By: Alvarado S.J.R. No. 11

SENATE JOINT RESOLUTION

proposing a constitutional amendment, to be submitted to the voters of Texas for approval, authorizing the legislature to strictly regulate and authorize casino gaming and sports wagering by general law and establishing certain requirements for such law, including establishment of a state agency with powers to regulate all lotteries and gift enterprises, imposition of a tax on casino gaming and sports wagering revenue, requiring licensing of casino gaming and sports wagering operators, and requiring license application fees.

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

SECTION 1. Section 47, Article III, Texas Constitution, is amended by amending Subsection (a) and adding Subsection (f) to read as follows:

(a) The Legislature shall pass laws prohibiting lotteries and gift enterprises in this State other than those authorized by Subsections (b), (d), (d-1), [~~and~~] (e)<u>, and (f)</u> of this section.

<u>(f) The Legislature by general law may authorize and strictly regulate casino gaming and sports wagering conducted in this state. Such law must:</u>

<u>(1) define the activities that constitute casino gaming and sports wagering;</u>

<u>(2) require licenses and license application fees for casino gaming and sports wagering operators;</u>

(3) establish a commission as a state agency, directly funded by state lottery proceeds and tax revenue and license application fees from casino gaming and sports wagering, that shall have law enforcement powers, including investigative, enforcement, and audit authority, to determine whether a lottery or gift enterprise is authorized by law, strictly regulate all lotteries and gift enterprises authorized by law, and enforce prohibitions of lotteries and gift enterprises that are not licensed or authorized by law;

(4) direct the commission to determine where licensed casino facilities may be located, where sports wagering may be conducted, and establish and administer the license application process;

(5) restrict the conduct of casino gaming, as defined by the Legislature, to onsite casino gaming at a licensed casino gaming operator's physical premises in this state;

(6) limit the total number of casino gaming licenses and locations to no more than 10 licensed facilities in this state, and provide license terms of at least 40 years;

(7) establish a tax on casino gaming and sports wagering revenue of not more than 15 percent;

(8) prohibit the imposition of any additional tax or fee by the state or political subdivision of the state on casino gaming revenue or sports wagering revenue, or on the non-casino-gaming revenue or non-sports-wagering revenue of a license holder's operations, other than a tax or fee generally applicable to a business operating in this state; and

(9) establish a process for this state to negotiate in good faith and execute in a timely manner, a Tribal-State gaming compact with any of the three existing federally recognized Indian tribes with Indian lands in this state to conduct Class III Indian gaming on a Tribe's existing lands, and as prescribed by the Indian Gaming Regulatory Act (Pub. L. 100-479), consistent with the provisions in 25 U.S.C. Section 2710(d), and upon the request of the tribe.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 2027. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment to permit the Legislature, by general law, to authorize and strictly regulate casino gaming and sports wagering at a limited number of locations in this state, require licenses and license application fees for casino gaming and sports wagering operators, establish a gaming revenue tax on casino gaming and sports wagering operators of not more than 15 percent, and establish a state agency, funded by state lottery proceeds and the fees and taxes paid by casino gaming and sports wagering operators, to regulate all lotteries, casino gaming, and sports wagering."