

By: Shaheen

H.B. No. 1537

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the elimination of certain tax proceeds deposited to
3 and the allocation of the horse industry escrowed purse 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 COST. If

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

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

19 [(1)] shall determine the horse racetrack
20 associations [~~and state horse breed registries~~] to be allocated
21 money from the escrowed purse account and the percentages to be
22 allocated, taking into consideration purse levels, racing
23 opportunities, and the financial status of the requesting racetrack
24 association [~~or 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. Sections 2028.205(a) and (b), Occupations Code,
2 are amended to read as follows:

3 (a) In addition to money allocated under Section 2028.204, a
4 horse racetrack association operating a racetrack that is located
5 not more than 75 miles from a greyhound racetrack that offers
6 wagering on a cross-species simulcast signal and that sends the
7 cross-species simulcast signal to the greyhound racetrack may apply
8 to the commission for an allocation of up to 20 percent of the money
9 in the escrowed purse account that is attributable to the wagering
10 on a cross-species simulcast signal at the greyhound racetrack.

11 (b) If the applying horse racetrack association can prove to
12 the commission's satisfaction that the racetrack association's
13 handle has decreased directly due to wagering on an interstate
14 cross-species simulcast signal at a greyhound racetrack located not
15 more than 75 miles from the applying racetrack association, the
16 commission shall allocate amounts from the escrowed purse account
17 as the commission considers appropriate to compensate the racetrack
18 association for the decrease. The amounts allocated may not exceed
19 20 percent of the money in the escrowed purse account that is
20 attributable to the wagering on the interstate cross-species
21 simulcast signal at the greyhound racetrack.

22 SECTION 6. Section 151.801(a), Tax Code, is amended to read
23 as follows:

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

1 SECTION 7. Section 151.801(d), Tax Code, as effective
2 September 1, 2021, is amended to read as follows:

3 (d) The comptroller shall determine the amount to be
4 deposited to the highway fund under Subsection (b) according to
5 available statistical data indicating the estimated average or
6 actual consumption or sales of lubricants used to propel motor
7 vehicles over the public roadways. The comptroller shall determine
8 the amounts to be deposited to the accounts under Subsection (c)
9 according to available statistical data indicating the estimated or
10 actual total receipts in this state from taxable sales of sporting
11 goods, and according to the specific amounts provided in the
12 General Appropriations Act in accordance with Subsection (c-1).
13 The comptroller shall determine the amount to be deposited to the
14 fund under Subsection (c-2) according to available statistical data
15 indicating the estimated or actual total receipts in this state
16 from taxes imposed on sales at retail of fireworks. [The
17 ~~comptroller shall determine the amount to be deposited to the~~
18 ~~account under Subsection (c-3) according to available statistical~~
19 ~~data indicating the estimated or actual total receipts in this~~
20 ~~state from taxable sales of horse feed, horse supplements, horse~~
21 ~~tack, horse bedding and grooming supplies, and other taxable~~
22 ~~expenditures directly related to horse ownership, riding, or~~
23 ~~boarding.~~] If satisfactory data are not available, the comptroller
24 may require taxpayers who make taxable sales or uses of those
25 lubricants, of sporting goods, or of fireworks[, ~~or of horse feed,~~
26 ~~horse supplements, horse tack, horse bedding and grooming supplies,~~
27 ~~or other taxable expenditures directly related to horse ownership,~~

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

4 SECTION 8. The following provisions of law are repealed:

- 5 (1) Section 2028.2041, Occupations Code;
- 6 (2) Section 151.801(c-3), Tax Code; and
- 7 (3) Sections 151.801(e)(4) and (5), Tax Code.

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

13 SECTION 10. This Act takes effect September 1, 2021.