

By: Geren, Rose, Davis, et al.

H.J.R. No. 155

Substitute the following for H.J.R. No. 155:

By: Thompson of Harris

C.S.H.J.R. No. 155

A JOINT RESOLUTION

1 proposing a constitutional amendment to foster economic
2 development and job growth, provide tax relief and funding for
3 education and public safety programs, support the horse racing
4 industry, and reform horse racing and greyhound racing by
5 authorizing casino gaming at destination resorts, authorizing
6 sports wagering, authorizing Tribal-State compacts with federally
7 recognized Indian tribes, and creating the Texas Gaming Commission
8 to regulate casino gaming and sports wagering; requiring a license
9 to conduct casino gaming; and requiring the imposition of a casino
10 gaming tax, sports wagering tax, and license application fees.

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

12 SECTION 1. The legislature finds that:

13 (1) the qualified voters of this state should have the
14 opportunity to decide whether to authorize casino gaming at
15 destination resorts; and

16 (2) if authorized by those voters, casino gaming at
17 destination resorts should:

18 (A) serve the public interest by fostering
19 economic development and job growth and providing tax relief and
20 funding for education and public safety programs;

21 (B) be strictly regulated by a newly created
22 state agency empowered to adopt rules governing who may obtain a
23 casino license and the conduct of casino gaming in this state;

24 (C) be limited to areas of this state where the

1 voters approve a constitutional amendment authorizing casino
2 gaming or in which pari-mutuel wagering was previously approved;

3 (D) be limited to areas of this state where the
4 greatest positive economic impact from destination resort
5 development can be realized;

6 (E) use existing pari-mutuel racing licenses to
7 allow more immediate development of destination resorts and to more
8 quickly realize the related job growth and economic development;

9 (F) encourage participation by and competition
10 between multiple casino license holders; and

11 (G) result in the reform and revitalization of
12 the horse racing industry in this state and the industry's benefits
13 to agricultural businesses in this state.

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

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

20 SECTION 3. Article III, Texas Constitution, is amended by
21 adding Section 47a to read as follows:

22 Sec. 47a. (a) In this section:

23 (1) "Casino" means licensed casino gaming facilities
24 within a destination resort.

25 (2) "Casino gaming" means any game of chance or
26 similar activity that involves placing a wager for consideration.

27 The term includes wagering on any type of slot machine or table

1 game, as defined by the legislature, using money, casino credit, or
2 any other representation of value. The term does not include:

3 (A) bingo, a charitable raffle, or the state
4 lottery authorized under Section 47 of this article; or

5 (B) placing, receiving, or otherwise knowingly
6 transmitting a wager by a means that requires the use of the
7 Internet, except for offering slot machines, table games, or other
8 devices approved by the Texas Gaming Commission that use the
9 Internet or networking functionality but are played on-site at a
10 casino.

11 (3) "Casino license" means a license to conduct casino
12 gaming at a casino.

13 (4) "Destination resort" means a mixed-use
14 development consisting of casino gaming facilities and a
15 combination of tourism amenities and facilities, including hotels,
16 restaurants, meeting facilities, attractions, entertainment
17 facilities, and shopping centers.

18 (5) "Education" means:

19 (A) public education;

20 (B) higher education, including the creation of a
21 permanent fund for the benefit of higher education institutions not
22 included in the Permanent University Fund established by Section
23 11, Article VII, of this constitution; and

24 (C) adult education related to responsible
25 gaming.

26 (6) "Indian lands" means land:

27 (A) on which gaming is permitted under the Indian

1 Gaming Regulatory Act (Pub. L. No. 100-497); or

2 (B) that was held in trust by the United States on
3 January 1, 1998, for the benefit of the Indian tribes pursuant to
4 the Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of
5 Texas Restoration Act (Pub. L. No. 100-89).

6 (7) "Metropolitan statistical area" means a
7 metropolitan statistical area designated by the United States
8 Office of Management and Budget as of July 1, 2021.

9 (8) "Person" includes an individual and any legal
10 entity, including a corporation, organization, partnership, or
11 association.

12 (9) "Public safety program" means a program for crime
13 prevention and law enforcement, including a program designed to
14 prevent and prosecute crimes involving human trafficking and money
15 laundering.

16 (10) "Racetrack association" means a person who holds
17 a license to conduct racing in this state.

18 (11) "Racing" means a horse race meeting or greyhound
19 race meeting with pari-mutuel wagering.

20 (12) "Sports wagering" means placing a wager on a live
21 sporting event, as defined by general law.

22 (b) To foster economic development and job growth, provide
23 tax relief and funding for education and public safety programs,
24 support the horse racing industry, reform horse racing and
25 greyhound racing, provide support for the Texas Gaming Commission,
26 and provide for destination resorts in populous metropolitan
27 statistical areas where pari-mutuel wagering was previously

1 approved, casino gaming is authorized under casino licenses for
2 casinos at eight destination resorts in the following locations:

3 (1) two destination resorts in the Dallas-Fort
4 Worth-Arlington metropolitan statistical area;

5 (2) two destination resorts in the Houston-The
6 Woodlands-Sugar Land metropolitan statistical area;

7 (3) one destination resort in the San Antonio-New
8 Braunfels metropolitan statistical area;

9 (4) one destination resort in the Corpus Christi
10 metropolitan statistical area;

11 (5) one destination resort in the
12 McAllen-Edinburg-Mission metropolitan statistical area; and

13 (6) one destination resort located in:

14 (A) a metropolitan statistical area not
15 specified in Subdivisions (1) through (5) of this subsection; and

16 (B) a county:

17 (i) no part of which is less than 100 miles
18 from a metropolitan statistical area specified in Subdivisions (1)
19 through (5) of this subsection; and

20 (ii) in which a majority of the qualified
21 voters voting on the question voted in favor of the amendment that
22 added this section to the constitution.

23 (c) The legislature shall:

24 (1) authorize sports wagering only in a place and
25 manner prescribed by general law;

26 (2) regulate the conduct of sports wagering by general
27 law; and

1 (3) direct the Texas Gaming Commission to adopt rules
2 consistent with general law to regulate sports wagering in this
3 state.

4 (d) The legislature by general law shall establish the Texas
5 Gaming Commission as a state agency with broad authority to adopt
6 and enforce the rules necessary to strictly regulate casino gaming
7 and sports wagering in accordance with this section.

8 (e) Notwithstanding any other provision of this
9 constitution, the Texas Gaming Commission is composed of five
10 members appointed by the governor with the advice and consent of the
11 senate to serve staggered six-year terms, as established under
12 general law. To be eligible for appointment and continued service,
13 a member must satisfy the qualifications established by the
14 legislature under that law.

15 (f) Notwithstanding any other provision of this
16 constitution, a racetrack association may designate a person to
17 apply for and hold a casino license under Subsection (g) of this
18 section by providing notice to the Texas Gaming Commission in the
19 manner prescribed by general law or commission rule consistent with
20 general law. A racetrack association may not change the person
21 designated in the provided notice unless the person declines the
22 designation and may not at any time designate more than one person
23 under this subsection. A racetrack association is ineligible to
24 hold a casino license if the racetrack association designates a
25 person for a license under this subsection unless the person
26 declines the designation. Nothing in this subsection affects
27 duties or rights established by contract or other law.

1 (g) Subject to this section and notwithstanding any other
2 provision of this constitution, the Texas Gaming Commission shall
3 issue a casino license to each initial qualified applicant. An
4 initial qualified applicant must:

5 (1) be of good moral character, be honest, and have
6 integrity;

7 (2) demonstrate that the issuance of the casino
8 license to the applicant will not be detrimental to the public
9 interest or the casino gaming industry;

10 (3) satisfy the qualifications and any other
11 requirements established under general law;

12 (4) demonstrate the financial ability to complete the
13 development of and operate the destination resort at which the
14 person will conduct casino gaming;

15 (5) have adequate experience in resort development,
16 resort management, and casino gaming operations;

17 (6) provide a detailed estimate of the applicant's
18 total new development investment in the destination resort; and

19 (7) satisfy the applicable requirements provided in
20 Subsection (h) of this section.

21 (h) An initial qualified applicant for a casino license must
22 satisfy the following requirements for the metropolitan
23 statistical area in which the destination resort will be located:

24 (1) for a casino license in the Dallas-Fort
25 Worth-Arlington metropolitan statistical area, the applicant must:

26 (A) be a racetrack association that on January 1,
27 2022, held a license to conduct racing in the Dallas-Fort

1 Worth-Arlington metropolitan statistical area or the Laredo
2 metropolitan statistical area or be the person designated by the
3 racetrack association under Subsection (f) of this section; and

4 (B) commit to investing for new development of
5 the destination resort an amount equal to at least \$2 billion,
6 including land acquisition;

7 (2) for a casino license in the Houston-The
8 Woodlands-Sugar Land metropolitan statistical area, the applicant
9 must:

10 (A) be a racetrack association that on January 1,
11 2022, held a license to conduct racing in the Houston-The
12 Woodlands-Sugar Land metropolitan statistical area or the
13 Brownsville-Harlingen metropolitan statistical area or be the
14 person designated by the racetrack association under Subsection (f)
15 of this section; and

16 (B) commit to investing for new development of
17 the destination resort an amount equal to at least \$2 billion,
18 including land acquisition;

19 (3) for a casino license in the San Antonio-New
20 Braunfels metropolitan statistical area, the applicant must:

21 (A) be a racetrack association that on January 1,
22 2022, held a license to conduct racing in the San Antonio-New
23 Braunfels metropolitan statistical area or be the person designated
24 by the racetrack association under Subsection (f) of this section;
25 and

26 (B) commit to investing for new development of
27 the destination resort an amount equal to at least \$1 billion,

1 including land acquisition;

2 (4) for a casino license in the Corpus Christi
3 metropolitan statistical area, the applicant must:

4 (A) be a racetrack association that on January 1,
5 2022, held a license to conduct racing in the Corpus Christi
6 metropolitan statistical area or be the person designated by the
7 racetrack association under Subsection (f) of this section; and

8 (B) commit to investing for new development of
9 the destination resort an amount equal to at least \$250 million,
10 including land acquisition;

11 (5) for a casino license in the
12 McAllen-Edinburg-Mission metropolitan statistical area, the
13 applicant must:

14 (A) be a racetrack association that on January 1,
15 2022, held a license to conduct racing in the
16 McAllen-Edinburg-Mission metropolitan statistical area or be the
17 person designated by the racetrack association under Subsection (f)
18 of this section; and

19 (B) commit to investing for new development of
20 the destination resort an amount equal to at least \$250 million,
21 including land acquisition; and

22 (6) for a casino license authorized by Subsection
23 (b)(6) of this section, the applicant must:

24 (A) be selected through an open bid process
25 regulated by general law and commission rule consistent with
26 general law; and

27 (B) commit to investing for new development of

1 the destination resort an amount equal to at least \$1 billion,
2 including land acquisition.

3 (i) A destination resort at which casino gaming is conducted
4 under a casino license authorized by Subsections (b)(1)-(5) of this
5 section may be located anywhere in the metropolitan statistical
6 area for which the license is issued.

7 (j) Consistent with this section, the legislature by
8 general law:

9 (1) shall regulate casino gaming and sports wagering
10 in this state by prescribing:

11 (A) additional requirements governing the
12 issuance and continued qualification for holding a casino license;

13 (B) restrictions on the transfer of casino
14 licenses;

15 (C) definitions of terms necessary or useful to
16 implement this section and consistent with this section, including
17 the terms casino, casino gaming, casino license, destination
18 resort, location, and sports wagering;

19 (D) qualifications for the issuance of new casino
20 licenses to persons who are not initial qualified applicants under
21 Subsection (g) of this section or do not satisfy an applicable
22 requirement of Subsection (h) of this section as initial qualified
23 applicants, provided that the number of active casino licenses, as
24 defined by the legislature, may not at any time exceed the number of
25 casino licenses for destination resorts authorized by Subsection
26 (b) of this section; and

27 (E) restrictions and penalties for the unlawful

1 conduct of casino gaming and sports wagering; and

2 (2) may delegate to the Texas Gaming Commission the
3 authority to adopt rules regulating casino gaming and sports
4 wagering in accordance with this section.

5 (k) State or local public money or facilities developed or
6 built with state or local public assistance or tax incentives of any
7 kind may not be used for the development or operation of a
8 destination resort. The legislature by general law shall prescribe
9 procedures and enforcement measures to ensure that:

10 (1) a casino license applicant has the financial
11 capability of satisfying the minimum investment specified in
12 Subsection (h) of this section; and

13 (2) each casino license holder satisfies the
14 investment required under Subsection (h) of this section.

15 (l) A person may not have an ownership interest in more than
16 two casino license holders. The legislature by general law shall:

17 (1) define ownership interest for purposes of this
18 subsection; and

19 (2) prescribe the consequences of violating this
20 subsection.

21 (m) The legislature by general law shall direct the Texas
22 Gaming Commission to adopt rules ensuring that a person who holds a
23 casino license and a license to conduct horse racing at a class 1
24 racetrack, as that term is defined by general law, maintains a
25 number of live horse racing dates at least equivalent to the number
26 of live horse racing dates held at the racetrack in 2022.

27 (n) A racetrack association that holds a license to conduct

1 greyhound racing shall cease all racing operations and surrender
2 that license as a condition of holding, or designating a person to
3 hold, a casino license. A racetrack association that holds a
4 license to conduct racing in the Laredo metropolitan statistical
5 area shall cease all racing operations and surrender that license
6 as a condition of holding, or designating a person to hold, a casino
7 license.

8 (o) The legislature by general law shall ensure the Texas
9 Racing Commission or its successor regulates the racing operations
10 of each racetrack association that holds a casino license and the
11 Texas Gaming Commission regulates casino gaming and sports wagering
12 operations of the racetrack association.

13 (p) The legislature by general law shall impose:

14 (1) a 15 percent tax on the gross casino gaming
15 revenue, as defined by general law, of each casino license holder;
16 and

17 (2) a tax in the amount provided by general law on
18 gross sports wagering revenue, as defined by general law.

19 (q) This state or a state agency or political subdivision of
20 this state may not impose a tax on the casino gaming revenue or
21 sports wagering revenue of a casino license holder or a tax or fee
22 on the non-casino gaming revenue or non-sports wagering revenue of
23 a casino license holder's operations at a destination resort, other
24 than the taxes authorized by this section or a tax or fee generally
25 applicable to a business operating in this state.

26 (r) To fund and support the administration and management of
27 the Texas Gaming Commission, the legislature by general law shall

1 establish casino license application fees in the amount of:

2 (1) \$2.5 million for an application to conduct casino
3 gaming at a destination resort in the Dallas-Fort Worth-Arlington
4 or Houston-The Woodlands-Sugar Land metropolitan statistical area;

5 (2) \$1.25 million for an application to conduct casino
6 gaming at a destination resort in the San Antonio-New Braunfels
7 metropolitan statistical area;

8 (3) \$1.25 million for an application to conduct casino
9 gaming at a destination resort under a casino license authorized by
10 Subsection (b)(6) of this section; and

11 (4) \$500,000 for an application to conduct casino
12 gaming at a destination resort in the Corpus Christi or
13 McAllen-Edinburg-Mission metropolitan statistical area.

14 (s) Notwithstanding any other provision of this
15 constitution, the legislature by law shall allocate a portion of
16 the revenues received from taxes imposed on the gross casino gaming
17 revenue of casino license holders to be used as horse racing purse
18 money for the public purpose of promoting the growth and
19 sustainability of the horse racing industry in this state.

20 (t) At the request of any of the three federally recognized
21 Indian tribes with Indian lands in this state, accompanied by or in
22 the form of a duly enacted resolution of the tribe's governing body,
23 the governor shall negotiate in good faith, on behalf of this state,
24 a Tribal-State compact as prescribed by the Indian Gaming
25 Regulatory Act (Pub. L. No. 100-497), consistent with the
26 provisions of 25 U.S.C. Section 2710(d). On the execution of a
27 Tribal-State compact, the governor and the elected leader of the

1 requesting Indian tribe shall submit the compact to the United
2 States secretary of the interior.

3 (u) For the purpose of resolving a tribe's claim that the
4 governor has not negotiated in good faith with the tribe as required
5 by Subsection (t) of this section, this state consents to the
6 jurisdiction of the District Court of the United States with
7 jurisdiction in the county where the Indian lands are located or, if
8 the federal court lacks jurisdiction, to the jurisdiction of a
9 district court in Travis County, and the sovereign immunity of this
10 state is waived for that purpose.

11 (v) If either the Alabama-Coushatta Tribe of Texas or the
12 Ysleta del Sur Pueblo is not authorized to offer gaming under the
13 Indian Gaming Regulatory Act (Pub. L. No. 100-497) at the time this
14 section takes effect, gaming activities by those tribes shall be
15 governed by the Ysleta Del Sur Pueblo and Alabama and Coushatta
16 Indian Tribes of Texas Restoration Act (Pub. L. No. 100-89).

17 (w) If any provision of this section or its application to
18 any person or circumstance is held invalid, the invalidity does not
19 affect other provisions or applications of this section that can be
20 given effect without the invalid provision or application, and to
21 this end the provisions of this section are declared to be
22 severable.

23 SECTION 4. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held November 7, 2023.
25 The ballot shall be printed to permit voting for or against the
26 proposition: "The constitutional amendment to foster economic
27 development and job growth, provide tax relief and funding for

1 education and public safety programs, support the horse racing
2 industry, and reform horse racing and greyhound racing by
3 authorizing casino gaming at destination resorts, authorizing
4 sports wagering, authorizing Tribal-State compacts with federally
5 recognized Indian tribes, and creating the Texas Gaming Commission
6 to regulate casino gaming and sports wagering; requiring a license
7 to conduct casino gaming; and requiring the imposition of a casino
8 gaming tax, sports wagering tax, and license application fees."