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DEAD HEAT

by State Representative Ryan Guillen

There may yet be hope for the Texas Racing Commission. Just days before the impending shutdown, the commission voted 5 - 4 to repeal rules that allowed historic racing. Now, it's up to the Legislative Budget Board to approve the funding that will allow the commission to operate through the remainder of the biennium.

This outcome will be the culmination of a longstanding conflict between the commission and opponents of historic racing—the practice of betting on unlabeled past events. Since the racing commission passed rules to allow the practice in 2014, groups who oppose historic racing have pushed to defund the agency unless the rules are repealed.

The racing commission operates on a budget of roughly \$8 million per year, which includes around \$3 million in salaries for its 50 or so employees. However, the scope and magnitude of the detriment caused by a shutdown would extend far beyond the families of the laid-off state employees. Half of the agency's budget includes pass-through funding for the Texas-Bred Incentive Program, which distributes a portion of race proceeds to owners and breeders of horses raised in Texas.

Furthermore, as state law requires all events to be monitored by commission staff, the commission and the horse racing industry share a legally co-dependent bond. Consequently, defunding the commission would shut down the entire racing industry in Texas. The horse racing industry contributes an estimated 36,000 jobs and \$5.5 billion to the state economy.

As the livelihood of many Texans, including the horsemen, horse farms, veterinarians, insurance agents, track employees, and local businesses, depend on the horse racing industry, the Legislative Budget Board's decision is being closely watched. However, even if funding is approved, the situation can, at best, be considered a dead heat. In the end, all parties will be in the same positions they were in before the 2014 rules. As far as what's in store for the 2017 legislative session, all bets are off.