

1-1 By: Kolkhorst, Buckingham S.B. No. 1971
1-2 (In the Senate - Filed March 10, 2017; March 27, 2017, read
1-3 first time and referred to Committee on Agriculture, Water & Rural
1-4 Affairs; April 27, 2017, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 27, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15			X	

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1971 By: Rodríguez

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the deposit and allocation of certain funds to the Texas
1-20 Racing Commission escrow account for purses.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 12.020(r), Agriculture Code, is amended
1-23 to read as follows:

1-24 (r) The commissioner shall transfer money paid as a [A]
1-25 penalty and collected under this section to the Texas Racing
1-26 Commission for deposit in the escrow account for purses under
1-27 Section 6.091(e), Texas Racing Act (Article 179e, Vernon's Texas
1-28 Civil Statutes) [shall be deposited in the state treasury to the
1-29 credit of the General Revenue Fund].

1-30 SECTION 2. Section 6.091(a), Texas Racing Act (Article
1-31 179e, Vernon's Texas Civil Statutes), is amended to read as
1-32 follows:

1-33 (a) An association shall distribute from the total amount
1-34 deducted as provided by Sections 6.08(a) and 6.09(a) of this Act
1-35 from each simulcast pari-mutuel pool and each simulcast
1-36 cross-species pool the following shares:

1-37 (1) as the amount set aside for the Texas-bred program
1-38 to be paid to the commission for deposit as provided by Section
1-39 6.0912 of this Act:

1-40 (A) an amount equal to one percent of each
1-41 simulcast pool ~~[as the amount set aside for the state];~~

1-42 (B) ~~[(2)]~~ an amount equal to 1.25 percent of each
1-43 simulcast cross-species pool ~~[as the amount set aside for the~~
1-44 ~~state]; and~~

1-45 (C) ~~[(3)]~~ if the association is a horse racing
1-46 association, an amount equal to one percent of a multiple two
1-47 wagering pool or multiple three wagering pool ~~[as the amount set~~
1-48 ~~aside for the Texas-bred program to be used as provided by Section~~
1-49 ~~6.08(f) of this Act];~~

1-50 (2) ~~[(4)]~~ if the association is a greyhound
1-51 association, an amount equal to one percent of a multiple two
1-52 wagering pool or a multiple three wagering pool as the amount set
1-53 aside for the Texas-bred program for greyhound races, to be
1-54 distributed and used in accordance with rules of the commission
1-55 adopted to promote greyhound breeding in this state; and

1-56 (3) ~~[(5)]~~ the remainder as the amount set aside for
1-57 purses, expenses, the sending association, and the receiving
1-58 location pursuant to a contract approved by the commission between
1-59 the sending association and the receiving location.

1-60 SECTION 3. Article 6, Texas Racing Act (Article 179e,

2-1 Vernon's Texas Civil Statutes), is amended by adding Section 6.0912
2-2 to read as follows:

2-3 Sec. 6.0912. DEPOSITS INTO ESCROW ACCOUNT FOR PURSES. The
2-4 commission shall deposit into the escrow account for purses
2-5 established under Section 6.091(e), the following amounts
2-6 collected or received by the commission:

2-7 (1) amounts for the Texas-bred program collected or
2-8 received under Section 6.08 or 6.091(a) of this Act;

2-9 (2) fees on the use of an automatic banking machine
2-10 under Section 11.04 of this Act;

2-11 (3) money paid as administrative penalties under
2-12 Section 12.020, Agriculture Code, and transferred to the commission
2-13 under Subsection (r) of that section; and

2-14 (4) any amount appropriated to the commission for the
2-15 purpose of purses for horse or greyhound races.

2-16 SECTION 4. Section 11.04(e), Texas Racing Act (Article
2-17 179e, Vernon's Texas Civil Statutes), is amended to read as
2-18 follows:

2-19 (e) An association that allows a machine in an enclosure as
2-20 provided by Subsection (c) shall collect a fee of \$1 for each
2-21 transaction under Subsection (c). The commission shall adopt rules
2-22 providing for collection, reporting, and auditing of the
2-23 transaction fee. The association shall forward the fee to the
2-24 commission. The commission shall deposit the fees collected under
2-25 this section in accordance with Section 6.0912 of this Act [~~deposit~~
2-26 ~~the fee to the credit of the general revenue fund~~].

2-27 SECTION 5. Section 151.801, Tax Code, is amended by
2-28 amending Subsections (a) and (d) and adding Subsection (c-3) to
2-29 read as follows:

2-30 (a) Except for the amounts allocated under Subsections (b),
2-31 (c), [~~and~~] (c-2), and (c-3), all proceeds from the collection of the
2-32 taxes imposed by this chapter shall be deposited to the credit of
2-33 the general revenue fund.

2-34 (c-3) An amount equal to the proceeds from the collection of
2-35 the taxes imposed by this chapter on the sale, storage, or use of
2-36 horse feed, horse supplements, and horse tack shall be deposited to
2-37 the credit of the escrow account for purses administered by the
2-38 Texas Racing Commission and established under Section 6.091, Texas
2-39 Racing Act (Article 179e, Vernon's Texas Civil Statutes).

2-40 (d) The comptroller shall determine the amount to be
2-41 deposited to the highway fund under Subsection (b) according to
2-42 available statistical data indicating the estimated average or
2-43 actual consumption or sales of lubricants used to propel motor
2-44 vehicles over the public roadways. The comptroller shall determine
2-45 the amounts to be deposited to the funds or accounts under
2-46 Subsection (c) according to available statistical data indicating
2-47 the estimated or actual total receipts in this state from taxable
2-48 sales of sporting goods. The comptroller shall determine the
2-49 amount to be deposited to the fund under Subsection (c-2) according
2-50 to available statistical data indicating the estimated or actual
2-51 total receipts in this state from taxes imposed on sales at retail
2-52 of fireworks. The comptroller shall determine the amount to be
2-53 deposited to the account under Subsection (c-3) according to
2-54 available statistical data indicating the estimated or actual total
2-55 receipts in this state from taxable sales of horse feed, horse
2-56 supplements, and horse tack. If satisfactory data are not
2-57 available, the comptroller may require taxpayers who make taxable
2-58 sales or uses of those lubricants, of sporting goods, [~~or~~] of
2-59 fireworks, or of horse feed, horse supplements, or horse tack to
2-60 report to the comptroller as necessary to make the allocation
2-61 required by Subsection (b), (c), [~~or~~] (c-2), or (c-3).

2-62 SECTION 6. Section 151.801(e), Tax Code, is amended by
2-63 adding Subdivisions (4) and (5) to read as follows:

2-64 (4) "Horse feed" means a product clearly packaged and
2-65 labeled as feed for a horse.

2-66 (5) "Horse supplement" means a product clearly
2-67 packaged and labeled as a supplement for a horse, including a
2-68 vitamin, mineral, or other nutrient intended to supplement horse
2-69 feed.

3-1 SECTION 7. Section 6.091(b), Texas Racing Act (Article
3-2 179e, Vernon's Texas Civil Statutes), is repealed.

3-3 SECTION 8. The change in law made by this Act to Section
3-4 12.020(r), Agriculture Code, applies to a penalty collected on or
3-5 after the effective date of this Act, regardless of when the
3-6 underlying conduct giving rise to the penalty occurred.

3-7 SECTION 9. (a) The changes in law made by this Act to the
3-8 Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes)
3-9 apply to the deduction from a pari-mutuel pool for a race conducted
3-10 by a racetrack association or a fee collected for an automatic
3-11 banking machine transaction on or after the effective date of this
3-12 Act.

3-13 (b) As soon as practicable after the effective date of this
3-14 Act, the Texas Racing Commission shall revise existing rules or
3-15 adopt new rules as necessary to comply with the Texas Racing Act
3-16 (Article 179e, Vernon's Texas Civil Statutes), as amended by this
3-17 Act.

3-18 SECTION 10. This Act takes effect only if a specific
3-19 appropriation for the implementation of the Act is provided in a
3-20 general appropriations act of the 85th Legislature.

3-21 SECTION 11. This Act takes effect September 1, 2017.

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