

By: Kuempel

H.B. No. 3925

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the regulation of wagering through telephone, the
3 Internet, or other approved electronic means on horse races and
4 greyhound races under the pari-mutuel system of wagering; requiring
5 a license to operate account wagering; requiring a fee.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 1.03, Texas Racing Act (Article 179e,
8 Vernon's Texas Civil Statutes), is amended by adding Subdivisions
9 (82) and (83) to read as follows:

10 (82) "Account wagering" means a form of pari-mutuel
11 wagering that allows an individual to deposit money in an account
12 with an association or an account wagering operator for the
13 individual's use in pari-mutuel wagering offered by the association
14 on live or simulcast horse races or greyhound races.

15 (83) "Account wagering operator" means an entity
16 licensed by the commission to provide an account for account
17 wagering by persons in this state.

18 SECTION 2. Article 7, Texas Racing Act (Article 179e,
19 Vernon's Texas Civil Statutes), is amended by adding Section 7.11
20 to read as follows:

21 Sec. 7.11. ACCOUNT WAGERING LICENSE. (a) A person may not
22 offer account wagering, operate as an account wagering operator, or
23 act as an employee of a person offering account wagering or
24 operating as an account wagering operator unless the person or

1 employee, as applicable, holds a license issued by the commission
2 under this section.

3 (b) The commission shall adopt rules and procedures for
4 applying for or issuing, denying, or revoking a license under this
5 section in a manner consistent with other licensing provisions of
6 this Act.

7 (c) The commission shall establish fees for initial and
8 annual renewal licensing of account wagering operators and of
9 employees of account wagering operators.

10 SECTION 3. Section 11.01, Texas Racing Act (Article 179e,
11 Vernon's Texas Civil Statutes), is amended by amending Subsection
12 (a) and adding Subsection (c) to read as follows:

13 (a) The commission shall adopt rules to regulate wagering on
14 greyhound races and horse races under the system known as
15 pari-mutuel wagering. Wagering may be conducted only by an
16 association within its enclosure or by an account wagering
17 operator. Except as provided by Subsection (c), a [A] person may
18 not accept, in person, by telephone, or over the Internet, a wager
19 for a horse race or greyhound race conducted inside or outside this
20 state from a person in this state unless the wager is authorized
21 under this Act.

22 (c) An association or an account wagering operator may
23 accept account wagering in person or by direct telephone call or
24 through other electronic means by the holder of the account. An
25 account wagering operator that is not an association shall, if the
26 operator or any of the operator's affiliates conducts live racing,
27 contract with an association for interstate simulcast wagering. An

1 account wagering operator shall contract with an association to
2 offer wagering on live races on the account wagering operator's
3 system, if authorized by law.

4 SECTION 4. Section 11.04, Texas Racing Act (Article 179e,
5 Vernon's Texas Civil Statutes), is amended by amending Subsection
6 (b) and adding Subsections (b-1) and (b-2) to read as follows:

7 (b) The commission may [~~shall~~] adopt rules to authorize
8 account wagering by [~~prohibiting~~] an association or an account
9 wagering operator under conditions the commission determines
10 appropriate to protect the public health and safety [~~from accepting~~
11 ~~wagers by telephone~~]. For purposes of this Act, account wagering by
12 a person in this state through an association or an account wagering
13 operator is considered wagering by a person in the enclosure of the
14 association or of the association that has contracted with the
15 account wagering operator.

16 (b-1) The commission shall adopt rules setting the amount,
17 less refunds, that may be deducted from the gross pari-mutuel
18 handle of the association or account wagering operator conducting
19 account wagering, provided that amount is not less than six percent
20 of the gross pari-mutuel handle.

21 (b-2) The amount of all fees paid to the commission from
22 account wagering may not exceed one percent of the total gross
23 account wagering receipts, as determined by the computational
24 equipment approved by the commission for calculating wagering as
25 required under Section 11.02, from wagers placed by persons in this
26 state with each association or account wagering operator offering
27 account wagering.

1 SECTION 5. As soon as practicable after the effective date
2 of this Act, the Texas Racing Commission shall adopt the rules
3 necessary to implement the change in law made by this Act.

4 SECTION 6. This Act takes effect September 1, 2017.