

BILL ANALYSIS

S.B. 1972
By: Kolkhorst
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties have raised concerns regarding the manner in which money for the Texas-bred program and money for use by state breed registries is deposited and distributed. S.B. 1972 seeks to address this issue by creating the Texas-bred incentive fund as an escrow account and by providing for the distribution of money from the fund.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1972 amends the Texas Racing Act, Vernon's Texas Civil Statutes, to create the Texas-bred incentive fund as an escrow account in the state treasury in the registry of the Texas Racing Commission and to require the racing commission to deposit money set aside for the Texas-bred program and money set aside for use by state breed registries into the fund. The bill requires the racing commission to distribute money from the fund in accordance with provisions of the act regarding racetrack licenses and in accordance with racing commission rules. The bill makes provisions of the act relating to funding inapplicable to money deposited into the fund.

S.B. 1972 requires a horse racing association to pay an amount set aside for the Texas-bred program equal to one percent of a live multiple two wagering pool and a live multiple three wagering pool to the racing commission. The bill replaces the requirement that the appropriate state horse breed registry pay out 80 percent of the total breakage from a live pari-mutuel pool or a simulcast pari-mutuel pool in a specified manner with a requirement that the applicable association pay the racing commission for deposit into the fund and distribution to the appropriate state horse breed registry 80 percent of such total breakage to be allocated in a specified manner. The bill requires the racing commission to adopt rules relating to the deposit of all amounts set aside for the program and for the use of those amounts by the state breed registries under that program. The bill requires the racing commission to deposit that money paid to the racing commission by a horse racing association and the portions of total breakage paid to the racing commission from a live pari-mutuel pool or a simulcast pari-mutuel pool into the fund and to distribute that money to the appropriate state horse breed registries in accordance with the bill's provisions and racing commission rules.

S.B. 1972 provides for the deposit into the fund and for the distribution to the appropriate state greyhound breed registry of a certain portion of breakage paid to the racing commission from a

live pari-mutuel pool or a simulcast pari-mutuel pool. The bill requires a horse racing association or a greyhound racing association, as applicable, to pay to the racing commission for deposit into the fund certain shares distributed from each simulcast pari-mutuel pool and each simulcast cross-species pool for the program and requires the racing commission to distribute that money deposited into the fund to the appropriate state breed registries for use under the program.

S.B. 1972 requires the racing commission to revise existing rules or adopt new rules as necessary to comply with the Texas Racing Act, as amended by the bill. The bill takes effect only if a specific appropriation for the implementation of the bill is provided in a general appropriations act of the 85th Legislature.

EFFECTIVE DATE

September 1, 2017.