

1-1 By: Kacal, Bailes, Kuempel H.B. No. 3366  
 1-2 (Senate Sponsor - Kolkhorst)  
 1-3 (In the Senate - Received from the House April 16, 2019;  
 1-4 April 17, 2019, read first time and referred to Committee on Water  
 1-5 & Rural Affairs; May 13, 2019, reported favorably by the following  
 1-6 vote: Yeas 6, Nays 0; May 13, 2019, 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 A BILL TO BE ENTITLED  
 1-17 AN ACT

1-18 relating to the deposit and distribution by the Texas Racing  
 1-19 Commission of certain pari-mutuel wagering funds to benefit the  
 1-20 Texas-bred program.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 2023.053, Occupations Code, is amended  
 1-23 by adding Subsection (f) to read as follows:

1-24 (f) This section does not apply to money deposited into the  
 1-25 Texas-bred incentive fund established under Section 2028.301.

1-26 SECTION 2. Section 2024.055, Occupations Code, is amended  
 1-27 to read as follows:

1-28 Sec. 2024.055. DEPOSIT OF STATE'S SHARE. (a) The  
 1-29 comptroller shall deposit the state's share of each pari-mutuel  
 1-30 pool from horse racing and greyhound racing in the general revenue  
 1-31 fund.

1-32 (b) This section does not apply to money deposited into the  
 1-33 Texas-bred incentive fund established under Section 2028.301.

1-34 SECTION 3. Section 2028.103, Occupations Code, is amended  
 1-35 by amending Subsections (a) and (c) and adding Subsection (a-1) to  
 1-36 read as follows:

1-37 (a) A horse racetrack association shall set aside for the  
 1-38 Texas-bred program and pay to the commission an amount equal to one  
 1-39 percent of a live multiple two wagering pool and a live multiple  
 1-40 three wagering pool. From the set-aside amounts:

1-41 (1) two percent shall be set aside for purposes of  
 1-42 Subchapter F, Chapter 88, Education Code; and

1-43 (2) the remaining amount shall be allocated as  
 1-44 follows:

1-45 (A) 10 percent may be used by the appropriate  
 1-46 state horse breed registry for administration; and

1-47 (B) the remainder shall be used for awards.

1-48 (a-1) The commission shall deposit money paid to the  
 1-49 commission under Subsection (a) into the Texas-bred incentive fund  
 1-50 established under Section 2028.301. The commission shall  
 1-51 distribute the money collected under this section and deposited  
 1-52 into the fund to the appropriate state horse breed registries for  
 1-53 the Texas-bred program in accordance with rules adopted under  
 1-54 Subsection (c).

1-55 (c) The commission shall adopt rules relating to the  
 1-56 deposit, accounting, auditing, and distribution of all amounts set  
 1-57 aside for the Texas-bred program under this subchapter and for the  
 1-58 use of those amounts by the state breed registries under that  
 1-59 program.

1-60 SECTION 4. Section 2028.105, Occupations Code, is amended  
 1-61 by amending Subsection (d) and adding Subsection (d-1) to read as

2-1 follows:

2-2 (d) The horse racetrack association shall pay to the  
 2-3 commission for deposit into the Texas-bred incentive fund  
 2-4 established under Section 2028.301 and distribution to the  
 2-5 appropriate state horse breed registry [~~shall pay~~] the remaining 80  
 2-6 percent of the total breakage to be allocated as follows:

2-7 (1) 40 percent to the owners of the accredited  
 2-8 Texas-bred horses that finish first, second, or third;

2-9 (2) 40 percent to the breeders of accredited  
 2-10 Texas-bred horses that finish first, second, or third; and

2-11 (3) 20 percent to the owner of the stallion standing in  
 2-12 this state at the time of conception whose Texas-bred get finish  
 2-13 first, second, or third.

2-14 (d-1) The commission shall deposit the portions of total  
 2-15 breakage paid to the commission under Subsections (b) and (d) into  
 2-16 the Texas-bred incentive fund established under Section 2028.301.  
 2-17 The commission shall distribute the money collected under this  
 2-18 section and deposited into the fund to the appropriate state horse  
 2-19 breed registries in accordance with this section and with rules  
 2-20 adopted by the commission under Section 2028.103.

2-21 SECTION 5. Section 2028.154(a), Occupations Code, is  
 2-22 amended to read as follows:

2-23 (a) A greyhound racetrack association shall pay 50 percent  
 2-24 of the breakage to the appropriate state greyhound breed registry.  
 2-25 Of that breakage percentage:

2-26 (1) 25 percent is to be used in stakes races; and

2-27 (2) 25 percent of that total breakage from a live  
 2-28 pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to  
 2-29 the commission for deposit into the Texas-bred incentive fund  
 2-30 established under Section 2028.301. The commission shall  
 2-31 distribute the money collected under this section and deposited  
 2-32 into the fund to [~~use by~~] the state greyhound breed registry for use  
 2-33 in accordance with this section and [~~subject to~~] commission rules.

2-34 SECTION 6. Section 2028.202, Occupations Code, is amended  
 2-35 by adding Subsection (a-1) to read as follows:

2-36 (a-1) A racetrack association shall pay to the commission  
 2-37 for deposit into the Texas-bred incentive fund established under  
 2-38 Section 2028.301 the shares to be distributed under Subsections  
 2-39 (a)(3) and (a)(4) for the Texas-bred program. The commission shall  
 2-40 distribute the money collected under this section and deposited  
 2-41 into the fund to the appropriate state breed registries for use  
 2-42 under the Texas-bred program.

2-43 SECTION 7. Chapter 2028, Occupations Code, is amended by  
 2-44 adding Subchapter G to read as follows:

2-45 SUBCHAPTER G. TEXAS-BRED INCENTIVE FUND

2-46 Sec. 2028.301. TEXAS-BRED INCENTIVE FUND. (a) The  
 2-47 commission shall deposit money set aside for the Texas-bred program  
 2-48 or set aside for use by state breed registries under this chapter  
 2-49 into an escrow account in the state treasury in the registry of the  
 2-50 commission to be known as the Texas-bred incentive fund.

2-51 (b) The commission shall distribute money from the  
 2-52 Texas-bred incentive fund in accordance with this chapter and  
 2-53 commission rules.

2-54 SECTION 8. (a) The changes in law made by this Act apply to  
 2-55 the deductions and breakage from a wagering pool for a horse or  
 2-56 greyhound race conducted by a racetrack association on or after the  
 2-57 effective date of this Act.

2-58 (b) As soon as practicable after the effective date of this  
 2-59 Act, the Texas Racing Commission shall revise existing rules or  
 2-60 adopt new rules as necessary to comply with this Act.

2-61 SECTION 9. This Act takes effect September 1, 2019.

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