

1-1 By: King of Uvalde (Senate Sponsor - Kolkhorst) H.B. No. 2463
1-2 (In the Senate - Received from the House May 13, 2019;
1-3 May 13, 2019, read first time and referred to Committee on Water &
1-4 Rural Affairs; May 20, 2019, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 1;
1-6 May 20, 2019, 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 H.B. No. 2463 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 horse
1-20 industry escrow account and to the maximum balance of that account.

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

1-22 SECTION 1. Section 2028.202(b), Occupations Code, is
1-23 amended to read as follows:

1-24 (b) From the total amount deducted under Subsection (a), a
1-25 greyhound racetrack association that receives an interstate
1-26 cross-species simulcast signal shall distribute the following
1-27 amounts from each pari-mutuel pool wagered on the signal at the
1-28 racetrack:

1-29 (1) a fee of 1.5 percent to be paid to the racetrack in
1-30 this state sending the signal;

1-31 (2) a purse in the amount of 0.75 percent to be paid to
1-32 the official state horse breed registry for Thoroughbred horses for
1-33 use as purses at racetracks in this state;

1-34 (3) a purse in the amount of 0.75 percent to be paid to
1-35 the official state horse breed registry for quarter horses for use
1-36 as purses at racetracks in this state; and

1-37 (4) a purse of 4.5 percent to be escrowed with the
1-38 commission [~~for purses~~] in the manner provided by Section 2028.204.

1-39 SECTION 2. Section 2028.203, Occupations Code, is amended
1-40 to read as follows:

1-41 Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL
1-42 COST. If a racetrack association purchases an interstate
1-43 simulcast signal and the signal cost exceeds five percent of the
1-44 pari-mutuel pool, the commission, from the escrowed [~~purse~~]
1-45 under Section 2028.202(b)(4), shall reimburse the racetrack
1-46 association an amount equal to one-half of the signal cost that
1-47 exceeds five percent of the pari-mutuel pool.

1-48 SECTION 3. The heading to Section 2028.204, Occupations
1-49 Code, is amended to read as follows:

1-50 Sec. 2028.204. ALLOCATION OF MONEY IN ESCROW ACCOUNTS
1-51 [~~ESCROWED PURSES~~].

1-52 SECTION 4. Section 2028.204(b), Occupations Code, is
1-53 amended to read as follows:

1-54 (b) Any horse racetrack association in this state may apply
1-55 to the commission for receipt of money in the horse industry escrow
1-56 [~~all or part of the escrowed purse~~] account for use as purses. Any
1-57 state horse breed registry listed in Section 2030.002(a) may apply
1-58 for receipt of money in the account for any event that furthers the
1-59 horse industry. The commission:

1-60 (1) shall determine the horse racetrack associations

2-1 and state horse breed registries to be allocated money from the
 2-2 ~~[escrowed purse]~~ account and the percentages to be allocated,
 2-3 taking into consideration purse levels, racing opportunities, and
 2-4 the financial status of the requesting racetrack association or
 2-5 requesting breed registry; and

2-6 (2) may not annually allocate more than 70 percent of
 2-7 the amount deposited into the account to horse racetrack
 2-8 associations for use as purses.

2-9 SECTION 5. Subchapter E, Chapter 2028, Occupations Code, is
 2-10 amended by adding Section 2028.2041 to read as follows:

2-11 Sec. 2028.2041. ALLOCATION OF CERTAIN FUNDS. (a) In each
 2-12 state fiscal biennium, the comptroller shall deposit the amounts
 2-13 allocated under Section 151.801(c-3), Tax Code, into the escrow
 2-14 account established under Section 2028.204(b), until the
 2-15 comptroller determines the amount deposited into the account in
 2-16 that fiscal biennium equals the greater of:

2-17 (1) the amount appropriated to the commission for the
 2-18 purposes of Section 2028.204 for that fiscal biennium; or

2-19 (2) \$50 million.

2-20 (b) Once the comptroller determines the greater of the
 2-21 amount described by Subsection (a)(1) or (2) has been deposited
 2-22 during a state fiscal biennium into the escrow account established
 2-23 under Section 2028.204(b), for the remainder of that fiscal
 2-24 biennium the comptroller shall deposit the amounts allocated under
 2-25 Section 151.801(c-3), Tax Code, into the general revenue fund.

2-26 (c) The balance of the escrow account established under
 2-27 Section 2028.204(b) shall not exceed \$50 million.

2-28 SECTION 6. Sections 2028.205(a) and (b), Occupations Code,
 2-29 are amended to read as follows:

2-30 (a) In addition to money allocated under Section 2028.204, a
 2-31 horse racetrack association operating a racetrack that is located
 2-32 not more than 75 miles from a greyhound racetrack that offers
 2-33 wagering on a cross-species simulcast signal and that sends the
 2-34 cross-species simulcast signal to the greyhound racetrack may apply
 2-35 to the commission for an allocation of up to 20 percent of the money
 2-36 in the escrowed ~~[purse]~~ account that is attributable to the
 2-37 wagering on a cross-species simulcast signal at the greyhound
 2-38 racetrack.

2-39 (b) If the applying horse racetrack association can prove to
 2-40 the commission's satisfaction that the racetrack association's
 2-41 handle has decreased directly due to wagering on an interstate
 2-42 cross-species simulcast signal at a greyhound racetrack located not
 2-43 more than 75 miles from the applying racetrack association, the
 2-44 commission shall allocate amounts from the escrowed ~~[purse]~~ account
 2-45 as the commission considers appropriate to compensate the racetrack
 2-46 association for the decrease. The amounts allocated may not exceed
 2-47 20 percent of the money in the escrowed ~~[purse]~~ account that is
 2-48 attributable to the wagering on the interstate cross-species
 2-49 simulcast signal at the greyhound racetrack.

2-50 SECTION 7. Section 151.801, Tax Code, is amended by
 2-51 amending Subsections (a) and (d) and adding Subsection (c-3) to
 2-52 read as follows:

2-53 (a) Except for the amounts allocated under Subsections (b),
 2-54 (c), ~~[and]~~ (c-2), and (c-3), all proceeds from the collection of the
 2-55 taxes imposed by this chapter shall be deposited to the credit of
 2-56 the general revenue fund.

2-57 (c-3) Subject to the limitation imposed under Section
 2-58 2028.2041, Occupations Code, an amount equal to the proceeds from
 2-59 the collection of the taxes imposed by this chapter on the sale,
 2-60 storage, or use of horse feed, horse supplements, and horse tack
 2-61 shall be deposited to the credit of the escrow account administered
 2-62 by the Texas Racing Commission and established under Section
 2-63 2028.204, Occupations Code.

2-64 (d) The comptroller shall determine the amount to be
 2-65 deposited to the highway fund under Subsection (b) according to
 2-66 available statistical data indicating the estimated average or
 2-67 actual consumption or sales of lubricants used to propel motor
 2-68 vehicles over the public roadways. The comptroller shall
 2-69 determine the amounts to be deposited to the funds or accounts under

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

3-17 SECTION 8. Section 151.801(e), Tax Code, is amended by
3-18 adding Subdivisions (4) and (5) to read as follows:

3-19 (4) "Horse feed" means a product clearly packaged and
3-20 labeled as feed for a horse.

3-21 (5) "Horse supplement" means a product clearly
3-22 packaged and labeled as a supplement for a horse, including a
3-23 vitamin, mineral, or other nutrient intended to supplement horse
3-24 feed.

3-25 SECTION 9. As soon as practicable after the effective date
3-26 of this Act, the Texas Racing Commission shall revise existing
3-27 rules or adopt new rules as necessary to comply with Subtitle A-1,
3-28 Title 13, Occupations Code (Texas Racing Act), as amended by this
3-29 Act.

3-30 SECTION 10. The comptroller of public accounts is required
3-31 to implement a provision of this Act only if the legislature
3-32 appropriates money specifically for that purpose. If the
3-33 legislature does not appropriate money specifically for that
3-34 purpose, the comptroller may, but is not required to, implement a
3-35 provision of this Act using other appropriations available for that
3-36 purpose.

3-37 SECTION 11. The Texas Racing Commission is required to
3-38 implement a provision of this Act only if the legislature
3-39 appropriates money specifically for that purpose. If the
3-40 legislature does not appropriate money specifically for that
3-41 purpose, the commission may, but is not required to, implement a
3-42 provision of this Act using other appropriations available for that
3-43 purpose.

3-44 SECTION 12. This Act takes effect September 1, 2019.

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