By: Shaheen H.B. No. 1032

A BILL TO BE ENTITLED

AN ACT

relating to the elimination of certain tax proceeds deposited to and the allocation of the horse industry escrowed purse account.

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

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

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

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

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

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

(4) a purse of 4.5 percent to be escrowed with the commission for purses in the manner provided by Section 2028.204.

SECTION 2. Section 2028.203, Occupations Code, is amended to read as follows:

Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL COST. If

a racetrack association purchases an interstate simulcast signal and the signal cost exceeds five percent of the pari-mutuel pool, the commission, from the escrowed purse account under Section 2028.202(b)(4), shall reimburse the racetrack association an amount equal to one-half of the signal cost that exceeds five percent of the pari-mutuel pool.

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

Sec. 2028.204. ALLOCATION OF ESCROWED PURSES [~~MONEY IN ESCROW ACCOUNTS~~].

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

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

[~~(1)~~] shall determine the horse racetrack associations [~~and state horse breed registries~~] to be allocated money from the escrowed purse account and the percentages to be allocated, taking into consideration purse levels, racing opportunities, and the financial status of the requesting racetrack association [~~or requesting breed registry; and~~

[~~(2) may not annually allocate more than 70 percent of the amount deposited into the account to horse racetrack associations for use as purses~~].

SECTION 5. Sections 2028.205(a) and (b), Occupations Code, are amended to read as follows:

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

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

SECTION 6. Sections 151.801(a) and (d), Tax Code, are amended to read as follows:

(a) Except for amounts otherwise allocated under this section, all proceeds from the collection of the taxes imposed by this chapter shall be deposited to the credit of the general revenue fund.

(d) The comptroller shall determine the amount to be deposited to the highway fund under Subsection (b) according to available statistical data indicating the estimated average or actual consumption or sales of lubricants used to propel motor vehicles over the public roadways. The comptroller shall determine the amounts to be deposited to the accounts under Subsection (c) according to available statistical data indicating the estimated or actual total receipts in this state from taxable sales of sporting goods, and according to the specific amounts provided in the General Appropriations Act in accordance with Subsection (c-1). The comptroller shall determine the amount to be deposited to the fund under Subsection (c-2) according to available statistical data indicating the estimated or actual total receipts in this state from taxes imposed on sales at retail of fireworks. [~~The comptroller shall determine the amount to be deposited to the account under Subsection (c-3) according to available statistical data indicating the estimated or actual total receipts in this state from taxable sales of horse feed, horse supplements, horse tack, horse bedding and grooming supplies, and other taxable expenditures directly related to horse ownership, riding, or boarding.~~] If satisfactory data are not available, the comptroller may require taxpayers who make taxable sales or uses of those lubricants, of sporting goods, or of fireworks[~~, or of horse feed, horse supplements, horse tack, horse bedding and grooming supplies, or other taxable expenditures directly related to horse ownership, riding, or boarding~~] to report to the comptroller as necessary to make the allocation required by Subsection (b), (c), or (c-2)[~~, or~~

~~(c-3)~~].

SECTION 7. The following provisions of law are repealed:

(1) Section 2028.2041, Occupations Code;

(2) Section 151.801(c-3), Tax Code; and

(3) Sections 151.801(e)(4) and (5), Tax Code.

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

SECTION 9. This Act takes effect September 1, 2027.