

## BILL ANALYSIS

Senate Research Center  
80R5412 BEF-F

S.J.R. 45  
By: Ellis, Carona  
State Affairs  
4/12/2007  
As Filed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.J.R. 45 proposes a constitutional amendment to authorize the legislature to authorize the operation of limited casino gaming by licensed operators and recognized Indian tribes. In addition, this resolution creates the Texas Gaming Commission to regulate gaming and casino-based developments and establishes a higher education trust fund from state gaming revenue to pay tuition and fees for the postsecondary education of Texas' high school graduates.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 47, Article III, Texas Constitution, by amending Subsection (a) and adding Subsections (f) and (g), as follows:

- (a) Requires the legislature to pass laws prohibiting lotteries and gift enterprises in this state other than those authorized by Subsection (b), (d), (e), and (f) of this section (Lotteries and Gift Enterprises; Bingo Games) and Section 47a of this article (Legislative Department).
- (f) Authorizes the legislature, by general law, to authorize one or more of certain legal entities to operate video lottery games and to require all or part of this state's net revenue from the regulation and taxation of casino gaming authorized under this subsection to be deposited in a certain higher education trust fund.
- (g) Defines "video lottery game."

SECTION 2. Amends Article III, Texas Constitution, by adding Section 47a, as follows:

- Sec. 47a. (a) Requires the legislature, by general law, to authorize and regulate casino gaming conducted by certain entities.
- (b) Requires the legislature, by general law, to establish a Texas Gaming Commission (commission) to administer the laws regulating gaming activities authorized by this section or Section 47 of this article. Authorizes the commission to provide qualifications for membership on the commission.
  - (c) Sets forth the composition of the commission.
  - (d) Requires the members of the commission to serve staggering terms of six years, with terms of one or two members expiring January 1 of each even-numbered year.
  - (e) Requires a vacancy on the commission to be filled for the unexpired term in the same manner as the original appointment.

(f) Requires the general law enacted under Subsection (a) to authorize the commission to license certain casino-anchored destination attraction development projects (project) in this state.

(g) Prohibits the commission from awarding a license for a project unless the projects meets certain major economic development qualifications.

(h) Requires a local option election to be held in the same manner determined by general law in each county in which a person applies for a license for a project. Prohibits the commission from awarding a license for a project in any county unless a majority of the voters of the county voting in the election favor the authorization of casino gaming in that county. Provides that if a majority of the voters in a county voted for the proposition that added this section to the constitution, the county is considered to have approved the authorization of casino gaming in that county by local option election as required by this subsection.

(i) Prohibits the commission from awarding a license for a project to a person unless at least 51 percent of the project will be owned by residents of this state who have maintained their principal residence in this state for not less than the two years preceding September 1, 2007.

(j) Authorizes the legislature, by general law, to impose additional restrictions on the location of casino-anchored destination attraction developments that are not inconsistent with this section.

(k) Requires the legislature to provide the initial funding for the commission through an interest-free loan from the Texas Enterprise Fund in the amount of \$2.5 million. Requires the commission to repay the loan from the first money received by the commission from license fees received for projects.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007. Sets forth the required language for the ballot.