

By: Hall

S.B. No. 1989

A BILL TO BE ENTITLED

AN ACT

relating to the use of proceeds deposited to the horse industry account for law enforcement purposes.

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 horsebreed 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) an amount equal to ~~[a purse of]~~ 4.5 percent of the pool to be deposited ~~[escrowed]~~ with the commission in the manner provided by Section 2028.204.

SECTION 2. Sections 2028.203 and 2028.204, Occupations Code, are amended to read as follows:

1 Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL COST. If
2 a racetrack association purchases an interstate simulcast signal
3 and the signal cost exceeds five percent of the pari-mutuel pool,
4 the commission, from the amount set aside ~~[escrowed account]~~ under
5 Section 2028.202(b)(4), shall reimburse the racetrack association
6 an amount equal to one-half of the signal cost that exceeds five
7 percent of the pari-mutuel pool.

8 Sec. 2028.204. USE ~~[ALLOCATION]~~ OF MONEY IN HORSE INDUSTRY
9 ACCOUNT ~~[ESCROW ACCOUNTS]~~. (a) A greyhound racetrack association
10 shall deposit into an ~~[escrow]~~ account in the commission's registry
11 the amount ~~[purse]~~ set aside under Section 2028.202(b)(4).

12 (b) The commission shall use ~~[Any horse racetrack~~
13 ~~association in this state may apply to the commission for receipt~~
14 ~~of]~~ money in the horse industry ~~[escrow]~~ account only for law
15 enforcement purposes ~~[use as purses]~~. ~~[Any state horse breed~~
16 ~~registry listed in Section 2030.002(a) may apply for receipt of~~
17 ~~money in the account for any event that furthers the horse industry.~~
18 ~~The commission:~~

19 ~~[(1) shall determine the horse racetrack associations~~
20 ~~and state horse breed registries to be allocated money from the~~
21 ~~account and the percentages to be allocated, taking into~~
22 ~~consideration purse levels, racing opportunities, and the~~
23 ~~financial status of the requesting racetrack association or~~
24 ~~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.]~~

SECTION 3. Section 2028.2041, Occupations Code, is amended to read as follows:

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

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

(2) \$50 million.

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

(c) The balance of the ~~[escrow]~~ account established under Section 2028.204(b) shall not exceed \$50 million.

SECTION 4. Section 2031.004(e), Occupations Code, is amended to read as follows:

(e) The commission may not:

(1) use funds from the accredited Texas-bred program under Subchapter A, Chapter 2030, or the horse industry ~~[escrowed purse]~~ account under Section 2028.204 to fund the Texas Derby escrow purse fund; or

1 (2) order a state horse breed registry to fund a purse
2 for a Texas Derby, make contributions to the Texas Derby escrow
3 purse fund, or pay the expenses of a Texas Derby race.

4 SECTION 5. Section 151.801(c-3), Tax Code, is amended to
5 read as follows:

6 (c-3) Subject to the limitation imposed under Section
7 2028.2041, Occupations Code, an amount equal to the proceeds from
8 the collection of the taxes imposed by this chapter on the sale,
9 storage, or use of horse feed, horse supplements, horse tack, horse
10 bedding and grooming supplies, and other taxable expenditures
11 directly related to horse ownership, riding, or boarding shall be
12 deposited to the credit of the [~~escrow~~] account administered by the
13 Texas Racing Commission and established under Section 2028.204,
14 Occupations Code.

15 SECTION 6. Section 2028.205, Occupations Code, is repealed.

16 SECTION 7. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2025.