

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 29, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4115 by Thompson, Senfronia (Relating to eligibility for membership on and the regulation of horse and greyhound racing by the Texas Racing Commission; creating a criminal offense.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4115, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>Texas-bred Incentive Fund 327</i>	Probable Revenue Gain/(Loss) from <i>New - Texas-bred Escrow Account Trust</i>
2024	(\$267,000)	\$267,000
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0

Fiscal Analysis

The bill would amend Occupations Code, Section 2023.053, to specify that any unappropriated money exceeding \$2.0 million, instead of \$750,000 under current law, remaining in the General Revenue Dedicated – Texas Racing Commission Account 0597 at the close of each state fiscal biennium is to be transferred to the General Revenue Fund. The bill would repeal subsection (c) of Section 2023.053, which requires Account 0597 to reimburse any amount of General Revenue appropriated for enforcement of the Texas Racing Act within one year of the date of the General Revenue appropriation with 6.75 percent interest.

The bill would amend Occupations Code, Section 208.301, to establish a Texas-bred Escrow Account as a trust fund in the state treasury and amend various sections of Occupations Code, Chapter 208, relating to money set-aside for or paid to the Texas Racing Commission (TxRC) for deposit to the Texas-bred Incentive Fund 0327 to specify that these receipts are to be deposited to the Texas-bred Escrow Account. The bill would specify that money in this escrow account may not be appropriated for state expenditure. The bill would require money in Fund 0327 to be transferred to the escrow account and abolish Fund 0327 on September 1, 2023.

The bill would amend Occupations Code, Section 203.014, to establish additional state jail felony offenses related to unlawful participation in horseracing or greyhound racing.

The bill would take effect on September 1, 2023.

Methodology

The bill would require a transfer of funds upon abolishment of Appropriated Fund 0327 – Texas-bred Incentive Fund to the new Texas Bred Escrow Account Trust Fund on September 1, 2023. Based on the analysis provided by the Comptroller of Public Accounts (CPA), this provision of the bill would result in the transfer of \$267,000 from Fund 0327 to the new escrow trust account in fiscal year 2024. The CPA indicates other provisions of the bill relating to GR Account 0597 would not result in an impact to general revenue-related funds.

Based on the information provided by TxRC, it is assumed any costs or duties associated with implementation of the provisions of the bill could be absorbed within the agency's existing resources.

It is assumed that any impact on state correctional populations or on the demand for state correctional resources would not be significant.

Local Government Impact

It is assumed that any fiscal impact to units of local government associated with enforcement, prosecution, supervision, or confinement would not be significant.

Source Agencies: 304 Comptroller of Public Accounts, 476 Racing Commission

LBB Staff: JMc, SZ, GDZ, TG