

BILL ANALYSIS

Senate Research Center
85R5935 GCB-D

S.B. 1972
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Agriculture, Water & Rural Affairs
4/18/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1972 seeks to shift the Accredited Texas Bred funds from the Texas Racing Commission's (TRC's) operating budget and into a separate escrow account. The Accredited Texas Bred Fund provides economic incentives to breed and race horses in Texas. To encourage the breeding of horses in this state, any accredited Texas-bred horse finishing first, second, or third in any race in Texas may be eligible for Owner, Breeder, and/or Stallion Awards through the Accredited Texas Bred Incentive Program. S.B. 1972 redirects the Accredited Texas Bred funds to flow directly to the state's officially recognized breed organizations.

The Texas Racing Act provides purse supplements and monetary awards to breeders and owners of Texas-bred greyhounds and horses through Accredited Texas Bred funds to encourage agriculture and the horse and greyhound breeding industries. Currently, TRC's operating budget includes the Accredited Texas Bred funds. These Accredited Texas Bred funds flow directly from the licensed race tracks to the official horsemen's organization as recognized in the Texas Racing Act for payment to the connections of horses earning those funds. The inclusion of the Accredited Texas Bred funds in TRC's operating budget artificially increases TRC's total budget. S.B. 1972 corrects the duplicative handling of the Accredited Texas Bred funds by redirecting the Accredited Texas Bred funds to flow directly to the state's officially recognized breed organizations.

As proposed, S.B. 1972 amends current law relating to the deposit and distribution by the Texas Racing Commission of certain pari-mutuel wagering funds to benefit the Texas-bred program.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Racing Commission is modified in SECTION 2 (Section 6.08, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3.09, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes (V.T.C.S.)), by adding Subsection (c), to provide that this section does not apply to money set aside for the Texas-bred program under Section 6.08(d) of this Act and deposited in the escrow account under Subsection (d-1) of that section.

SECTION 2. Amends Section 6.08, Texas Racing Act (Article 179e, V.T.C.S.), by amending Subsections (d) and (g) and adding Subsection (d-1), as follows:

(d) Requires a horse racing association (association) to set aside for the Texas-bred program as provided by Subsection (f) (relating to a certain multiple wagering pool) of this section an amount equal to one percent of a live multiple two wagering pool and a live multiple three wagering pool and pay that amount to the Texas Racing Commission (TRC).

(d-1) Requires TRC to deposit money paid to TRC under Subsection (d) of this section into an escrow account in the registry of TRC. Requires TRC to distribute the money deposited in the account to the appropriate state horse breed registries for the Texas-bred

program in accordance with this section and TRC rules adopted under Subsection (g) of this section.

(g) Requires TRC to adopt rules relating to the deposit, accounting, audit, and distribution of all amounts set aside for the Texas-bred program under this section.

SECTION 3. (a) Makes application of Section 6.08, Texas Racing Act (Article 179e, V.T.C.S.), as amended by this Act, prospective.

(b) Requires TRC, as soon as practicable after the effective date of this Act, to revise existing rules or adopt new rules as necessary to comply with Section 6.08, Texas Racing Act (Article 179e, V.T.C.S.), as amended by this Act.

SECTION 4. Effective date: September 1, 2017.