

By: King of Uvalde

H.B. No. 2463

Substitute the following for H.B. No. 2463:

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C.S.H.B. No. 2463

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the deposit and allocation of certain funds to the horse
3 industry escrow 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 lesser 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 lesser of the amount
13 described by Subsection (a)(1) or (2) has been deposited during a
14 state fiscal biennium into the escrow account established under
15 Section 2028.204(b), for the remainder of that fiscal biennium the
16 comptroller shall deposit the amounts allocated under Section
17 151.801(c-3), Tax Code, into the general revenue fund.

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

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

1 racetrack.

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

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

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

20 (c-3) Subject to the limitation imposed under Section
21 2028.2041, Occupations Code, an amount equal to the proceeds from
22 the collection of the taxes imposed by this chapter on the sale,
23 storage, or use of horse feed, horse supplements, and horse tack
24 shall be deposited to the credit of the escrow account administered
25 by the Texas Racing Commission and established under Section
26 [2028.204](#), Occupations Code.

27 (d) The comptroller shall determine the amount to be

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

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

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

26 (5) "Horse supplement" means a product clearly
27 packaged and labeled as a supplement for a horse, including a

1 vitamin, mineral, or other nutrient intended to supplement horse
2 feed.

3 SECTION 9. As soon as practicable after the effective date
4 of this Act, the Texas Racing Commission shall revise existing
5 rules or adopt new rules as necessary to comply with Subtitle A-1,
6 Occupations Code (Texas Racing Act), as amended by this Act.

7 SECTION 10. This Act takes effect September 1, 2019.