By:  Kacal, Bailes, Kuempel H.B. No. 3366

     (Senate Sponsor - Kolkhorst)

(In the Senate - Received from the House April 16, 2019; April 17, 2019, read first time and referred to Committee on Water & Rural Affairs; May 13, 2019, reported favorably by the following vote: Yeas 6, Nays 0; May 13, 2019, sent to printer.)

COMMITTEE VOTE

               Yea Nay Absent  PNV

Perry           X

Creighton       X

Alvarado        X

Johnson         X

Kolkhorst       X

Rodríguez       X

Taylor                    X

A BILL TO BE ENTITLED

AN ACT

relating to the deposit and distribution by the Texas Racing Commission of certain pari-mutuel wagering funds to benefit the Texas-bred program.

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

SECTION 1.  Section 2023.053, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f)  This section does not apply to money deposited into the Texas-bred incentive fund established under Section 2028.301.

SECTION 2.  Section 2024.055, Occupations Code, is amended to read as follows:

Sec. 2024.055.  DEPOSIT OF STATE'S SHARE. (a) The comptroller shall deposit the state's share of each pari-mutuel pool from horse racing and greyhound racing in the general revenue fund.

(b)  This section does not apply to money deposited into the Texas-bred incentive fund established under Section 2028.301.

SECTION 3.  Section 2028.103, Occupations Code, is amended by amending Subsections (a) and (c) and adding Subsection (a-1) to read as follows:

(a)  A horse racetrack association shall set aside for the Texas-bred program and pay to the commission an amount equal to one percent of a live multiple two wagering pool and a live multiple three wagering pool. From the set-aside amounts:

(1)  two percent shall be set aside for purposes of Subchapter F, Chapter 88, Education Code; and

(2)  the remaining amount shall be allocated as follows:

(A)  10 percent may be used by the appropriate state horse breed registry for administration; and

(B)  the remainder shall be used for awards.

(a-1)  The commission shall deposit money paid to the commission under Subsection (a) into the Texas-bred incentive fund established under Section 2028.301. The commission shall distribute the money collected under this section and deposited into the fund to the appropriate state horse breed registries for the Texas-bred program in accordance with rules adopted under Subsection (c).

(c)  The commission shall adopt rules relating to the deposit, accounting, auditing, and distribution of all amounts set aside for the Texas-bred program under this subchapter and for the use of those amounts by the state breed registries under that program.

SECTION 4.  Section 2028.105, Occupations Code, is amended by amending Subsection (d) and adding Subsection (d-1) to read as follows:

(d)  The horse racetrack association shall pay to the commission for deposit into the Texas-bred incentive fund established under Section 2028.301 and distribution to the appropriate state horse breed registry [~~shall pay~~] the remaining 80 percent of the total breakage to be allocated as follows:

(1)  40 percent to the owners of the accredited Texas-bred horses that finish first, second, or third;

(2)  40 percent to the breeders of accredited Texas-bred horses that finish first, second, or third; and

(3)  20 percent to the owner of the stallion standing in this state at the time of conception whose Texas-bred get finish first, second, or third.

(d-1)  The commission shall deposit the portions of total breakage paid to the commission under Subsections (b) and (d) into the Texas-bred incentive fund established under Section 2028.301. The commission shall distribute the money collected under this section and deposited into the fund to the appropriate state horse breed registries in accordance with this section and with rules adopted by the commission under Section 2028.103.

SECTION 5.  Section 2028.154(a), Occupations Code, is amended to read as follows:

(a)  A greyhound racetrack association shall pay 50 percent of the breakage to the appropriate state greyhound breed registry. Of that breakage percentage:

(1)  25 percent is to be used in stakes races; and

(2)  25 percent of that total breakage from a live pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to the commission for deposit into the Texas-bred incentive fund established under Section 2028.301. The commission shall distribute the money collected under this section and deposited into the fund to [~~use by~~] the state greyhound breed registry for use in accordance with this section and[~~, subject to~~] commission rules.

SECTION 6.  Section 2028.202, Occupations Code, is amended by adding Subsection (a-1) to read as follows:

(a-1)  A racetrack association shall pay to the commission for deposit into the Texas-bred incentive fund established under Section 2028.301 the shares to be distributed under Subsections (a)(3) and (a)(4) for the Texas-bred program. The commission shall distribute the money collected under this section and deposited into the fund to the appropriate state breed registries for use under the Texas-bred program.

SECTION 7.  Chapter 2028, Occupations Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. TEXAS-BRED INCENTIVE FUND

Sec. 2028.301.  TEXAS-BRED INCENTIVE FUND. (a) The commission shall deposit money set aside for the Texas-bred program or set aside for use by state breed registries under this chapter into an escrow account in the state treasury in the registry of the commission to be known as the Texas-bred incentive fund.

(b)  The commission shall distribute money from the Texas-bred incentive fund in accordance with this chapter and commission rules.

SECTION 8.  (a)  The changes in law made by this Act apply to the deductions and breakage from a wagering pool for a horse or greyhound race conducted by a racetrack association on or after the effective date of this Act.

(b)  As soon as practicable after the effective date of this Act, the Texas Racing Commission shall revise existing rules or adopt new rules as necessary to comply with this Act.

SECTION 9.  This Act takes effect September 1, 2019.

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