

1 AN ACT

2 relating to the deposit and allocation of certain funds to the horse
3 industry escrow account and to the maximum balance of that account.

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

5 SECTION 1. Section 2028.202(b), Occupations Code, is
6 amended to read as follows:

7 (b) From the total amount deducted under Subsection (a), a
8 greyhound racetrack association that receives an interstate
9 cross-species simulcast signal shall distribute the following
10 amounts from each pari-mutuel pool wagered on the signal at the
11 racetrack:

12 (1) a fee of 1.5 percent to be paid to the racetrack in
13 this state sending the signal;

14 (2) a purse in the amount of 0.75 percent to be paid to
15 the official state horsebreed registry for Thoroughbred horses for
16 use as purses at racetracks in this state;

17 (3) a purse in the amount of 0.75 percent to be paid to
18 the official state horse breed registry for quarter horses for use
19 as purses at racetracks in this state; and

20 (4) a purse of 4.5 percent to be escrowed with the
21 commission [~~for purses~~] in the manner provided by Section 2028.204.

22 SECTION 2. Section 2028.203, Occupations Code, is amended
23 to read as follows:

24 Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL

1 COST. If a racetrack association purchases an interstate
2 simulcast signal and the signal cost exceeds five percent of the
3 pari-mutuel pool, the commission, from the escrowed [~~purse~~] account
4 under Section 2028.202(b)(4), shall reimburse the racetrack
5 association an amount equal to one-half of the signal cost that
6 exceeds five percent of the pari-mutuel pool.

7 SECTION 3. The heading to Section 2028.204, Occupations
8 Code, is amended to read as follows:

9 Sec. 2028.204. ALLOCATION OF MONEY IN ESCROW ACCOUNTS
10 [~~ESCROWED PURSES~~].

11 SECTION 4. Section 2028.204(b), Occupations Code, is
12 amended to read as follows:

13 (b) Any horse racetrack association in this state may apply
14 to the commission for receipt of money in the horse industry escrow
15 [~~all or part of the escrowed purse~~] account for use as purses. Any
16 state horse breed registry listed in Section 2030.002(a) may apply
17 for receipt of money in the account for any event that furthers the
18 horse industry. The commission:

19 (1) shall determine the horse racetrack associations
20 and state horse breed registries to be allocated money from the
21 [~~escrowed purse~~] account and the percentages to be allocated,
22 taking into consideration purse levels, racing opportunities, and
23 the financial status of the requesting racetrack association or
24 requesting breed registry; and

25 (2) may not annually allocate more than 70 percent of
26 the amount deposited into the account to horse racetrack
27 associations for use as purses.

1 SECTION 5. Subchapter E, Chapter 2028, Occupations Code, is
2 amended by adding Section 2028.2041 to read as follows:

3 Sec. 2028.2041. ALLOCATION OF CERTAIN FUNDS. (a) In each
4 state fiscal biennium, the comptroller shall deposit the amounts
5 allocated under Section 151.801(c-3), Tax Code, into the escrow
6 account established under Section 2028.204(b), until the
7 comptroller determines the amount deposited into the account in
8 that fiscal biennium equals the greater of:

9 (1) the amount appropriated to the commission for the
10 purposes of Section 2028.204 for that fiscal biennium; or

11 (2) \$50 million.

12 (b) Once the comptroller determines the greater of the
13 amount described by Subsection (a)(1) or (2) has been deposited
14 during a state fiscal biennium into the escrow account established
15 under Section 2028.204(b), for the remainder of that fiscal
16 biennium the comptroller shall deposit the amounts allocated under
17 Section 151.801(c-3), Tax Code, into the general revenue fund.

18 (c) The balance of the escrow account established under
19 Section 2028.204(b) shall not exceed \$50 million.

20 SECTION 6. Sections 2028.205(a) and (b), Occupations Code,
21 are amended to read as follows:

22 (a) In addition to money allocated under Section 2028.204, a
23 horse racetrack association operating a racetrack that is located
24 not more than 75 miles from a greyhound racetrack that offers
25 wagering on a cross-species simulcast signal and that sends the
26 cross-species simulcast signal to the greyhound racetrack may apply
27 to the commission for an allocation of up to 20 percent of the money

1 in the escrowed [~~purse~~] account that is attributable to the
2 wagering on a cross-species simulcast signal at the greyhound
3 racetrack.

4 (b) If the applying horse racetrack association can prove to
5 the commission's satisfaction that the racetrack association's
6 handle has decreased directly due to wagering on an interstate
7 cross-species simulcast signal at a greyhound racetrack located not
8 more than 75 miles from the applying racetrack association, the
9 commission shall allocate amounts from the escrowed [~~purse~~] account
10 as the commission considers appropriate to compensate the racetrack
11 association for the decrease. The amounts allocated may not exceed
12 20 percent of the money in the escrowed [~~purse~~] account that is
13 attributable to the wagering on the interstate cross-species
14 simulcast signal at the greyhound racetrack.

15 SECTION 7. Section [151.801](#), Tax Code, is amended by
16 amending Subsections (a) and (d) and adding Subsection (c-3) to
17 read as follows:

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

22 (c-3) Subject to the limitation imposed under Section
23 2028.2041, Occupations Code, an amount equal to the proceeds from
24 the collection of the taxes imposed by this chapter on the sale,
25 storage, or use of horse feed, horse supplements, horse tack, horse
26 bedding and grooming supplies, and other taxable expenditures
27 directly related to horse ownership, riding, or boarding shall be

1 deposited to the credit of the escrow account administered by the
2 Texas Racing Commission and established under Section 2028.204,
3 Occupations Code.

4 (d) The comptroller shall determine the amount to be
5 deposited to the highway fund under Subsection (b) according to
6 available statistical data indicating the estimated average or
7 actual consumption or sales of lubricants used to propel motor
8 vehicles over the public roadways. The comptroller shall determine
9 the amounts to be deposited to the funds or accounts under
10 Subsection (c) according to available statistical data indicating
11 the estimated or actual total receipts in this state from taxable
12 sales of sporting goods. The comptroller shall determine the
13 amount to be deposited to the fund under Subsection (c-2) according
14 to available statistical data indicating the estimated or actual
15 total receipts in this state from taxes imposed on sales at retail
16 of fireworks. The comptroller shall determine the amount to be
17 deposited to the account under Subsection (c-3) according to
18 available statistical data indicating the estimated or actual total
19 receipts in this state from taxable sales of horse feed, horse
20 supplements, horse tack, horse bedding and grooming supplies, and
21 other taxable expenditures directly related to horse ownership,
22 riding, or boarding. If satisfactory data are not available, the
23 comptroller may require taxpayers who make taxable sales or uses of
24 those lubricants, of sporting goods, ~~or~~ of fireworks, or of horse
25 feed, horse supplements, horse tack, horse bedding and grooming
26 supplies, or other taxable expenditures directly related to horse
27 ownership, riding, or boarding to report to the comptroller as

1 necessary to make the allocation required by Subsection (b), (c),
2 [~~or~~] (c-2), or (c-3).

3 SECTION 8. Section 151.801(e), Tax Code, is amended by
4 adding Subdivisions (4) and (5) to read as follows:

5 (4) "Horse feed" means a product clearly packaged and
6 labeled as feed for a horse.

7 (5) "Horse supplement" means a product clearly
8 packaged and labeled as a supplement for a horse, including a
9 vitamin, mineral, or other nutrient intended to supplement horse
10 feed.

11 SECTION 9. As soon as practicable after the effective date
12 of this Act, the Texas Racing Commission shall revise existing
13 rules or adopt new rules as necessary to comply with Subtitle A-1,
14 Title 13, Occupations Code (Texas Racing Act), as amended by this
15 Act.

16 SECTION 10. The comptroller of public accounts is required
17 to implement a provision of this Act only if the legislature
18 appropriates money specifically for that purpose. If the
19 legislature does not appropriate money specifically for that
20 purpose, the comptroller may, but is not required to, implement a
21 provision of this Act using other appropriations available for that
22 purpose.

23 SECTION 11. The Texas Racing Commission is required to
24 implement a provision of this Act only if the legislature
25 appropriates money specifically for that purpose. If the
26 legislature does not appropriate money specifically for that
27 purpose, the commission may, but is not required to, implement a

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1 provision of this Act using other appropriations available for that
2 purpose.

3 SECTION 12. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 2463 was passed by the House on May 10, 2019, by the following vote: Yeas 91, Nays 38, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2463 on May 24, 2019, by the following vote: Yeas 99, Nays 42, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2463 was passed by the Senate, with amendments, on May 21, 2019, by the following vote: Yeas 22, Nays 9.

Secretary of the Senate

APPROVED: _____

Date

Governor