

1-1 By: Kolkhorst S.B. No. 1972  
1-2 (In the Senate - Filed March 10, 2017; March 27, 2017, read  
1-3 first time and referred to Committee on Agriculture, Water & Rural  
1-4 Affairs; April 27, 2017, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 April 27, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15			X	

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1972 By: Rodríguez

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the deposit and distribution by the Texas Racing  
1-20 Commission of certain pari-mutuel wagering funds to benefit the  
1-21 Texas-bred program.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 3.09, Texas Racing Act (Article 179e,  
1-24 Vernon's Texas Civil Statutes), is amended by adding Subsection (c)  
1-25 to read as follows:

1-26 (c) This section does not apply to money deposited into the  
1-27 Texas-bred incentive fund established under Section 6.095 of this  
1-28 Act.

1-29 SECTION 2. Section 6.08, Texas Racing Act (Article 179e,  
1-30 Vernon's Texas Civil Statutes), is amended by amending Subsections  
1-31 (d), (g), and (j) and adding Subsections (d-1) and (j-1) to read as  
1-32 follows:

1-33 (d) A horse racing association shall set aside for the  
1-34 Texas-bred program as provided by Subsection (f) of this section an  
1-35 amount equal to one percent of a live multiple two wagering pool and  
1-36 a live multiple three wagering pool and pay that amount to the  
1-37 commission.

1-38 (d-1) The commission shall deposit money paid to the  
1-39 commission under Subsection (d) of this section into the Texas-bred  
1-40 incentive fund established under Section 6.095 of this Act. The  
1-41 commission shall distribute the money collected under this section  
1-42 and deposited into the fund to the appropriate state horse breed  
1-43 registries for the Texas-bred program in accordance with this  
1-44 section and commission rules adopted under Subsection (g) of this  
1-45 section.

1-46 (g) The commission shall adopt rules relating to the  
1-47 deposit, accounting, audit, and distribution of all amounts set  
1-48 aside for the Texas-bred program under this section and for the use  
1-49 of those amounts by the state breed registries under that program.

1-50 (j) Ten percent of the total breakage from a live  
1-51 pari-mutuel pool or a simulcast pari-mutuel pool is to be retained  
1-52 by the association to be used in stakes races restricted to  
1-53 accredited Texas-bred horses. The association shall pay to the  
1-54 commission for deposit into the Texas-bred incentive fund  
1-55 established under Section 6.095 of this Act and distribution to the  
1-56 appropriate state horse breed registry [~~shall pay out~~]  
1-57 the remaining 80 percent of the total breakage to be allocated  
1-58 as follows:

1-59 (1) 40 percent [~~of the remaining breakage is~~  
1-60 ~~allocated~~] to the owners of the accredited Texas-bred horses that

2-1 finish first, second, or third;

2-2 (2) 40 percent [~~is allocated~~] to the breeders of the  
2-3 accredited Texas-bred horses that finish first, second, or third;  
2-4 and

2-5 (3) 20 percent [~~is allocated~~] to the owner of the  
2-6 stallion standing in this state at the time of conception whose  
2-7 Texas-bred get finish first, second, or third.

2-8 (j-1) The commission shall deposit the portions of total  
2-9 breakage paid to the commission under Subsections (i) and (j) of  
2-10 this section into the Texas-bred incentive fund established under  
2-11 Section 6.095 of this Act. The commission shall distribute the  
2-12 money collected under this section and deposited into the fund to  
2-13 the appropriate state horse breed registries in accordance with  
2-14 this section and commission rules adopted under Subsection (g) of  
2-15 this section.

2-16 SECTION 3. Section 6.09(d), Texas Racing Act (Article 179e,  
2-17 Vernon's Texas Civil Statutes), is amended to read as follows:

2-18 (d) Fifty percent of the breakage is to be paid to the  
2-19 appropriate state greyhound breeding registry. Of that portion of  
2-20 the breakage 25 percent of that breakage is to be used in stakes  
2-21 races and 25 percent of that total breakage from a live pari-mutuel  
2-22 pool or a simulcast pari-mutuel pool is to be paid to the commission  
2-23 for deposit into the Texas-bred incentive fund established under  
2-24 Section 6.095 of this Act. The commission shall distribute the  
2-25 money collected under this section and deposited into the fund to  
2-26 [~~for the use by~~] the state greyhound breed registry for use in  
2-27 accordance with this section, subject to rules promulgated by the  
2-28 commission.

2-29 SECTION 4. Section 6.091, Texas Racing Act (Article 179e,  
2-30 Vernon's Texas Civil Statutes), is amended by adding Subsection  
2-31 (a-1) to read as follows:

2-32 (a-1) An association shall pay to the commission for deposit  
2-33 into the Texas-bred incentive fund established under Section 6.095  
2-34 of this Act the shares to be distributed under Subsections (a)(3)  
2-35 and (4) of this section for the Texas-bred program. The commission  
2-36 shall distribute the money collected under this section and  
2-37 deposited into the fund to the appropriate state breed registries  
2-38 for use under the Texas-bred program.

2-39 SECTION 5. Article 6, Texas Racing Act (Article 179e,  
2-40 Vernon's Texas Civil Statutes), is amended by adding Section 6.095  
2-41 to read as follows:

2-42 Sec. 6.095. TEXAS-BRED INCENTIVE FUND. The commission  
2-43 shall deposit money set aside for the Texas-bred program under  
2-44 Sections 6.08, 6.09, and 6.091 of this Act and money set aside for  
2-45 use by state breed registries under Sections 6.08 and 6.09 of this  
2-46 Act into an escrow account in the state treasury in the registry of  
2-47 the commission to be known as the Texas-bred incentive fund. The  
2-48 commission shall distribute money from the fund in accordance with  
2-49 this article and commission rules.

2-50 SECTION 6. (a) The changes in law made by this Act to the  
2-51 Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes),  
2-52 apply to the deductions and breakage from a wagering pool for a  
2-53 horse or greyhound race conducted by a racetrack association on or  
2-54 after the effective date of this Act.

2-55 (b) As soon as practicable after the effective date of this  
2-56 Act, the Texas Racing Commission shall revise existing rules or  
2-57 adopt new rules as necessary to comply with the Texas Racing Act  
2-58 (Article 179e, Vernon's Texas Civil Statutes), as amended by this  
2-59 Act.

2-60 SECTION 7. This Act takes effect only if a specific  
2-61 appropriation for the implementation of the Act is provided in a  
2-62 general appropriations act of the 85th Legislature.

2-63 SECTION 8. This Act takes effect September 1, 2017.

2-64 \* \* \* \* \*