

## **BILL ANALYSIS**

Senate Research Center  
2001S1051/1 04/02/01

C.S.S.B. 1096  
By: Cain  
Business & Commerce  
4/4/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Currently, there is no funding provision for attracting a Breeders' Cup horse race to Texas. C.S.S.B. 1096 provides a funding mechanism for the track that is awarded the Breeders' Cup horse race to pay for the costs associated with attracting such a race.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly given to the Texas Racing Commission and the Comptroller of Public Accounts SECTION 1(Article 6, Texas Racing Act, Section 6.094) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 6, Texas Racing Act (Article 179e, V.T.C.S.), by adding Section 6.094, as follows:

Sec. 6.094. NATIONAL EVENT INCENTIVES. (a) Defines "Breeders' Cup costs," "Breeders' Cup races," "development organization," and "political subdivision."

(b) Authorizes an association conducting the Breeders' Cup races to apply to the reimbursement of Breeders' Cup costs amounts that would otherwise be set aside by the association for the state under Sections 6.091(a)(1) and 6.093 of this Act during the year in which the association hosts the Breeders' Cup races, limited to an amount equal to the lesser of the aggregate amount contributed to pay Breeders' Cup costs by political subdivisions and development organizations or \$2 million. Provides that beginning on January 1 of the year for which the association has been officially designated to host the Breeders' Cup races, amounts that would otherwise be set aside by the association for the state during that year under Sections 6.091(a)(1) and 6.093 of this Act be set aside, in accordance with procedures prescribed by the comptroller, for deposit into the Breeder's Cup Developmental Account. Provides that the Breeders' Cup Developmental Account is an account in the general revenue fund. Requires the Texas Racing Commission (commission) to administer the account. Authorizes money in the account to be appropriated only to the commission and to be used only for the purposes specified in this section. Provides that the account is exempt from the application of Section 403.095 (Use of Dedicated Revenue), Government Code.

(c) Requires the commission to make disbursements from the Breeders' Cup Development Account to reimburse Breeders' Cup costs actually incurred and paid by the association, after the association files a request for reimbursement. Prohibits disbursements from the account from exceeding the aggregate amount actually paid for Breeders' Cup costs by political subdivisions and development organizations, as certified by the commission to the comptroller, or \$2 million, whichever is less.

(d) Requires that, not later than January 31 of the year following the year in which the

association hosts the Breeders' Cup races, the association submit to the commission a report including certain information.

(e) Requires the commission, following receipt of the report required by Subsection (d) of this section, to take any steps it considers appropriate to verify the report. Requires the commission, not later than March 31 of the year following the event, to transfer to the credit of the general revenue fund any balance remaining in the Breeders' Cup Developmental Account after any reimbursement of any remaining Breeders' Cup costs authorized under this section.

(f) Authorizes the commission and the comptroller, in addition to the authority otherwise granted in this Act, to adopt certain rules for the administration of this section.

(g) Authorizes the commission to adopt rules to facilitate the conduct of the Breeders' Cup races, including the adoption of rules or waiver of existing rules relating to the overall conduct of racing during the Breeders' Cup races in order to assure the integrity of the races, licensing for all participants, special stabling and training requirements for foreign horses, and commingling of pari-mutuel pools.

(h) Provides that the provisions of this section prevail over any conflicting provisions of this Act.

SECTION 2. Effective date: September 1, 2001.

#### **SUMMARY OF COMMITTEE CHANGES**

Amends As Filed S.B. 1051 by establishing the Breeders' Cup Developmental Account and providing for the accounts administration. Authorizes the Texas Racing Commission to make disbursements to the Association to reimburse Breeders' Cup Costs, after the association files a request for reimbursement. Requires the commission to transfer any remaining balance to the credit of the general revenue fund in the Breeders' Cup Account. Authorizes the commission to adopt rules relating to the disbursement of funds from the Breeders' Cup Development Account and authorizes the comptroller to adopt rules relating to the procedures and requirements for transmitting or otherwise delivering to the treasury the money set aside under this section and for depositing funds into the Breeders' Cup Developmental Account.