

By: Geren

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, creating the
6 Texas Gaming Commission, authorizing sports wagering, requiring a
7 license to conduct casino gaming, requiring the imposition of
8 casino gaming and sports wagering taxes, requiring license
9 application fees, and authorizing Tribal-State compacts related to
10 gaming.

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 regulating 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 in which the

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

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

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

11 (F) encourage participation by and competition
12 between multiple casino license holders; and

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

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

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

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

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

25 (1) "Casino" means licensed facilities located at a
26 destination resort at which casino gaming is conducted.

27 (2) "Casino gaming" means any game of chance or

1 similar activity that involves placing a bet for consideration.
2 The term includes wagering on any type of slot machine or table
3 game, as defined by the legislature, using money, casino credit, or
4 any other representation of value. The term does not include:

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

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

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

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

19 (5) "Education" means public education, higher
20 education, including the creation of a permanent fund for the
21 benefit of higher education institutions not included in the
22 Permanent University Fund established by Article VII, Texas
23 Constitution, and adult education related to responsible gaming.

24 (6) "Indian lands" means land:

25 (A) on which gaming is permitted under the Indian
26 Gaming Regulatory Act (Pub. L. No. 100-497); or

27 (B) that was held in trust by the United States on

1 January 1, 1998, for benefit of the Indian tribe pursuant to the
2 Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of
3 Texas Restoration Act (Pub. L. No. 100-89).

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

7 (8) "Person" includes an individual and any legal
8 entity, such as a corporation, organization, partnership, or
9 association.

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

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

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

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

20 (b) To foster economic development and job growth, provide
21 tax relief and funding for education and public safety programs,
22 support the horse racing industry, reform horse racing and
23 greyhound racing, provide support for the Texas Gaming Commission,
24 and provide for destination resorts in populous metropolitan
25 statistical areas in which pari-mutuel wagering previously has been
26 approved, casino gaming is authorized pursuant to casino licenses
27 for casinos at destination resorts as follows:

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

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

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

7 (4) one destination resort in the Corpus Christi
8 metropolitan statistical area;

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

11 (6) one destination resort at a location in:

12 (A) a metropolitan statistical area not
13 specified in Subdivisions (1) through (5); and

14 (B) a county:

15 (i) no point of which is less than 100 miles
16 from a point in a metropolitan statistical area specified in
17 Subdivisions (1) through (5); and

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

21 (c) The legislature shall:

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

24 (2) regulate by general law the conduct of sports
25 wagering; and

26 (3) direct the Texas Gaming Commission to promulgate
27 rules consistent with general law to regulate sports wagering in

1 this state.

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

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

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

27 (g) Subject to this section, and notwithstanding any other

1 provision of this constitution, the Texas Gaming Commission shall
2 issue a casino license to each initial qualified applicant. An
3 initial qualified applicant must:

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

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

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

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

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

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

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

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

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

26 (A) be a racetrack association that on January 1,
27 2022, held a license to conduct racing anywhere 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 initial
9 qualified applicant must:

10 (A) be a racetrack association that on January 1,
11 2022, held a license to conduct racing anywhere 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 initial qualified
21 applicant must:

22 (A) be a racetrack association that on January 1,
23 2022, held a license to conduct racing anywhere in the San
24 Antonio-New Braunfels metropolitan statistical area or be the
25 person designated by the racetrack association under Subsection (f)
26 of this section; 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 (4) for a casino license in the Corpus Christi
4 metropolitan statistical area, the initial qualified applicant
5 must:

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

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

14 (5) for a casino license in the
15 McAllen-Edinburg-Mission metropolitan statistical area, the
16 initial qualified applicant must:

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

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

25 (6) for a casino license authorized in Subsection
26 (b)(6), the initial qualified applicant must:

27 (A) be selected through an open bid process

1 regulated by general law and commission rule consistent with
2 general law; and

3 (B) commit to investing for new development of
4 the destination resort an amount equal to at least \$1 billion,
5 including land acquisition.

6 (i) A destination resort at which casino gaming is conducted
7 under a casino license authorized in Subdivisions (1) through (5)
8 of Subsection (b) may be located anywhere within the metropolitan
9 statistical area for which the license is issued.

10 (j) Consistent with this section, the legislature by
11 general law:

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

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

16 (B) restrictions on the transfer of casino
17 licenses;

18 (C) definitions of terms necessary or useful to
19 implement this section, such as the terms casino, casino gaming,
20 casino license, destination resort, location, and sports wagering;

21 (D) qualifications for the issuance of new casino
22 licenses to persons that are not initial qualified applicants under
23 Subsection (g) of this section, provided that the number of active
24 casino licenses, as defined by the legislature, may not at any one
25 time exceed the number of casino licenses for destination resorts
26 authorized in Subsection (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 prescribe 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 to ensure 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 that is at least equivalent to the
26 number 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:

14 (1) impose 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) impose a tax on gross sports wagering revenue, as
18 defined by general law.

19 (q) The 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
5 areas;

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

9 (3) \$1.25 million for an application to conduct casino
10 gaming at a destination resort pursuant to a casino license
11 authorized in Subsection (b)(6); and

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

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

21 (t) At the request, accompanied by or in the form of a duly
22 enacted resolution of the tribe's governing body, of any of the
23 three federally recognized Indian tribes with Indian lands in this
24 state, the governor shall negotiate in good faith, on behalf of this
25 state, a Tribal-State compact as prescribed by the Indian Gaming
26 Regulatory Act (Pub. L. 100-479), consistent with the provisions in
27 25 U.S.C. Section 2710(d). Upon the execution of a Tribal-State

1 compact, the governor and the elected leader of the requesting
2 Indian tribe shall submit the compact to the United States
3 Secretary of the Interior.

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

12 (v) If either the Alabama-Coushatta Tribe of Texas or the
13 Ysleta del Sur Pueblo are not authorized to offer gaming under the
14 Indian Gaming Regulatory Act (Pub. L. 100-479) at the time this
15 section takes effect, gaming activities by those Tribes shall be
16 governed by the Ysleta Del Sur Pueblo and Alabama and Coushatta
17 Indian Tribes of Texas Restoration Act (Pub. L. No. 100-89).

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

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

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