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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/22/09

**SPONSOR** Maestas **LAST UPDATED** \_\_\_\_\_ **HB** 756

**SHORT TITLE** Skill Contests In Some Liquor Establishments **SB** \_\_\_\_\_

**ANALYST** Wilson

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	(Unknown) See Below	(Unknown) See Below	(Recurring)	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		(Unknown) See Below	(Unknown) See Below		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

Gaming Control Board (GCB)

Regulation & Licensing (RLD)

### SUMMARY

#### Synopsis of Bill

House Bill 756 creates an exception to current criminal and liquor control laws governing gambling by permitting liquor licensees to hold Texas hold 'em poker tournaments in their establishments.

### FISCAL IMPLICATIONS

GCB states this bill could reduce revenues at gaming operations if patrons chose to reduce spending at those operations based on the availability of Texas hold 'em at liquor establishments.

## **House Bill 756– Page 2**

This bill could result in termination of revenue-sharing payments under the State and Tribal gaming compacts if the tribes took the position that permitting Texas hold 'em tournaments in liquor establishments is an expansion of gaming.

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary will be proportional to the enforcement of this law and commenced prosecutions related to the playing of Texas hold 'em. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

### **SIGNIFICANT ISSUES**

The GCB notes this bill is vague as to the specific activities that will be permitted by the bill. It is unclear whether liquor establishments will be permitted to charge a buy-in, share in the proceeds of the buy-in, whether gambling on any poker tournament will be permitted and how taxes on winnings assessed.

The bill lacks any provision for regulation of the proposed activity, raising the possibility of corruption and criminal activity. This bill is also contradictory as to whether Texas Hold 'em is authorized because it is legalized gambling or because it is not gambling, but a game of skill.

RLD provided the following:

HB 756 will expand the conduct of gambling activities that include an element of skill on a liquor licensed premise. There are many types of contests for which it is currently illegal to allow betting or where both the consideration and prize are something of value that will be allowed under this expansion, including but not limited to poker, pool, darts, boxing and wrestling.

The bill specifically allows Texas hold 'em, but fails to define the term.

### **ADMINISTRATIVE IMPLICATIONS**

HB 756 allows for bona fide contestants to receive purses and prizes... As side bets are not permitted under the bill, the Department of Public Safety and other law enforcement agencies will need to monitor these types of events for illegal betting.

DW/mc