

SUBJECT: Reallocating part of simulcast betting pools to Racing Commission

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 9 ayes — T. King, Goldman, Geren, Harless, Hernandez, Herrero, K. King, Kuempel, Paddie

0 nays

2 absent — Guillen, S. Thompson

WITNESSES: For — Tommy Azopardi, Gillespie County Fair and Festivals;
(*Registered, but did not testify*: Michael Pacheco, Texas Farm Bureau)

Against — None

On — Chuck Trout, Texas Racing Commission; (*Registered, but did not testify*: Adrienne Courtney and Gerald Dube, Texas Racing Commission)

BACKGROUND: Under the Texas Racing Act in Occupations Code sec. 2028.202(a), a portion of the wagering pools on simulcast races is set aside for the state. A simulcast race is one that is broadcast from one track with betting occurring at another track. Depending on the type of race, 1 percent or 1.25 percent of each betting pool is set aside for the state. Under sec. 2024.055, these funds are deposited in the general revenue fund.

Occupations Code sec. 2023.053 requires the Racing Commission to deposit money it collects into the Texas Racing Commission fund, which may be appropriated only for the administration and enforcement of the Texas Racing Act. The commission collects funds through licensing, registrations, fines, and other sources. The Legislature also may appropriate money from the general revenue fund to administer the Racing Act. Any general revenue appropriated to the commission in excess of the amount deposited in the Texas Racing Fund must be repaid with interest.

Some have suggested that declining revenue from the shrinking pari-mutuel industry has strained the Racing Commission's ability to fulfill its mandate of protecting racing and the public interest and that a more stable source of funding is needed for the commission.

DIGEST: HB 1995 would allocate the portion of simulcast betting pools that currently is set aside for the state to the Racing Commission for its administration.

The bill would take effect September 1, 2019, and would apply to deductions from wagering pools for races conducted on or after that date.