

HORSERACING IN TEXAS AND THE FEDERAL HORSERACING INTEGRITY AND SAFETY AUTHORITY

FEDERAL AUTHORITY

In December 2020, Congress created the Horseracing Integrity and Safety Authority (HISA) through the *Horseracing Integrity and Safety Act of 2020*, which took effect in July 2022.

HISA's jurisdiction arises out of the *Interstate Horseracing Act of 1978*, which allows federal involvement in horseracing activities connected to interstate commerce involving advanced deposit wagering, which does not occur in Texas, and interstate export of certain pari-mutuel wagering signals. Notably, HISA **does not** regulate pari-mutuel wagering.

STATUTORY CONFLICT IN TEXAS

The <u>Texas Racing Act</u> does not authorize the Texas Racing Commission to allow their state employees to be commandeered by a federal entity to regulate horse races nor to collect and remit fees on their behalf.

Sec. 2023.002. Regulation and Supervision of Wagering at Race Meetings

(a) The commission shall regulate and supervise each race meeting in this state that involves wagering on the result of horse racing or greyhound racing. Each person and thing relating to the operation of a race meeting is subject to regulation and supervision by the commission.

While HISA's enabling federal statute has some pre-emptive effect on aspects of horseracing, in Texas, it creates a statutory conflict. If Texas horse races become subject to HISA supervision, pari-mutuel wagering cannot take place, as Texas Racing Commission personnel could no longer comply with the *Texas Racing Act*, the state's legislative enabling statute.

TEXAS REGULATORY POLICY

To prevent regulatory chaos here and to enable thoughtful decision making within the industry, the Texas Racing Commission <u>implemented a policy</u> to deny the interstate export of pari-mutuel wagering signals on Thoroughbred horse races, thwarting HISA jurisdiction in the Lone Star State.

UPDATING TEXAS RULES OF RACING

The Texas Racing Commission fully supports the fundamental goals HISA has been tasked with achieving and is currently undergoing an extensive review of the *Texas Rules of Racing*, and is providing all stakeholders and interested parties with opportunities for <u>public comment</u>.



ADDITIONAL RESOURCES

More information on HISA is included in the Texas Racing Commission's <u>Agency</u> <u>Strategic Plan for Fiscal Years 2023-2027</u> and <u>Legislative Appropriations Request for</u> <u>Fiscal Years 2024 and 2025</u>.

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