclosing to the person who is the subject of the criminal history  
21 record information the dates and places of arrests, offenses, and  
22 dispositions contained in the criminal history record information.

23                  SECTION 5. Section 47.02(c), Penal Code, is amended to read  
24 as follows:

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

27                   (1) was permitted under Chapter 2001, Occupations

1 Code;

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

4 (3) was permitted under Chapter 2004, Occupations  
5 Code;

6 (4) consisted entirely of participation in the state  
7 lottery authorized by the State Lottery Act (Chapter 466,  
8 Government Code);

9 (5) was permitted under Subtitle A-1, Title 13,  
10 Occupations Code (Texas Racing Act); ~~or~~

11 (6) consisted entirely of participation in a drawing  
12 for the opportunity to participate in a hunting, fishing, or other  
13 recreational event conducted by the Parks and Wildlife Department;  
14 or

15 (7) consisted entirely of participation in an  
16 authorized gambling game or sports wagering authorized under an  
17 appropriate license issued under Subtitle E, Title 13, Occupations  
18 Code.

19 SECTION 6. Section 47.03, Penal Code, is amended by adding  
20 Subsection (c) to read as follows:

21 (c) It is a defense to prosecution under this section that  
22 the actor reasonably believed that the conduct was permitted under  
23 Subtitle E, Title 13, Occupations Code.

24 SECTION 7. Section 47.04, Penal Code, is amended by adding  
25 Subsection (c) to read as follows:

26 (c) It is a defense to prosecution under this section that  
27 the actor reasonably believed that the conduct was permitted under

1 Subtitle E, Title 13, Occupations Code.

2 SECTION 8. Section 47.05(b), Penal Code, is amended to read  
3 as follows:

4 (b) It is an exception to the application of Subsection (a)  
5 that the information communicated is intended for use in placing a  
6 lawful wager under Subtitle E, Title 13, Occupations Code, or  
7 Chapter 2027, Occupations Code, and is not communicated in  
8 violation of Section 2033.013, Occupations Code.

9 SECTION 9. Section 47.06(f), Penal Code, is amended to read  
10 as follows:

11 (f) It is a defense to prosecution under Subsection (a) or  
12 (c) that the person owned, manufactured, transferred, or possessed  
13 the gambling device, equipment, or paraphernalia for the sole  
14 purpose of shipping it:

15 (1) to a person authorized under an appropriate  
16 license issued under Subtitle E, Title 13, Occupations Code; or

17 (2) to another jurisdiction where the possession or  
18 use of the device, equipment, or paraphernalia was legal.

19 SECTION 10. Section 47.09(a), Penal Code, is amended to  
20 read as follows:

21 (a) It is a defense to prosecution under this chapter that  
22 the conduct:

23 (1) was authorized under:

24 (A) Chapter 2001, Occupations Code;

25 (B) Chapter 2002, Occupations Code;

26 (C) Chapter 2004, Occupations Code;

27 (D) Subtitle A-1, Title 13, Occupations Code

1 (Texas Racing Act); [~~or~~]

2 (E) Chapter 280, Finance Code; or

3 (F) Subtitle E, Title 13, Occupations Code;

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

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

8 (A) Chapter 466, Government Code;

9 (B) the lottery division of the Texas Lottery  
10 Commission;

11 (C) the Texas Lottery Commission; or

12 (D) the director of the lottery division of the  
13 Texas Lottery Commission.

14 SECTION 11. (a) Funds in the Texas casino gaming fund may  
15 be appropriated only to the Texas Gaming Commission for the  
16 operation of the commission and the administration of Subtitle E,  
17 Title 13, Occupations Code, as added by this Act, for the biennium  
18 ending August 31, 2025.

19 (b) Not later than February 1, 2024, the initial members of  
20 the Texas Gaming Commission shall be appointed in accordance with  
21 Chapter 2201, Occupations Code, as added by this Act. In making the  
22 initial appointments, the governor shall designate one member to a  
23 term expiring February 1, 2025, two members to terms expiring  
24 February 1, 2027, and two members to terms expiring February 1,  
25 2029.

26 SECTION 12. (a) The Texas Gaming Commission Legislative  
27 Oversight Committee is created to facilitate the creation of the

1 Texas Gaming Commission and the assignment of powers, duties,  
2 functions, programs, and activities of the commission as provided  
3 by this Act.

4 (b) The committee is composed of seven members as follows:

5 (1) two members of the senate, appointed by the  
6 lieutenant governor not later than December 1, 2023;

7 (2) two members of the house of representatives,  
8 appointed by the speaker of the house of representatives not later  
9 than December 1, 2023; and

10 (3) three members of the public, appointed by the  
11 governor not later than December 1, 2023.

12 (c) Once the members of the Texas Gaming Commission have  
13 been appointed and have selected an executive director, the  
14 executive director of the Texas Gaming Commission shall serve as an  
15 ex officio member of the committee.

16 (d) A member of the committee serves at the pleasure of the  
17 appointing official.

18 (e) The lieutenant governor and the speaker of the house of  
19 representatives shall alternate designating a presiding officer  
20 from among their respective appointments. The speaker of the house  
21 of representatives shall make the first designation.

22 (f) A member of the committee may not receive compensation  
23 for serving on the committee but is entitled to reimbursement for  
24 travel expenses incurred by the member while conducting the  
25 business of the committee as provided by the General Appropriations  
26 Act.

27 (g) The committee shall:

1           (1) facilitate the assignment of powers, duties,  
2 functions, programs, and activities of the Texas Gaming Commission  
3 as provided by this Act;

4           (2) adopt an initial training program to meet the  
5 requirements of Section 2201.058, Occupations Code, as added by  
6 this Act, to train the initial appointees of the Texas Gaming  
7 Commission;

8           (3) with assistance from the Texas Gaming Commission,  
9 advise the executive director and members of the Texas Gaming  
10 Commission concerning the powers, duties, functions, programs, and  
11 activities established under this Act and the funds and obligations  
12 that are related to the powers, duties, functions, programs, or  
13 activities;

14           (4) meet at the call of the presiding officer;

15           (5) research, take public testimony, and issue reports  
16 on other appropriate issues or specific issues requested by the  
17 lieutenant governor, speaker of the house of representatives, or  
18 governor; and

19           (6) review specific recommendations for legislation  
20 proposed by the Texas Gaming Commission or the other agencies.

21           (h) The committee may request reports and other information  
22 from the Texas Gaming Commission, other state agencies, and the  
23 attorney general relating to casino gaming and sports wagering in  
24 this state and other appropriate issues.

25           (i) The committee shall use existing staff of the senate,  
26 the house of representatives, and the Texas Legislative Council to  
27 assist the committee in performing its duties under this section.



1 (j) Chapter 551, Government Code, applies to the committee.

2 (k) The committee shall report to the governor, lieutenant  
3 governor, and speaker of the house of representatives not later  
4 than November 15 of each even-numbered year. The report must  
5 include:

6 (1) identification of significant issues within  
7 casino gaming and sports wagering regulation, with recommendations  
8 for action;

9 (2) an analysis of the effectiveness and efficiency of  
10 casino gaming and sports wagering regulation, with recommendations  
11 for any necessary research; and

12 (3) recommendations for legislative action.

13 SECTION 13. (a) The assignment of powers, duties,  
14 functions, programs, and activities of the Texas Gaming Commission  
15 must be accomplished in accordance with a schedule included in a  
16 work plan developed by the executive director and members of the  
17 Texas Gaming Commission and submitted to the governor and the  
18 Legislative Budget Board not later than September 1, 2024. The  
19 executive director and commission members shall provide to the  
20 governor and the Legislative Budget Board work plan status reports  
21 and updates on at least a quarterly basis following submission of  
22 the initial work plan. The work plan must be made available to the  
23 public.

24 (b) Not later than June 1, 2024, the Texas Gaming Commission  
25 shall hold a public hearing and accept public comment regarding the  
26 work plan required to be developed by the executive director and  
27 members of the Texas Gaming Commission under this section.

1           (c) In developing the work plan, the executive director and  
2 members of the Texas Gaming Commission shall hold public hearings  
3 in various geographic areas in this state before submitting the  
4 plan to the governor and the Legislative Budget Board as required by  
5 this section.

6           (d) The Texas Gaming Commission shall implement the powers,  
7 duties, functions, programs, and activities assigned to the  
8 commission under this Act in accordance with a work plan designed by  
9 the commission to ensure that the implementation of gaming  
10 regulation under this Act is accomplished in a careful and  
11 deliberative manner.

12           (e) A work plan designed by the commission under this  
13 section must include the following phases:

14               (1) a planning phase, during which the commission will  
15 focus on and stabilize the organization of the agency's powers,  
16 duties, functions, programs, and activities, and which must  
17 include:

18                       (A) initiation of recommendations made by the  
19 Texas Gaming Commission Legislative Oversight Committee;

20                       (B) creation of interagency and intra-agency  
21 steering committees;

22                       (C) development of global visions, goals, and  
23 organizational strategies; and

24                       (D) development of communications and risk  
25 management plans;

26               (2) an integration phase, during which the commission  
27 will identify opportunities and problems and design customized

1 solutions for those problems, and which must include:

2 (A) identification of key issues related to costs  
3 or legal requirements for other commission activities;

4 (B) planning for daily operations; and

5 (C) validation of fiscal and program synergies;

6 (3) an optimization phase, during which the commission  
7 will complete and expand on the initial transitions, and which must  
8 include:

9 (A) optimization of initial implementation  
10 initiatives;

11 (B) use of enterprise teaming operations;

12 (C) building infrastructures to support and  
13 facilitate changes in gaming regulation and oversight; and

14 (D) identification and use of beneficial assets  
15 management and facilities approaches; and

16 (4) a transformation phase, during which the  
17 commission will continue implementing initial and additional  
18 changes in gaming regulation and oversight, and which must include  
19 implementation of changes in agency management activities.

20 SECTION 14. As soon as practicable after the constitutional  
21 amendment to authorize casino gaming and sports wagering in this  
22 state proposed by the 88th Legislature, Regular Session, 2023, is  
23 approved by the voters and becomes effective, the Texas Gaming  
24 Commission shall adopt the rules necessary to implement that gaming  
25 in accordance with Chapter 2202, Occupations Code, as added by this  
26 Act, and in anticipation of receiving license applications not  
27 later than September 1, 2025.

1           SECTION 15. This Act takes effect on the date the amendment  
2 proposed by the 88th Legislature, Regular Session, 2023, to foster  
3 economic development and job growth, provide tax relief and funding  
4 for education and public safety programs, and reform and support  
5 the horse racing industry by authorizing casino gaming at  
6 destination resorts, authorizing sports wagering, creating the  
7 Texas Gaming Commission to regulate casino gaming and sports  
8 wagering, requiring a license to conduct casino gaming, and  
9 requiring the imposition of a gaming tax, sports wagering tax, and  
10 license application fees is approved by the voters. If that  
11 amendment is not approved by the voters, this Act has no effect.