

By: Kacal, Bailes, Kuempel

H.B. No. 3366

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

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

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

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

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

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

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

7                 (B) the remainder shall be used for awards.

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

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

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

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

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

3 (2) 40 percent to the breeders of accredited  
4 Texas-bred horses that finish first, second, or third; and

5 (3) 20 percent to the owner of the stallion standing in  
6 this state at the time of conception whose Texas-bred get finish  
7 first, second, or third.

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

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

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

20 (1) 25 percent is to be used in stakes races; and

21 (2) 25 percent of that total breakage from a live  
22 pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to  
23 the commission for deposit into the Texas-bred incentive fund  
24 established under Section 2028.301. The commission shall  
25 distribute the money collected under this section and deposited  
26 into the fund to [use by] the state greyhound breed registry for use  
27 in accordance with this section and [subject to] commission rules.

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

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

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

12 SUBCHAPTER G. TEXAS-BRED INCENTIVE FUND

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

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

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

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

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