

Marijuana and Gambling in Texas: Historic Overview & Future Directions

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Executive Summary

Texas has a long, complicated history with both marijuana and gambling, two issues that continue to generate debate and interest across the state and the nation. While many states have moved toward legalization and decriminalization, Texas has been slower to embrace these changes. Both marijuana and gambling have faced strong opposition in Texas due to concerns about morality, addiction, and social disruption. However, the landscape is changing, and recent legislative discussions indicate that Texas may be on the verge of significant shifts.

This briefing examines the historical origins of marijuana and gambling policies, tracing the origins of both industries and the individuals and social forces that have shaped their evolution to this day. Marijuana became a target for criminalization in the early 20th century, spurred by racialized fears and misinformation, while gambling—once a mainstay of frontier towns—was gradually outlawed due to religious and moral opposition. Both industries have been defined by strict laws, yet public attitudes toward marijuana and gambling are evolving as economic pressures and public opinion begin to shift.

Today, while several states have adopted more progressive approaches, Texas has taken small steps toward marijuana reform, such as the passage of the Texas Compassionate Use Act in 2015, allowing for limited medical marijuana use. Similarly, the Texas Lottery, introduced in 1991, marked a significant moment for gambling, generating millions in revenue for public education. Despite these developments, Texas remains mostly resistant to broader legalization efforts for both marijuana and different forms of gambling, though political and social pressures continue to build.

In the upcoming Texas Legislative session, marijuana and gambling could become central issues. These industries can offer Texas significant economic opportunities, yet a balanced approach is necessary, one that considers their historical evolution as well as their social impact. With thoughtful regulation and a well-planned strategy to educate the public, Texas could unlock significant new economic potential while safeguarding public health and consumer interests.

This briefing is structured to guide readers through three main areas: first, **I. the Complex History of Marijuana in the US and Texas**, an exploration of the state’s and the nation’s unique history with marijuana; second, **II. Gambling in Texas**, an examination of Texas’s complex relationship with gambling; and finally, **III. Policy Recommendations and Future Directions**, an analysis of potential policy shifts that could shape the future. Each section will provide context, key challenges, and opportunities to consider as Texas navigates these evolving issues.

Research Brief Outline

- I. The Complex History of Marijuana in the US & Texas
- II. Gambling in Texas
- III. Policy Recommendations & Future Directions

I. The Complex History and Criminalization of Marijuana in the United States and Texas

Marijuana has always sparked heated debate in the United States, and Texas has played a key role in that story. While more and more states are moving toward legalization or decriminalization, Texas has been slower to embrace change (see Appendix A). The state's complicated relationship with marijuana didn't start overnight—it's the result of decades of fear, stigma, and racially charged narratives that date back to the early 20th century.

To understand how we got here, we must rewind to a time when misinformation was rampant and stories like that of Victor Licata were used to justify harsh laws against marijuana use. The Marihuana Tax Act of 1937 (1 & 2) played a significant role in shaping marijuana policy in the United States (U.S.). The decision to spell it "marihuana" in the title of the Tax Act rather than "marijuana" was intentional and politically charged, meant to associate marijuana with Mexican immigrants and stir racial fears. The spelling "marihuana" is the Spanish language spelling of "marijuana".

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Over time, Americans gradually adopted the spelling "marijuana," which was closer to the Anglicized pronunciation. The media and public shifted to using "marijuana" in newspapers and government documents, and the new spelling became more common in the U.S. by the mid-20th century. This spelling is now standard in most American English contexts.

In the debate around regulating marijuana, it's important to also consider the history of tobacco and cigarette regulation, which started much earlier. The first federal regulation of tobacco came with the Revenue Act of 1862 (3 & 4), during the Civil War, when the U.S. government first imposed a federal excise tax on cigarettes. This made tobacco one of the earliest substances to be taxed by the U.S. government, long before marijuana faced similar scrutiny. While marijuana became a target for harsh criminalization under Harry Anslinger's leadership, tobacco regulation evolved primarily through taxation and eventually regulation of marketing.

The regulation of cigarettes was formalized later with the Tobacco Control Act of 2009, (3) which gave the Food and Drug Administration (FDA) the authority to regulate the manufacture, distribution, and marketing of tobacco products. This contrast shows how substances like tobacco, which were taxed early on, took a different path than marijuana, which was targeted for prohibition and criminalization.

Understanding the historical context of marijuana’s criminalization is crucial, but it is equally important to examine how specific events and narratives further fueled public fear and influenced policy. While broader political and racial dynamics shaped early marijuana laws, individual stories played a pivotal role in solidifying public perceptions. One such story is that of Victor Licata, whose tragic and sensationalized case became a symbol of the dangers attributed to marijuana use. Examining this narrative reveals how misconceptions and fear-mongering around marijuana took root, giving rise to the myth of "marijuana madness."

The Myth of Marijuana Madness: The Story of Victor Licata

Victor Licata was born in Tampa, Florida, in 1912, and his life took a tragic turn in 1933 when he became infamous for committing one of the most brutal murders in Florida’s history. At just twenty- one years old, Licata murdered his entire family—his parents and three siblings—in their home. The country was shocked, and the public was desperate to understand what had driven him to commit such a horrifying act.

Licata had a well-documented history of severe mental illness. He had been diagnosed with schizophrenia before the crime, and his mental health had been deteriorating for years. Local authorities, including the prosecutor, Hillsborough County Solicitor James E. Clancey, were initially focused on his mental health issues when building the case. However, the narrative soon shifted, thanks to Harry Anslinger, the head of the Federal Bureau of Narcotics.



Victor Licata <https://www.fox13news.com/news/why-is-marijuana-illegal-ybor-citys-infamous-1933-ax-murders-led-to-the-criminalization-of-cannabis>

Anslinger saw the Licata case as the perfect opportunity to push his agenda of making marijuana illegal nationwide. Despite no evidence linking marijuana to the murders, Anslinger claimed that

Licata's violent behavior was directly caused by marijuana use. He used the case as propaganda to spread fear about the dangers of marijuana, even coining the term "reefer madness" to describe the drug's supposed ability to turn people into violent criminals.

Anslinger used Licata's story to argue that marijuana was not only harmful but could drive people insane, a claim that became central to the national debate on marijuana policy. Hearst Newspapers helped report and amplify Anslinger's claims, ensuring that they spread widely.

Licata's story was exaggerated and manipulated to suit the agenda of those in power, but the truth was that Licata had never been proven to use marijuana (4 & 5). His crime was more likely the result of his deteriorating mental state rather than any influence of drugs. Despite this, Anslinger's claims stuck. The media latched onto the narrative of marijuana-induced madness, and soon, the public saw marijuana as a dangerous drug that could turn ordinary people into killers.

Victor Licata's fate was equally tragic after the trial. Though initially declared unfit to stand trial due to his schizophrenia, he was committed to Florida State Hospital in Chattahoochee, where he spent the remainder of his life. In 1950, after years of struggling with his mental health, Licata took his own life in the institution. His case, though largely misrepresented, became the basis for harsh marijuana laws that would affect millions of people for decades to come.

Harry Anslinger: Architect of the War on Marijuana

Harry Jacob Anslinger, born in 1892 in Altoona, Pennsylvania, was one of the most influential figures in shaping early U.S. drug policy. Anslinger began his career in government service as a diplomat in Europe. He served as a U.S. diplomat for the State Department in both Germany and the Bahamas. However, it wasn't until he was appointed Commissioner of the Federal Bureau of Narcotics in 1930 that he began to focus on drugs, particularly marijuana. He served as Commissioner until 1962, and his tenure was marked by his aggressive stance on narcotics, especially his campaign to criminalize marijuana.

By Harry J. Anslinger,
 Commissioner Bureau of Narcotics, United States Treasury
 Department.

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Marihuana-- the "weed of folly and
 of dreams"--- has raised its big-leafed and flowered
 head into America's everyday life to strike with
 insidious venom at the country's youth through a new
 narcotic ^{traffic} approaching in effect and danger the illicit
 commerce in the better-known habit forming drugs.

Where the opium and heroin traffic deals
 chiefly with the older generations, marihuana peddlers
 are preying upon the younger people ~~boys and girls~~
~~in the schools-- tempted to new thrills of delight~~
~~by the sly hankers on the street corners. "Do you~~
~~want to be happy? Hicc? Hey-hey, hey-hey!~~
~~Do you want to be happy? That is the refrain.~~

American youth is jeopardized by the
 weed-- those who are lured into use of marihuana
 destined to be transformed into moral and mental
 degenerates-- some raving maniacs others violent
 criminals.

(more) -0-

Source:

<https://www.case.org/system/files/media/file/Penn%20Stater%20Harry%20Anslinger.pdf>

HARRY ANSLINGER GETS APPOINTMENT

President Hoover Names Al-
 toona Boy as Comm-
 of Narcotics Und-
 Porter Bill.

(By United Press.)
 WASHINGTON, D. C.,
 Appointment of Harry J.
 formerly acting commissio-
 narcotics in the treasury dep-
 commissioner was made b-
 Hoover today.

This action was taken u-
 cently-passed Porter bill
 an independent narcotics
 Previously the narcotic
 carried on by Anslinger
 rection of Assistant Tre-
 tary Lowman.

Harry J. Anslinger is 11
 and Mrs. Robert J. Ans-

MEDIA MAGNET

Countless words by (previous spread) and
 about Anslinger can be found at University
 Park, where his papers are housed in the
 library's Special Collections.

DOPE RING DIES IN HOLLYWOOD

LOS ANGELES, July 6 (I.N.S.).
 With four secret arrests today,
 Federal narcotic agents announced
 they had broken up a gigantic
 dope smuggling ring that operated
 in Hollywood.

Those who were taken into cus-
 tody in a swift succession of raids
 were:
 Pete Benson, 42, who Federal

U. S. Will Act Today To End Doping Laxity

New Saliva Test Method
 to Be Demonstrated
 at Session Here.

UNCLE SAM cracks down on
 the States today, persistent
 and unrelenting in his efforts
 to eradicate from American race-
 tracks the evils of horse doping.

Called together by the long arm
 of the Federal Government, the
 foremost chemists and veterinarians
 of the country's racing States will
 assemble this morning at the office
 of H. J. Anslinger, United States
 Commissioner of Narcotics, in the
 Treasury Building, at a meeting of
 far-reaching proportions.

The conference will close once
 and for all the loop-hole through



U. S. Scores Victory In Fight On Dope Smuggling

By KINGSBURY SMITH
 International News Service

The United States today scored
 one of its greatest victories in
 the fight to stamp out the illicit
 international traffic in narcotics.

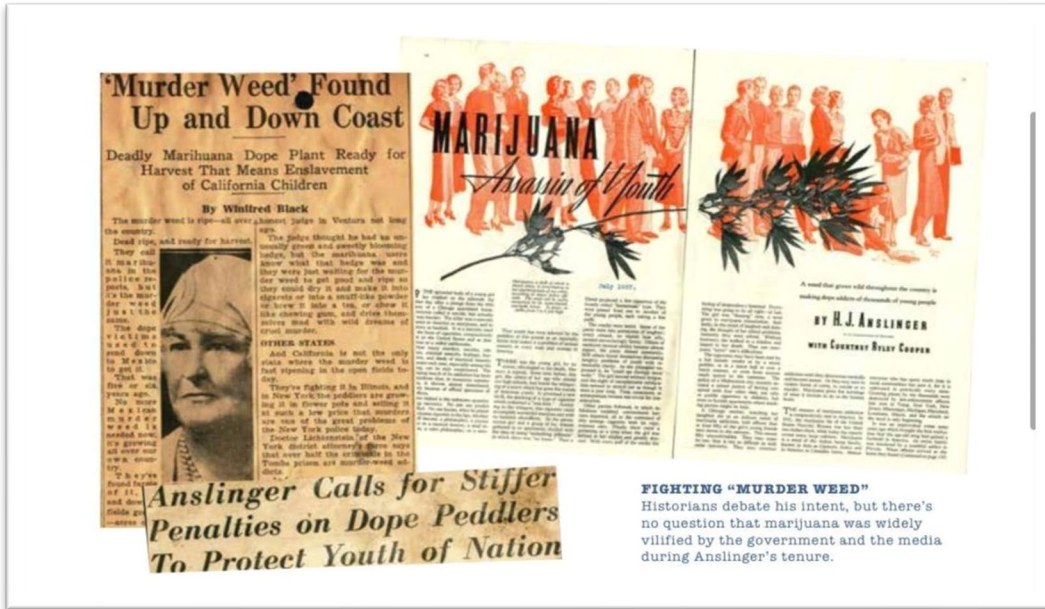
As the result of exposures by
 the American narcotic representa-
 tive at Geneva, a death blow was

tional smuggling traffic in this
 drug.

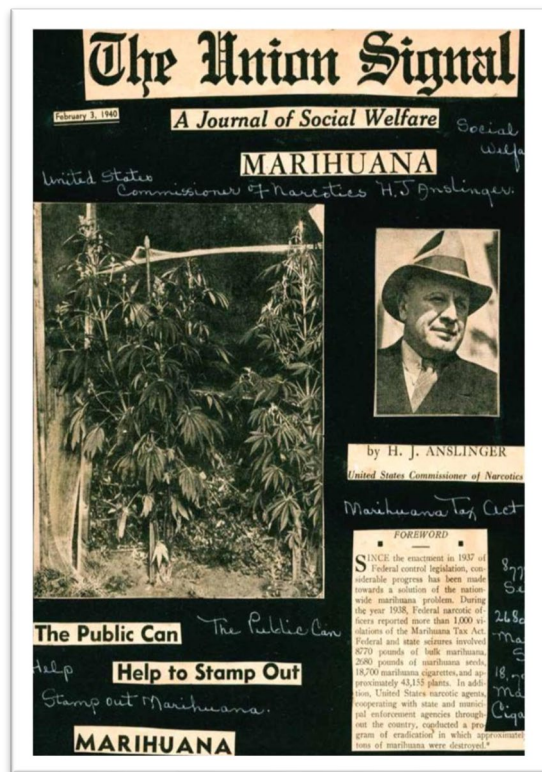
The American Legation at
 Sofia notified the State Depart-
 ment the Bulgarian government
 had issued decrees prohibiting
 the importation, except under
 strict regulations, of a heroin
 making chemical known as "acid
 acetic anhydride."

Further the recent meeting of

OPENING SPREAD AND THIS PAGE PENN STATE ARCHIVES



Source: <https://www.case.org/system/files/media/file/Penn%20Stater%20Harry%20Anslinger.pdf>



Source: <https://www.case.org/system/files/media/file/Penn%20Stater%20Harry%20Anslinger.pdf>

Anslinger's legacy is tied to his successful efforts to associate marijuana with crime, insanity, and racial minorities. His claim that marijuana use could lead to madness and violent crime was largely based on false and exaggerated cases (4 & 6) like that of Victor Licata. However, Anslinger also linked marijuana to racial stereotypes, specifically targeting Mexican immigrants and African Americans. He stoked fear by warning that marijuana use among Blacks and Hispanics would lead to crime and societal disruption, particularly endangering white Americans.

Beyond marijuana, Anslinger was also an architect of the broader anti-narcotics policies, working on international drug treaties and advocating for global drug prohibition. His influence extended beyond our nation, as he helped shape global drug policy through his work with the United Nations and other international bodies. He retired in 1962 but left behind a legacy that would fuel the U.S. "War on Drugs" for decades. Anslinger died in 1975, but the impact of his work—particularly the criminalization of marijuana and its racial implications—can still be felt today.

The Marihuana Tax Act of 1937 became one of Anslinger's crowning achievements. It imposed heavy taxes and strict regulations on the cultivation, distribution, sale, and importation of marijuana, effectively making it impossible to use or trade the drug legally. The act was a key moment in the criminalization of marijuana, despite it being presented as a tax measure rather than a prohibition. However, the high taxes and complex legal requirements made it unfeasible for most people to comply, thus making marijuana practically illegal.

Texas and the Early Push to Ban Marijuana

Even before the Marihuana Tax Act, Texas was already making moves to crack down on marijuana. As early as 1919, Texas had taken steps to regulate and criminalize marijuana. This effort was closely tied to growing concerns over immigration, particularly Mexican immigration. Mexican laborers were entering Texas in significant numbers, bringing with them cultural practices like the use of cannabis. Cannabis was relatively unknown in the U.S., and it quickly became associated with these immigrant communities.

The association of marijuana and Mexican immigrants stoked fears among many Texans, and lawmakers began characterizing marijuana as a cause of crime and delinquency. By 1931, Texas passed laws making the possession and sale of marijuana a serious criminal offense. This legislation positioned Texas as one of the strictest states in the nation on drug control. But these laws weren't just about marijuana—they were about controlling and policing immigrant communities. The racial undertones were hard to ignore, as marijuana was framed as something used by outsiders and, thus, became a convenient target for lawmakers seeking to assert control over these groups.

When the federal government passed the Marihuana Tax Act in 1937, Texas lawmakers were already on board. Prominent political figures like Sam Rayburn, Wright Patman, and even future President Lyndon B. Johnson supported the act, reinforcing Texas's hard stance on marijuana. Texas wasn't just following the national trend—it helped lead the charge.

The Long-Lasting Stigma

The fear and stigma surrounding marijuana didn't disappear after the 1930s. In fact, they only grew stronger, especially in Texas. The image of marijuana as a dangerous, mind-altering drug persisted for decades, and even as scientific research showed that marijuana wasn't as harmful as once thought (7 & 8.), public perception was slow to change. In Texas, marijuana remained tightly controlled, with little room for debate.

The image of marijuana as a dangerous, mind-altering drug persisted for decades, and even as scientific research showed that marijuana wasn't as harmful as once thought.

By the 1970s, the War on Drugs was in full swing, and Texas played a leading role. Strict penalties for possession, mandatory minimum sentences, and a focus on law enforcement over treatment defined the state's approach to marijuana for years. The long-lasting stigma, fueled by cases like Victor Licata's and the policies of Harry Anslinger, continued to influence public and legal attitudes toward marijuana well into the 21st century.

The Shift Toward Decriminalization

Over the past few decades, attitudes toward marijuana have begun to shift, even in Texas. Much of this shift is thanks to a growing body of research showing that marijuana can have medical benefits (9 & 10), from treating chronic pain to helping with Post-Traumatic Stress Disorder (PTSD). States like Colorado and California led the way in legalizing marijuana for medical use, and Texas followed—though slowly.

In 2015, Texas passed the Texas Compassionate Use Act, which allowed for the limited use of low-THC cannabis oil for medical purposes. This marked a significant change in how the state viewed marijuana. Texas, once one of the toughest states on drug control, was starting to recognize the potential benefits of medical marijuana in Texas.

The movement for broader legalization in Texas, gained significant momentum in 2019 with the introduction of House Bill 63, sponsored by Representative Joe Moody. The bill aimed to decriminalize small amounts of marijuana by reducing the penalties for possessing up to one ounce from a criminal offense to a civil fine. Under the bill's provisions, individuals found with small amounts of marijuana would avoid jail time and instead face a \$250 fine. Additionally, the bill allowed for the expungement of criminal records for those convicted of minor marijuana

offenses, providing a path to clear their records after the payment of penalties. Despite passing the Texas House of Representatives with bipartisan support, House Bill 63 failed to pass in the Texas Senate.

The Economic Case for Legalization

One of the most compelling arguments for marijuana legalization, in Texas, is the potential economic benefits. States like Colorado and California have generated billions in tax revenue from legal marijuana sales and that money has been reinvested in public services like education, healthcare, and infrastructure.

According to the Marijuana Policy Project, Texas could generate over \$1 billion annually in tax revenue from marijuana sales (9). The economic case is becoming harder to ignore, particularly as other states continue to reap the benefits of legal marijuana. Texas, with its large population and economy, could gain significantly from legalization, both in terms of tax revenue and job creation.

Summary

The criminalization of marijuana in Texas is rooted in early 20th-century racialized narratives linking the drug to Mexican immigrants, culminating in the Marihuana Tax Act of 1937. Figures like Harry Anslinger used cases such as Victor Licata's murders to push false claims that marijuana induced madness and violence, fueling public fear and strict drug laws. Texas had already begun regulating marijuana by 1919, with its laws closely tied to immigration concerns.

The criminalization of marijuana in Texas is rooted in early 20th-century racialized narratives linking the drug to Mexican immigrants, culminating in the Marihuana Tax Act of 1937.

By the 1930s, Texas lawmakers, including Sam Rayburn and Lyndon B. Johnson, supported national prohibition efforts. Though stigma around marijuana persisted for decades, recent shifts in public opinion led to the passage of the Texas Compassionate Use Act in 2015, allowing limited medical marijuana use. Further decriminalization efforts, like House Bill 63, have faced opposition, but the potential for over \$1 billion in tax revenue strengthens the case for broader legalization in Texas. The upcoming legislative session presents some unique opportunities for further progress on expanding legal access to marijuana in Texas.

II. The History of Gambling in Texas: From the Wild West to Online Betting

Section II of this research brief delves into the long and complicated history of gambling in Texas, from its early days in frontier towns to the current debates over casinos, sports betting, and online gaming. It begins by exploring the origins of casino culture, tracing how gambling practices were shaped under the influence of Texas's six different governing regimes. From the Wild West era, when poker and saloons were central to daily life, to the legal struggles and moral battles that have defined the state's stance on gambling, the story of Texas is one of constant tension between economic interests and social opposition. The rise of the Texas Lottery in 1991 marked a turning point, but efforts to expand legal gambling—particularly in the form of casinos—continue to face resistance. As the brief shows, Texas's gambling landscape reflects a unique blend of independence, conservatism, and pragmatic economic considerations.

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A Brief History of Casinos

The word casino is derived from the Italian word casa, which means house. In the 1800's, casino came to mean "building for aristocratic gambling." The first casino in America was The Crescent City House in New Orleans, Louisiana, opened in 1827. These institutions laid the groundwork for the development of casino gaming in the U.S. and around the world. In Texas, the development of casinos has been constrained by both state laws and moral opposition, but an exception exists for Native American tribes.

Texas: A Unique Gambling History

Texas, known for its independent spirit and conservative values has a complex history with gambling. Before Texas became part of the United States in 1845, it was an independent republic (1836–1845) where gambling was largely unregulated and common in frontier towns. The evolution of gambling in Texas has been shaped by historical events, shifting legal standards, and ongoing moral debates. From poker games in Wild West saloons to current debates over sports betting and online gambling, the state's relationship with gambling reflects its cultural and political landscape.

The Six Flags Over Texas: Gambling Under Different Rulers

Texas's history under six different governments has influenced its gambling culture in unique ways. The six flags that flew over Texas were Spain, France, Mexico, the Republic of Texas, the Confederate States, and the United States. Each regime brought its own attitudes toward gambling. Under Spanish and Mexican rule, gambling was largely tolerated, particularly with activities like cockfighting and card games. These early practices helped gambling take root in Texas, where it continued to grow even after Texas joined the Union.

Gambling in the Wild West: The Origins

Gambling, in Texas, dates back to the 1800s, when the state was a frontier society and saloons were the heart of social life. Ben DeBar's Saloon, in San Antonio, became a notable gambling venue where cowboys, miners, and soldiers played poker, faro, and dice games. Gambling was deeply ingrained in Texas culture and saloons were packed with high-stakes games.

One of the most famous stories from this time involves the "Dead Man's Hand," held by Wild Bill Hickok when he was shot dead during a poker game in 1876 (11). Hickok was killed by Jack McCall, who felt insulted by Hickok the day before, after losing a poker game. McCall's actions turned Hickok's death into legend, and the hand consisting of two black aces and two black eights became a symbol of gambling folklore. In towns like Galveston and San Antonio, gambling was part of everyday life, with little interference from the law.

The Back-and-Forth Battle Over Legal Gambling In Texas

By the early 20th century, Texas began to crack down on gambling but the Great Depression led to reconsideration of its potential economic benefits. In 1931, Texas legalized pari-mutuel betting on horse races (12 & 13). This form of betting pooled all wagers, with payouts based on the total amount bet. Tracks in cities like Houston, Dallas, and San Antonio attracted thousands of bettors, and horse racing became a significant part of Texas's gambling landscape.

Governor Ross Sterling supported the legislation as a way to help Texas recover economically. (Sterling, R. "Governor Sterling's Address on Pari-Mutuel Betting" (14). However, moral opposition remained. Religious leaders and civic groups, concerned about the social impacts of gambling, lobbied for its repeal. In the 1940s, powerful religious organizations such as the Texas Baptist Convention and political figures like Texas Attorney General Grover Sellers led a statewide crackdown on gambling. They pushed for stricter enforcement of existing anti-gambling laws, closed down underground gambling dens, and worked to strengthen penalties for illegal gambling operations. Attorney General Sellers directed local law enforcement to raid gambling establishments and ensure harsher punishments for violators, while religious groups pressured legislators to act. These efforts culminated in the passage of the 1947 anti-gambling law, which

explicitly banned pari-mutuel betting and made it illegal to operate horse tracks in Texas (13 & 14). This law also gave greater authority to local governments to enforce anti-gambling ordinances, and violators faced heavy fines and potential jail time.

Offshore Gambling

The Le Mistral was one of the first casino riverboats to come out of Texas, starting its trips from Port Isabel in 1988 (15). The idea was to get around Texas' strict gambling laws by sailing into international waters, where those rules didn't apply. The boat was supposed to make a stop in a little Mexican port called Mezquital, but more often than not, it turned around before ever getting there. Once it crossed into international waters, passengers could legally gamble and enjoy the casino experience.

While people were excited about the boat initially, Le Mistral had a hard time making money. There was tough competition from other ships such as The Emerald Lady and lots of legal hoops to jump through, like a law that said gambling boats had to either stop in a foreign port or stay out at sea for a long time, in some instances overnight. These challenges led to the boat shutting down in 1992. Even though it didn't last, Le Mistral was a big part of Texas' first attempts at offshore gambling, though other boats faced similar struggles afterward. Today, there aren't any gambling boats operating in Texas because of the state's tough laws and the high costs of running them.



Source: <https://www.worthpoint.com/worthopedia/le-mistral-dollars-port-isabel-texas1884318648>

Horse Racing and Dog Track Gambling: Continuing Tradition

It wasn't until 1987 that Texas reintroduced pari-mutuel betting, allowing horse and greyhound races to once again operate legally in the state (12 & 16). Tracks like Lone Star Park in Grand Prairie and Sam Houston Race Park in Houston opened after the law's return, though the industry has faced challenges from competing forms of gambling, in nearby states.

While the Texas Lottery—legalized in 1991—has become the most popular form of gambling in the state, horse and dog racing continue to play a role (12 & 16). Texas' racetracks have struggled to compete with states like Louisiana and Oklahoma, which have more relaxed gambling laws, including casinos. Louisiana legalized horse racing in 1920, and neighboring states have since expanded their gambling offerings, pulling bettors away from Texas.

Despite these challenges, tracks like Retama Park in Selma and Gillespie County Fairgrounds in Fredericksburg continue to attract local gamblers, even though attendance has declined. The competition from other gambling markets, in surrounding states, as well as Texas' legislative approach to gambling expansion has limited the growth of the industry.

The Texas Lottery: A Turning Point

The biggest shift in Texas gambling occurred in 1991, when voters approved the Texas Lottery. The lottery was introduced as a way to raise money for public education without increasing taxes. When the first ticket was sold in 1992, it was an immediate success, and today the lottery generates millions of dollars annually for Texas schools.

The lottery was introduced as a way to raise money for public education without increasing taxes.

However, the lottery has faced controversies. Critics argue that it disproportionately impacts low-income communities, who are more likely to spend money on lottery tickets in hopes of a life-changing win. Despite these criticisms, the lottery remains a key source of revenue for the state and has become deeply embedded in Texas culture.

The Debate Over Casinos: An Ongoing Struggle

While many neighboring states have embraced casinos, Texas has remained resistant. Texas bans most forms of casino gambling, and efforts to change this have repeatedly failed.

Lawmakers and religious groups oppose the introduction of commercial casinos, citing concerns about social issues like crime and gambling addiction. However, there are exceptions to the casino ban. The Kickapoo Traditional Tribe of Texas operates Kickapoo Lucky Eagle Casino in Eagle Pass under federal law, offering limited forms of gaming. Tribal casinos, while smaller in scale, provide an option to Texas residents who want to gamble without crossing state lines. Despite

the economic arguments in favor of casinos, moral opposition remains strong, leaving the future of casino gambling uncertain.

Illegal Poker Rooms in Houston: A Growing Concern

In Houston, and other cities,, illegal poker rooms have become a widespread problem, offering unregulated gambling activities that skirt Texas' strict anti-gambling laws. These underground rooms operate in a legal gray area, sometimes masking their operations as private social clubs to avoid law enforcement scrutiny.

Proponents of legalizing gambling, in Texas, argue that if the state allowed regulated and legal poker rooms, it would eliminate these underground operations, bringing much-needed oversight and tax revenue. Legal poker rooms would be subject to regulations that could curb illegal activities, prevent money laundering, and reduce the criminal element often associated with unregulated gambling. By offering a legal avenue for players, Texas could protect consumers and provide safe, monitored environments for those who want to gamble.

The Rise of Online Betting: A New Era

In 2018, the Supreme Court made a landmark ruling in *Murphy v. NCAA*, striking down the federal ban on sports betting and allowing states to legalize it (17 & 18). New Jersey led the charge for legalized sports betting, and the decision was a major victory for gambling advocates, across the country.

*In 2018, the Supreme Court made a landmark ruling in *Murphy v. NCAA*, striking down the federal ban on sports betting and allowing states to legalize it.*

Despite the ruling, Texas has yet to legalize sports betting. Although online sports betting remains illegal in Texas, many residents use offshore betting platforms. Online betting has gained popularity, particularly among younger Texans, who appreciate the convenience of betting from their phones or computers. This has sparked a new debate over whether the state should legalize and regulate online sports betting to capture lost tax revenue and control the illegal market.

Summary

Texas's history with gambling tells a story of independence, moral conservatism, and practical economics. From the freewheeling days of Wild West saloons, where poker and dice games were woven into daily life, the state has experienced repeated waves of tolerance and restriction. Shaped under six different regimes, Even with the popularity of the lottery and the return of horse and dog racing, efforts to expand legal gambling—especially casinos—continue to face opposition, highlighting Texas's ongoing balancing act between independence, tradition, and economic opportunity.

III.

Future Directions: Policy Shifts on the Horizon

As Texas looks to the future, it faces new opportunities to adapt its approach to marijuana and gambling, balancing economic potential with longstanding moral and social considerations. The following policy recommendations outline ways the state could capture lost revenue, protect consumers, and support public services through thoughtful reform. By addressing issues like marijuana decriminalization, sports betting, and casino expansion, as well as launching public awareness campaigns, Texas can chart a path that respects its values while responding to the demands of a changing society. These strategies offer a roadmap for responsible growth that could significantly benefit the state's economy and communities.

1. **Marijuana Decriminalization and Medical Expansion:** Texas could consider developments in states like Colorado and California by decriminalizing small amounts of marijuana and expanding the Compassionate Use Program. A growing majority of Texans support marijuana reform, and this could also generate significant tax revenue for the state.
2. **Sports Betting Legalization:** The legalization and regulation of sports betting could provide a new revenue stream, capturing tax dollars currently lost to offshore betting platforms. Legalization could also bring consumer protections to an already existing market.
3. **Casino Expansion:** Texas could explore legalizing casino gambling, particularly in border regions, where the state loses revenue to neighboring states like Louisiana and Oklahoma. By implementing strict regulatory frameworks that address concerns about addiction and social impacts, Texas could use casino revenues to fund education and infrastructure projects.
4. **Public Campaigns for Awareness:** A targeted public education campaign focused on the economic benefits of both marijuana legalization and gambling expansion could help shift public opinion and build broader support for legislative change. Highlighting the potential contributions to public services such as education and healthcare may create a more favorable environment for reform.

Conclusion: Aligning Marijuana and Gambling Policies for a Changing Texas

Although marijuana and gambling may seem like distinct policy issues, they share common themes in Texas: a conservative approach, moral opposition, and increasing public pressure for reform. Both industries present significant economic opportunities that the state has yet to fully explore. Whether through the expansion of medical marijuana, the decriminalization of small

scale possession, or the legalization of sports betting and casinos, Texas stands to benefit from the regulation and taxation of these industries.

As neighboring states continue to move forward with progressive policies in these areas, Texas will need to consider how best to balance economic growth with the moral and social concerns that have historically shaped its approach to both marijuana and gambling. A thoughtful, regulated approach could unlock billions in potential revenue, while ensuring consumer protections and addressing social issues such as addiction and criminal justice reform.

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Appendix A. Current Status of Marijuana Legalization by State and Policy

State	Recreational	Year legalized (Rec)	Medical	Year legalized (Med)
California	Yes	2016	Yes	1996
Alaska	Yes	2014	Yes	1998
Nevada	Yes	2016	Yes	1998
Oregon	Yes	2014	Yes	1998
Washington	Yes	2012	Yes	1998
Maine	Yes	2016	Yes	1999
Colorado	Yes	2012	Yes	2000
Hawaii	No		Yes	2000
Montana	Yes	2020	Yes	2004
Vermont	Yes	2020	Yes	2004
Rhode Island	Yes	2022	Yes	2006
New Mexico	Yes	2021	Yes	2007
Michigan	Yes	2018	Yes	2008
Arizona	Yes	2020	Yes	2010
New Jersey	Yes	2020	Yes	2010
Delaware	Yes	2023	Yes	2011
Connecticut	Yes	2021	Yes	2012
Massachusetts	Yes	2016	Yes	2012
Illinois	Yes	2019	Yes	2013
Maryland	Yes	2022	Yes	2013
New Hampshire	No		Yes	2013
Minnesota	Yes	2023	Yes	2014
New York	Yes	2021	Yes	2014
Georgia	No		Yes	2015
Louisiana	No		Yes	2015
Arkansas	No		Yes	2016
Florida*	No		Yes	2016
North Dakota	No		Yes	2016
Ohio	Yes	2023	Yes	2016
Pennsylvania	No		Yes	2016
Iowa	No		Yes	2017
West Virginia	No		Yes	2017
Missouri	Yes	2022	Yes	2018
Oklahoma	No		Yes	2018
Utah	No		Yes	2018
Mississippi	No		Yes	2022
South Dakota	No		Yes	2020
Virginia	Yes	2021	Yes	2020

Alabama	No		Yes	2021
Idaho	No		No	
Indiana	No		No	
Kansas	No		No	
Kentucky	No		Yes	2023
Nebraska	No		No	
North Carolina	No		No	
South Carolina	No		No	
Tennessee	No		No	
Texas	No		No	
Wisconsin	No		No	
Wyoming	No		No	
District of Columbia	Yes	2015	Yes	2011

Does not include states that have legalized only CBD-based oils.

* Florida voters in the November 2024 general election will vote on legalizing Marijuana, in their state.