



TEXAS RACING COMMISSION

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Texas Racing Commission
Tuesday, May 19, 2020
10:30 a.m.
By videoconference:
<https://global.gotomeeting.com/join/406305733>
Phone: (571) 317-3112 Access code 406-305-733

AGENDA

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

- A. Election of Vice Chair
- B. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:
 - 1. Budget and finance
 - 2. Wagering statistics
 - 3. Enforcement
- C. Discussion and possible action to recognize the Texas Horsemen's Partnership as the official horsemen's organization

IV. PROCEEDINGS ON RULES

- A. Discussion and possible action to adopt amendments to the following rules proposed in the February 7, 2020, issue of the *Texas Register*:
 - 1. 16 TAC § 311.1, Occupational Licenses

2. 16 TAC § 313.409, Jockey Mount Fees
 3. 16 TAC § 309.206, Rails
- B. Discussion and possible action to propose amendments to the following sections of Chapter 303, Subchapter G, Horse Industry Escrow Account:
1. 16 TAC § 303.301, Definitions
 2. 16 TAC § 303.321, Allocations to Breed Registries
 3. 16 TAC § 303.322, Limitations on Use of Funds by Breed Registries
 4. 16 TAC § 303.325, Quarterly Reports

V. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT

Discussion and possible action to allocate funds in the horse industry escrow account to state horse breed registries under 16 TAC Chapter 303, Subchapter G

VI. PROCEEDINGS ON RACETRACKS

- A. Updates from Class 1 racetracks regarding 2020 race meets and discussion and possible action thereon
- B. Discussion and possible action to designate an application period for race dates under Commission rule 303.41
- C. Discussion and possible action on the ownership and management review of Gulf Coast Racing's racetrack license under 16 TAC § 309.53
- D. Discussion and possible action on applications by inactive racetrack license holders for license renewal under 16 TAC § 309.52:
 1. Manor Downs
 2. Laredo Downs
 3. Valle de los Tesoros
- E. Discussion and possible action to approve management change for PM Texas, LLC
- F. Discussion and possible action to open an application period for a class 2 horse racetrack in Jefferson County

VII. EXECUTIVE SESSION

The following items may be discussed and considered in executive session or open meeting, with any action taken in the open meeting:

- A. Under Texas Government Code § 551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.

- B. Under Texas Government Code § 551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Tex. Occ. Code § 2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

VIII. SCHEDULING OF NEXT COMMISSION MEETING

IX. ADJOURN

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

- A. Election of Vice Chair
- B. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:
 - 1. Budget and finance
 - 2. Wagering statistics
 - 3. Enforcement
- C. Discussion and possible action to recognize the Texas Horsemen's Partnership as the official horsemen's organization

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Texas Administrative Code

TITLE 16	ECONOMIC REGULATION
PART 8	TEXAS RACING COMMISSION
CHAPTER 303	GENERAL PROVISIONS
SUBCHAPTER A	ORGANIZATION OF THE COMMISSION
RULE §303.6	Commission Officers

(a) In January of even-numbered years, the commission shall elect one of the members to serve as vice-chair for a term of two years.

(b) In the event of a vacancy in the office of vice-chair, the vacancy shall be filled for the unexpired term on majority vote of the commission at the next regular meeting of the commission.

(c) In the absence of the chair and vice-chair from a meeting of the commission, the remaining members shall elect a pro-tem presiding officer who shall serve until the conclusion of the meeting or until the arrival of the chair or vice-chair.

Source Note: The provisions of this §303.6 adopted to be effective November 15, 1988, 13 TexReg 5557; amended to be effective June 1, 1992, 17 TexReg 3728; amended to be effective January 1, 1999, 23 TexReg 12911

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Fiscal Year 2020 Operational Budget

Updated: May 6, 2020
Thru: April 30, 2020

Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected	
				Balance	%
Accounts 597 & 327 Racing Commission - GRD	\$ 5,135,411	\$ 3,337,715	\$ -	\$ 1,797,696	35%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	-
TOTAL - ALL REVENUES	\$ 5,135,411	\$ 3,337,715	\$ -	\$ 1,797,696	35%

Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended	
				Balance	%
1001 - Salaries and Wages:	\$ 2,216,758	\$ 1,324,877	\$ -	\$ 891,881	40%
1002 - Other Personnel Cost:	\$ 43,860	\$ 53,663	\$ -	\$ (9,803)	-22%
2001 - Professional Fees and Services:	\$ 478,665	\$ 328,624	\$ -	\$ 150,041	31%
2003 - Consumable Supplies:	\$ 12,700	\$ 6,194	\$ -	\$ 6,506	51%
2004 - Utilities:	\$ 51,000	\$ 28,182	\$ -	\$ 22,818	45%
2005 - Travel:	\$ 229,348	\$ 83,228	\$ -	\$ 146,120	64%
2006 - Rent Building:	\$ 105,970	\$ 79,091	\$ -	\$ 26,879	25%
2007 - Rent Machine and Other:	\$ 4,700	\$ 4,087	\$ -	\$ 613	13%
2009 - Other Operating Expense:	\$ 379,485	\$ 161,971	\$ -	\$ 217,514	57%
5000 - Capital Expenditures:	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL - APPROPRIATED OPERATING EXPENDITURES	\$ 3,522,486	\$ 2,069,917	\$ -	\$ 1,452,569	41%

Unappropriated Operating Expenses

Type:	Budget	Expended	Encumbered	Unexpended	
				Balance	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 1,020,556	\$ 651,909	\$ -	\$ 368,647	36%
TOTAL - ALL EXPENDITURES	\$ 4,543,042	\$ 2,721,825	\$ -	\$ 1,821,216	40%
OPERATING SURPLUS / (DEFICIT)	\$ 592,369	\$ 615,890			

Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	39.30	39.30	39.30	39.30
Budgeted FTE's	39.30	39.30	39.30	39.30
Actual FTE's	31.60	31.30	0.00	0.00
Actual FTE's Over / (Under) Budget	(7.70)	(8.00)	n/a	n/a
Actual FTE's Over / (Under) Authorization	(7.70)	(8.00)	n/a	n/a

Texas Racing Commission

FYE 08/31/2020

OBS-1

Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2020 Annual Budget	FY 2020 Expended Thru 4/30/2020	FY 2020 Unexpended Bal 8/31/2020	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	- FTE's = 4.00 <u>Regulate Racetrack Owners</u>				
Base Appr =	1001 Salaries and Wages	340,440.96	208,288.52	132,152.44	61.18%
\$ 373,628.00	1002 Other Personnel Cost	5,740.00	3,620.00	2,120.00	63.07%
Sup Appr =	2001 Prof Fees and Services	15,000.00	13,728.75	1,271.25	91.53%
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 373,628.00	2005 Travel	3,350.00	2,104.21	1,245.79	62.81%
Budgeted =	2006 Rent Building	-	-	-	
\$ 373,403.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	8,872.04	4,863.12	4,008.92	54.81%
(225.00)	CB Computer Equipment	-	-	-	
-0.06%	Total Strategy A.1.1.	373,403.00	232,604.60	140,798.40	62.29%
<i>Appropriated</i> A.3.1.	(0.05) FTE's = 5.50 <u>Supervise Racing and Licensees</u>				
Base Appr =	1001 Salaries and Wages	333,780.44	191,817.88	141,962.56	57.47%
\$ 465,909.00	1002 Other Personnel Cost	8,700.00	22,184.05	(13,484.05)	254.99%
Sup Appr =	2001 Prof Fees and Services	30,515.00	19,487.50	11,027.50	63.86%
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 465,909.00	2005 Travel	77,300.00	36,022.72	41,277.28	46.60%
Budgeted =	2006 Rent Building	-	-	-	
\$ 462,062.14	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	11,766.70	4,883.61	6,883.09	41.50%
(3,846.86)	CB Computer Equipment	-	-	-	
-0.83%	Total Strategy A.3.1.	462,062.14	274,395.76	187,666.38	59.39%
<i>Appropriated</i> A.3.2.	0.60 FTE's = 4.20 <u>Monitor Occupational Licensee Act.</u>				
Base Appr =	1001 Salaries and Wages	245,328.10	131,385.81	113,942.29	53.56%
\$ 303,586.00	1002 Other Personnel Cost	1,200.00	480.00	720.00	40.00%
Sup Appr =	2001 Prof Fees and Services	1,000.00	845.00	155.00	84.50%
\$ -	2003 Consumables	1,000.00	748.27	251.73	74.83%
Total Appr =	2004 Utilities	-	-	-	
\$ 303,586.00	2005 Travel	40,368.00	15,699.14	24,668.86	38.89%
Budgeted =	2006 Rent Building	-	-	-	
\$ 303,586.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	14,689.90	8,061.06	6,628.84	54.87%
\$ 0.00	CB Computer Equipment	-	-	-	
0.00%	Total Strategy A.3.2.	303,586.00	157,219.28	146,366.72	51.79%
<i>Appropriated</i> A.4.1.	0.20 FTE's = 3.20 <u>Inspect and Provide Emerg. Care</u>				
Base Appr =	1001 Salaries and Wages	131,800.08	87,866.72	43,933.36	66.67%
\$ 282,235.00	1002 Other Personnel Cost	3,360.00	2,240.00	1,120.00	66.67%
Sup Appr =	2001 Prof Fees and Services	130,700.00	55,887.33	74,812.67	42.76%
\$ -	2003 Consumables	500.00	427.32	72.68	85.46%
Total Appr =	2004 Utilities	-	-	-	
\$ 282,235.00	2005 Travel	38,085.00	5,227.29	32,857.71	13.73%
Budgeted =	2006 Rent Building	-	-	-	
\$ 311,722.08	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	7,277.00	2,593.32	4,683.68	35.64%
\$ 29,487.08	CB Computer Equipment	-	-	-	
10.45%	Total Strategy A.4.1.	311,722.08	154,241.98	157,480.10	49.48%

Texas Racing Commission

FYE 08/31/2020
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-2

Strategy	Program Description	FY 2020 Annual Budget	FY 2020 Expended Thru 4/30/2020	FY 2020 Unexpended Bal 8/31/2020	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.4.2.	- FTE's = 2.60 <u>Administer Drug Testing</u>				
Base Appr =	1001 Salaries and Wages	144,455.76	89,501.81	54,953.95	61.96%
\$ 206,721.00	1002 Other Personnel Cost	620.00	380.00	240.00	61.29%
Sup Appr =	2001 Prof Fees and Services	500.00	300.00	200.00	60.00%
\$ -	2003 Consumables	200.00	64.79	135.21	32.40%
Total Appr =	2004 Utilities	-	-	-	
\$ 206,721.00	2005 Travel	40,613.00	12,748.74	27,864.26	31.39%
Budgeted =	2006 Rent Building	-	-	-	
\$ 200,705.60	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	14,316.84	3,506.21	10,810.63	24.49%
\$ (6,015.40)	CB Computer Equipment	-	-	-	
-2.91%	Total	200,705.60	106,501.55	94,204.05	53.06%
<i>Appropriated</i> B.1.1.	- FTE's = 5.00 <u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	186,483.84	124,322.56	62,161.28	66.67%
\$ 344,130.00	1002 Other Personnel Cost	4,760.00	4,719.50	40.50	99.15%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	2,500.00	1,346.42	1,153.58	53.86%
Total Appr =	2004 Utilities	-	-	-	
\$ 344,130.00	2005 Travel	14,600.00	7,034.99	7,565.01	48.18%
Budgeted =	2006 Rent Building	-	-	-	
\$ 321,141.10	2007 Rent Machine	2,000.00	1,561.52	438.48	78.08%
Difference	2009 Other Operating Cost	110,797.26	36,108.56	74,688.70	32.59%
\$ (22,988.90)	CB Computer Equipment	-	-	-	
-6.68%	Total	321,141.10	175,093.55	146,047.55	54.52%
<i>Appropriated</i> B.1.2.	- FTE's = 0 <u>Texas OnLine</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 17,500.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 17,500.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 17,500.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	17,500.00	7,144.00	10,356.00	40.82%
\$ -	CB Computer Equipment	-	-	-	
0.00%	Total	17,500.00	7,144.00	10,356.00	40.82%
<i>Appropriated</i> C.1.1.	- FTE's = 4.00 <u>Monitor Wagering and Audit</u>				
Base Appr =	1001 Salaries and Wages	231,573.32	146,878.26	84,695.06	63.43%
\$ 260,794.00	1002 Other Personnel Cost	8,700.00	6,600.00	2,100.00	75.86%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 260,794.00	2005 Travel	4,631.88	1,764.25	2,867.63	38.09%
Budgeted =	2006 Rent Building	-	-	-	
\$ 260,378.80	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	15,473.60	7,943.11	7,530.49	51.33%
\$ (415.20)	CB Computer Equipment	-	-	-	
-0.16%	Total	260,378.80	163,185.62	97,193.18	62.67%

Texas Racing Commission

FYE 08/31/2020
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-3

Strategy	Program Description	FY 2020 Annual Budget	FY 2020 Expended Thru 4/30/2020	FY 2020 Unexpended Bal 8/31/2020	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i> D.1.1.	1.00 FTE's = 7.00 <u>Central Administration</u>				
Base Appr =	1001 Salaries and Wages	429,055.44	254,787.39	174,268.05	59.38%
\$ 723,926.00	1002 Other Personnel Cost	7,600.00	11,658.98	(4,058.98)	153.41%
Sup Appr =	2001 Prof Fees and Services	40,500.00	21,591.42	18,908.58	53.31%
\$ -	2003 Consumables	8,000.00	3,606.97	4,393.03	45.09%
Total Appr =	2004 Utilities	51,000.00	28,182.25	22,817.75	55.26%
\$ 723,926.00	2005 Travel	8,000.00	2,234.62	5,765.38	27.93%
Budgeted =	2006 Rent Building	105,470.00	79,051.46	26,418.54	74.95%
\$ 740,715.87	2007 Rent Machine	2,700.00	2,525.15	174.85	93.52%
Difference	2009 Other Operating Cost	88,390.43	52,892.47	35,497.96	59.84%
\$ 16,789.87	CB Computer Equipment	-	-	-	
2.32%	Total Strategy D.1.1.	740,715.87	456,530.71	284,185.16	61.63%
<i>Appropriated</i> D.1.2.	- FTE's = 3.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	173,840.12	90,028.54	83,811.58	51.79%
\$ 546,788.00	1002 Other Personnel Cost	3,180.00	1,780.00	1,400.00	55.97%
Sup Appr =	2001 Prof Fees and Services	260,449.66	216,783.50	43,666.16	83.23%
\$ -	2003 Consumables	500.00	-	500.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 546,788.00	2005 Travel	2,400.00	391.64	2,008.36	16.32%
Budgeted =	2006 Rent Building	500.00	40.00	460.00	8.00%
\$ 531,271.21	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	90,401.43	33,975.97	56,425.46	37.58%
\$ (15,516.79)	CB Computer Equipment	-	-	-	
-2.84%	Total Strategy D.1.2.	531,271.21	342,999.65	188,271.56	64.56%
<i>Appropriated</i> D.1.3.	FTE's = 39.30 <u>Other Support Services</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 3,525,217.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 3,525,217.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 3,522,485.81	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
\$ (2,731.19)	CB Computer Equipment	-	-	-	
-0.08%	Total Strategy D.1.3.	-	-	-	
\$ 3,525,217	Total M.O.F. (TXRC Acct. 597 & GR)	3,522,485.81	2,069,916.70	1,201,642.34	58.76%
	Total Regulatory Programs Operating Budget	3,522,485.81	2,069,916.70	1,201,642.34	58.76%

Texas Racing Commission

FYE 08/31/2020
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2020 Annual Budget	FY 2020 Expended Thru 4/30/2020	FY 2020 Unexpended Bal 8/31/2020	With 66.6% of Year Lapsed % of Budget Expended
<i>Appropriated</i>	1.75 FTE's = 39.30				
	<u>Direct Expense of Regulatory Programs</u>				
	1001 Salaries and Wages	2,216,758.06	1,324,877.49	891,880.57	59.77%
	1002 Other Personnel Cost	43,860.00	53,662.53	(9,802.53)	122.35%
	2001 Prof Fees and Services	478,664.66	328,623.50	150,041.16	68.65%
	2003 Consumables	12,700.00	6,193.77	6,506.23	48.77%
	2004 Utilities	51,000.00	28,182.25	22,817.75	55.26%
	2005 Travel	229,347.88	83,227.60	146,120.28	36.29%
	2006 Rent Building	105,970.00	79,091.46	26,878.54	74.64%
	2007 Rent Machine	4,700.00	4,086.67	613.33	86.95%
2009 Other Operating Cost	379,485.21	161,971.43	217,513.78	42.68%	
	CB Computer Equipment	-	-	-	0.00%
\$ 3,525,217	Total Direct Expense of Regulatory Program	3,522,485.81	2,069,916.70	1,452,569.11	58.76%
\$ 3,525,217	1.75 FTE's = 39.30 Total Direct Expense of All Programs	3,522,485.81	2,069,916.70	1,452,569.11	58.76%
<i>Un-Appropriated</i>	<u>Indirect Expense of All Programs</u>				
	OASI Match	169,581.99	101,917.47	67,664.52	60.10%
	Group Insurance	260,000.00	160,541.03	99,458.97	61.75%
	State Retirement	173,280.75	106,563.16	66,717.59	61.50%
	Benefit Replacement	2,053.72	2,053.72	-	100.00%
	ERS Retiree Insurance	414,000.00	279,193.70	134,806.30	67.44%
	SWCAP GR Reimburse	-	-	-	0.00%
	Unemployment Cost	1,639.50	1,639.50	-	100.00%
	Other	-	-	-	
\$ 1,020,556	Total Indirect Expense of All Programs	1,020,555.96	651,908.58	368,647.38	63.88%
\$ 4,545,773	Total Direct and Indirect Expense of All Programs	4,543,041.78	2,721,825.28	1,821,216.50	59.91%

Source Of Funds	Agency Method Of Finance	FY 2020 Projected Revenue	FY 2020 Actual Revenue Thru 4/30/2020	N/A	With 66.6% of Year Lapsed % of Revenue Collected
	Regulatory Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ 70,000.00	\$ 70,000.00		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Tax	\$ 2,568,224.11	\$ 1,351,195.21		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 1,923,436.74	\$ 1,480,116.50		76.95%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 555,750.00	\$ 429,931.75		77.36%
Acct. 597	Other Revenue	\$ 18,000.00	\$ 6,471.56		35.95%
Acct. 1	GR Funds	\$ -	\$ -		
	Total Regulatory Prgm. MOF	\$ 5,135,410.85	\$ 3,337,715.02		64.99%
All Sources	Total MOF	\$ 5,135,410.85	\$ 3,337,715.02		64.99%
MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget		\$ 592,369.07	\$ 615,889.74		

**Texas Racing Commission
Accredited Texas-Bred Incentive Program**

FYE 08/31/2020

Appropriated Budget Status

Fund 327 - Pass Through Funds

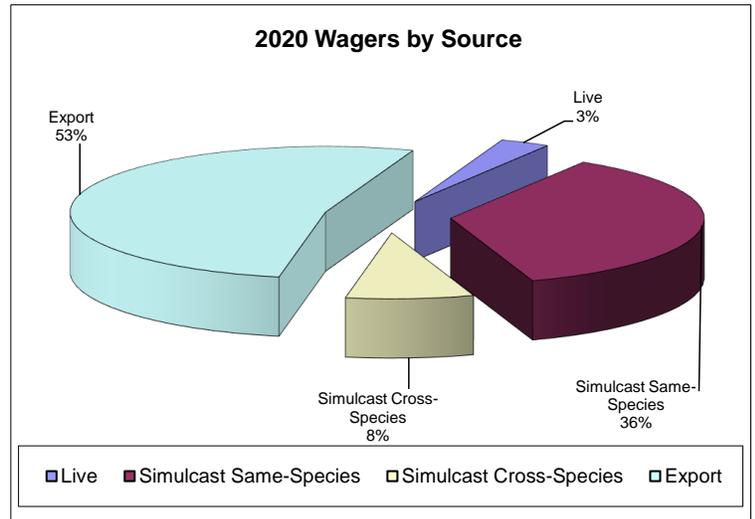
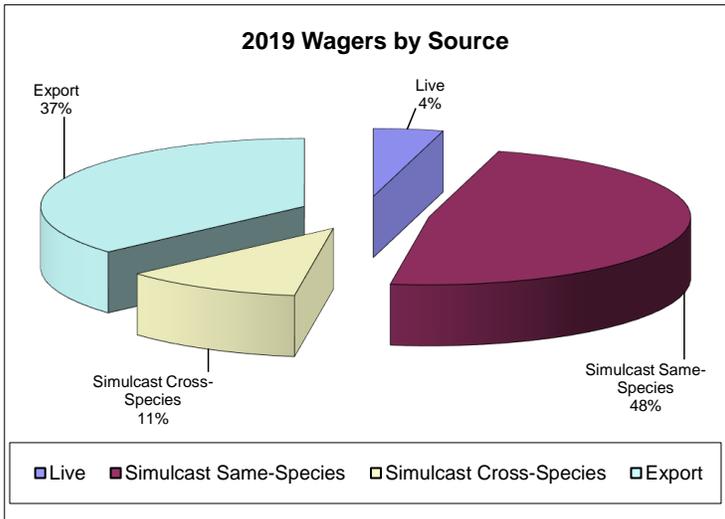
Strategy	Program Description	FY2020 Annual <u>Budget</u>	FY2020 Expended Thru <u>4/30/2020</u>	FY2020 Unexpended Balance <u>8/31/2020</u>	With 66.6% of Year Lapsed % of <u>Budget Expended</u>
Appropriated A.2.1. Fund 327	FTE's = 0.00 <u>Texas Bred Incentive</u> ATB Funds Expended	3,130,000.00	1,328,051.59	1,905,148.98	39.13%
3,130,000.00	Total Strategy A.2.1.	3,130,000.00	1,224,851.02	1,905,148.98	39.13%

Note: Fund 327 was created by the 86th Texas Legislature. ATB funds are "pass through" only and not part of TxRC's operations budget.



Texas Pari-Mutuel Racetracks Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through April 30

	Year 2019			Year 2020			Percentage Change	
	# Days	Wagers (Handle)*		# Days	Wagers (Handle)*		Wagers (Handle)	
Total		Average per day	Total		Average per day	Total	Average per day	
Greyhound Racetracks								
Live	32	\$ 524,910	\$ 16,403	36	\$ 483,574	\$ 13,433	-7.87%	-18.11%
Simulcast Same-Species	305	\$ 7,381,480	\$ 24,202	203	\$ 4,367,668	\$ 21,516	-40.83%	-11.10%
Simulcast Cross-Species	305	\$ 5,171,351	\$ 16,955	203	\$ 3,260,433	\$ 16,061	-36.95%	-5.27%
Export	32	\$ 1,963,797	\$ 61,369	36	\$ 1,167,765	\$ 32,438	-40.54%	-47.14%
Total Wagers		\$ 15,041,539			\$ 9,279,440		-38.31%	
Horse Racetracks								
Live	48	\$ 5,417,925	\$ 112,873	38	\$ 3,071,434	\$ 80,827	-43.31%	-28.39%
Simulcast Same-Species	427	\$ 59,500,653	\$ 139,346	268	\$ 36,461,208	\$ 136,049	-38.72%	-2.37%
Simulcast Cross-Species	427	\$ 10,093,219	\$ 23,638	265	\$ 5,869,273	\$ 22,148	-41.85%	-6.30%
Export	48	\$ 49,056,524	\$ 1,022,011	38	\$ 58,344,716	\$ 1,535,387	18.93%	50.23%
Total Wagers		\$ 124,068,322			\$ 103,746,632		-16.38%	
All Racetracks								
Live	80	\$ 5,942,835	\$ 74,285	74	\$ 3,555,009	\$ 48,041	-40.18%	-35.33%
Simulcast Same-Species	732	\$ 66,882,134	\$ 91,369	471	\$ 40,828,877	\$ 86,686	-38.95%	-5.13%
Simulcast Cross-Species	732	\$ 15,264,571	\$ 20,853	468	\$ 9,129,706	\$ 19,508	-40.19%	-6.45%
Export	80	\$ 51,020,321	\$ 637,754	74	\$ 59,512,481	\$ 804,223	16.64%	26.10%
Total Wagers		\$ 139,109,861			\$ 113,026,072		-18.75%	
Total Wagers Placed in Texas		\$ 88,089,540			\$ 53,513,591		-39.25%	
Total Wagers Placed on Texas Races		\$ 56,963,157			\$ 63,067,489		10.72%	



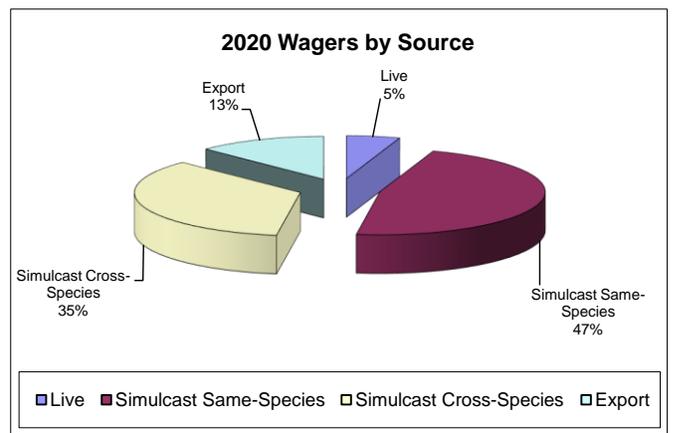
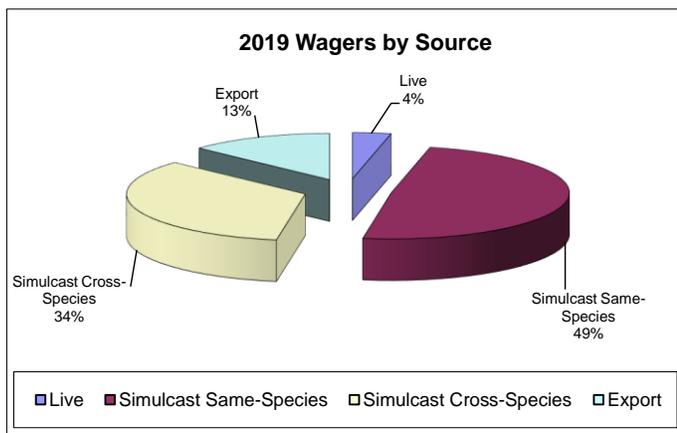
*NOTE: All figures are based on data available at the time the report was compiled and are subject to being audited and revised.



Greyhound Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races

For the Period of January 1 through April 30

	Year 2019			Year 2020			Percentage Change	
	Wagers (Handle)*			Wagers (Handle)*			Wagers (Handle)	
	# Days	Total	Average per day	# Days	Total	Average per day	Total	Average per day
Gulf Coast Racing								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	84	\$ 2,579,091	\$ 30,703	58	\$ 1,693,348	\$ 29,196	-34.34%	-4.91%
Simulcast Cross-Species	84	\$ 1,231,508	\$ 14,661	58	\$ 819,747	\$ 14,134	-33.44%	-3.60%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 3,810,599		\$ 2,513,094			-34.05%	
Gulf Greyhound Park								
Live	32	\$ 524,910	\$ 16,403	36	\$ 483,574	\$ 13,433	-7.87%	-18.11%
Simulcast Same-Species	119	\$ 2,969,719	\$ 24,956	78	\$ 1,688,220	\$ 21,644	-43.15%	-13.27%
Simulcast Cross-Species	119	\$ 2,290,045	\$ 19,244	78	\$ 1,452,980	\$ 18,628	-36.55%	-3.20%
Export	32	\$ 1,963,797	\$ 61,369	36	\$ 1,167,765	\$ 32,438	-40.54%	-47.14%
Total Wagers		\$ 7,748,471		\$ 4,792,539			-38.15%	
Valley Race Park								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	102	\$ 1,832,671	\$ 17,967	67	\$ 986,100	\$ 14,718	-46.19%	-18.09%
Simulcast Cross-Species	102	\$ 1,649,798	\$ 16,174	67	\$ 987,707	\$ 14,742	-40.13%	-8.86%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 3,482,469		\$ 1,973,807			-43.32%	
All Greyhound Tracks								
Live	32	\$ 524,910	\$ 16,403	36	\$ 483,574	\$ 13,433	-7.87%	-18.11%
Simulcast Same-Species	305	\$ 7,381,480	\$ 24,202	203	\$ 4,367,668	\$ 21,516	-40.83%	-11.10%
Simulcast Cross-Species	305	\$ 5,171,351	\$ 16,955	203	\$ 3,260,433	\$ 16,061	-36.95%	-5.27%
Export	32	\$ 1,963,797	\$ 61,369	36	\$ 1,167,765	\$ 32,438	-40.54%	-47.14%
Total Wagers		\$ 15,041,539		\$ 9,279,440			-38.31%	
Total Wagers Placed in Texas		\$ 13,077,742		\$ 8,111,676			-37.97%	
Total Wagers Placed on Texas Races		\$ 2,488,707		\$ 1,651,339			-33.65%	

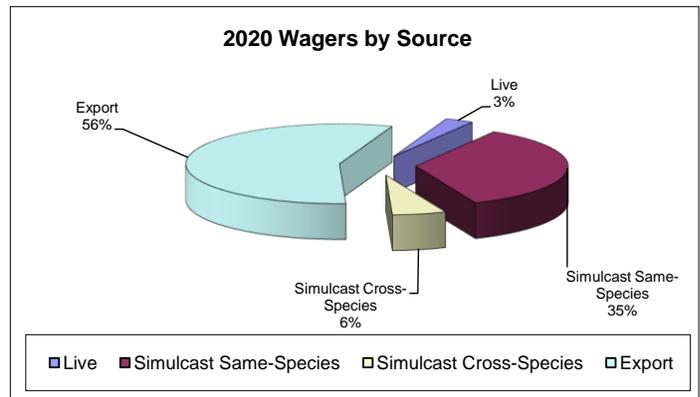
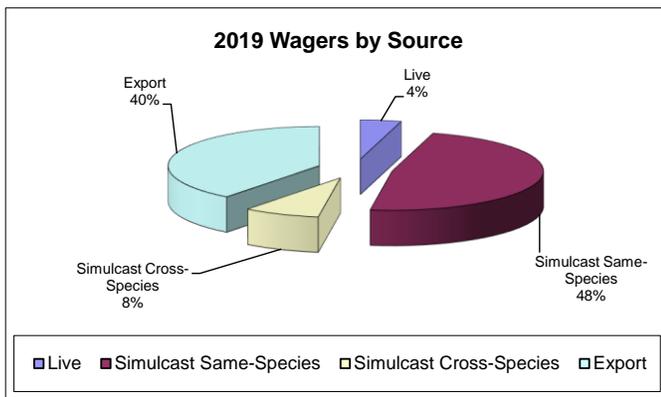


*NOTE: All figures are based on data available at the time the report was compiled and are subject to being audited and revised. Page 2 of 3
Page 13 of 137



Horse Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through April 30

	Year 2019			Year 2020			Percentage Change	
	# Days	Wagers (Handle)*		# Days	Wagers (Handle)*		Wagers (Handle)	
		Total	Average per day		Total	Average per day	Total	Average per day
Gillespie County Fair								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	67	\$ 1,184,787	\$ 17,683	44	\$ 759,533	\$ 17,262	-35.89%	-2.38%
Simulcast Cross-Species	67	\$ 157,884	\$ 2,356	42	\$ 96,858	\$ 2,306	-38.65%	-2.14%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 1,342,670			\$ 856,391		-36.22%	
Lone Star Park								
Live	7	\$ 1,824,591	\$ 260,656	0	\$ -	\$ -	-100.00%	-100.00%
Simulcast Same-Species	120	\$ 30,456,547	\$ 253,805	76	\$ 19,743,113	\$ 259,778	-35.18%	2.35%
Simulcast Cross-Species	120	\$ 2,629,609	\$ 21,913	75	\$ 1,766,570	\$ 23,554	-32.82%	7.49%
Export	7	\$ 6,911,934	\$ 987,419	0	\$ -	\$ -	-100.00%	-100.00%
Total Wagers		\$ 41,822,681			\$ 21,509,683		-48.57%	
Retama Park								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	120	\$ 9,273,097	\$ 77,276	76	\$ 5,701,031	\$ 75,014	-38.52%	-2.93%
Simulcast Cross-Species	120	\$ 1,752,354	\$ 14,603	76	\$ 1,178,770	\$ 15,510	-32.73%	6.21%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 11,025,451			\$ 6,879,801		-37.60%	
Sam Houston Race Park								
Live	41	\$ 3,593,334	\$ 87,642	38	\$ 3,071,434	\$ 80,827	-14.52%	-7.78%
Simulcast Same-Species	120	\$ 18,586,223	\$ 154,885	72	\$ 10,257,531	\$ 142,466	-44.81%	-8.02%
Simulcast Cross-Species	120	\$ 5,553,373	\$ 46,278	72	\$ 2,827,076	\$ 39,265	-49.09%	-15.15%
Export	41	\$ 42,144,590	\$ 1,027,917	38	\$ 58,344,716	\$ 1,535,387	38.44%	49.37%
Total Wagers		\$ 69,877,520			\$ 74,500,757		6.62%	
All Horse Tracks								
Live	48	\$ 5,417,925	\$ 112,873	38	\$ 3,071,434	\$ 80,827	-43.31%	-28.39%
Simulcast Same-Species	427	\$ 59,500,653	\$ 139,346	268	\$ 36,461,208	\$ 136,049	-38.72%	-2.37%
Simulcast Cross-Species	427	\$ 10,093,219	\$ 23,638	265	\$ 5,869,273	\$ 22,148	-41.85%	-6.30%
Export	48	\$ 49,056,524	\$ 1,022,011	38	\$ 58,344,716	\$ 1,535,387	18.93%	50.23%
Total Wagers		\$ 124,068,322			\$ 103,746,632		-16.38%	
Total Wagers Placed in Texas		\$ 75,011,798			\$ 45,401,916		-39.47%	
Total Wagers Placed on Texas Races		\$ 54,474,449			\$ 61,416,151		12.74%	



*NOTE: All figures are based on data available at the time the report was compiled and are subject to being audited and revised.

ENFORCEMENT ACTIVITY SUMMARY

Gulf Greyhound Park concluded its scheduled 2020 race meet on February 29, 2020.

Sam Houston Race Park began its 2020 Thoroughbred meet on January 10, 2020 and concluded this meet on March 20, 2020. This meet was shortened by five race days due to the COVID-19 pandemic. The Sam Houston Race Park's Quarter Horse meet was scheduled to run from April 10, 2020 through May 30, 2020 but the meet was canceled due to these same health concerns.

Lone Star Park's 2019 Thoroughbred meet, scheduled for April 6, 2020 through July 19, 2020, has been delayed. No opening date has been provided to the Commission at this time.

No Texas racetracks are conducting simulcast operations at this time.

Sam Houston Race Park – Thoroughbred Meet Rulings Activity from 01/10/2020 through 04/01/2020

Human Drug Violation	12
Medication Violations	3
Conduct	1
Licensing	1
Failure To Pay Fine	2
Jockey – Riding Infraction	3
Human Alcohol Violation	4
Trainer Infractions	9
Contraband	7
Reciprocity	3
Financial Obligations	2
TOTAL	47

Does not include any rulings that have not been finalized through the appeals process.



TEXAS RACING COMMISSION
P.O. BOX 12080
AUSTIN, TEXAS 78711-2080
(512) 833-6699
FAX (512) 833-6907

March 18, 2020

Marsha Rountree
Executive Director
Texas Horsemen's Partnership, LLP
P.O. Box 142533
Austin, TX 78714

Re: Recognition as Horsemen's Representative Organization

Dear Ms. Rountree:

The Texas Racing Commission is in receipt of the Texas Horsemen's Partnership's application for recognition as the organization to represent the horsemen before the agency. The Commission received no other applications for recognition as the horsemen's representative organization.

Staff reviewed the application and the records of the Commission and the Secretary of State regarding the status of the entities and individuals named in the application. Based on our review of all pertinent documents, the Texas Horsemen's Partnership, LLP, satisfies the requirements for recognition. Therefore, pursuant to my authority under Texas Commission Rule § 309.299 and subject to the approval of the Commission, I hereby recognize the Texas Horsemen's Partnership, LLP, for the next two-year term as the horsemen's representative organization in Texas.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chuck Trout", written over a light blue circular stamp.

Chuck Trout
Executive Director

cc: Texas Racing Commission

IV. PROCEEDINGS ON RULES

A. Discussion and possible action to adopt amendments to the following rules proposed in the February 7, 2020, issue of the *Texas Register*:

1.16 TAC § 311.1, Occupational Licenses

2.16 TAC § 313.409, Jockey Mount Fees

3.16 TAC § 309.206, Rails

CHAPTER 311
SUBCHAPTER A
DIVISION 1
SECTION 311.1

OTHER LICENSES
LICENSING PROVISIONS
OCCUPATIONAL LICENSES
OCCUPATIONAL LICENSES

- 1 (a) (No change.)
- 2 (b) Duration of License.
 - 3 (1) – (2) (No change.)
 - 4 [~~3~~] A training facility license expires on December 31 of the year for which it was
 - 5 issued.]
 - 6 (c) –(d) (No change.)

TEXAS RACING COMMISSION COMMITTEE ON RULES

Date of Request: 12/19/2019

Request for Proposed Change to an Existing Rule or Addition of a New Rule to the Rules of Racing

Please submit this information to the attention of the Executive Director *at least 21 days* in advance of the next scheduled Committee on Rules meeting. An electronic form is available to assist in your submission or feel free to add additional pages as necessary in order to provide as much detail as possible. Filing this request does not guarantee that your proposal will be considered by the Committee on Rules, and failure to complete all sections may delay consideration of your request.

Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754-4552
Phone: 512/833-6699 Fax: 512-833-6907
email: info@brc.texas.gov

Contact Information:

Name:	John Beech		
Phone Number:	(512) 826-3344	Fax number:	(859) 523-5625
Mailing address:	2365 Harrodsburg Road, Ste B375, Lexington, KY 40504		

Check appropriate box(es):

Personal Submission *OR*

Submission on Behalf of Jockeys' Guild, Inc.
(Name of Organization)

Proposed Change to (if known): Chapter: 313 Rule: 409 (c)

Proposed Addition to (if known): Chapter: _____ Rule: _____

Other Rules Affected by Proposal (if any): Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Statutory Authority for Proposed Change: _____

A. Summary of the Issue and Proposed Solution

- 1. Summarize the issue. Address the following:
 - What specific problems or concerns are involved in this issue?
 - Do any existing model rules (such as from ARCI) relate to this issue?

The last time there was an increase in the losing mount fees paid to jockeys who ride races at Texas racetracks was in 2012. As such, due to the increase in cost of living and expenses related to being a jockey, the jockeys are seeking an increase in the losing mount fees.

The ARCI model rule for jockey mount fees, ARCI-008-030 G. Jockey Mount Fees, was adopted in 2009, to add a tiered scheduled and provides for a 4th place incentive. However, with that being said, the numbers in the scale are outdated and have been surpassed by most jurisdictions. Therefore, the Guild is in the process of proposing a change to the existing ARCI Model Rule to be presented during the Spring ARCI Model Rules Meeting. The proposal will also include an amendment to ensure a minimum mount fee schedule is in place prior to the start of a meet, with the horsemen and jockeys to negotiate fees based on need and current economic conditions in the area.

- 2. Summarize proposed solution(s). Address the following:
 - How will the solution fix the problem?
 - What are the benefits of the proposed change?
 - What are the possible drawbacks of the proposed change?

The proposed change is based on agreement between the Jockeys' Guild and the Texas Horsemen's Partnership LLP with regards to the fees paid to the jockeys riding at Texas racetracks regulated by the Texas Racing Commission. This will allow the jockeys to receive a higher losing mount fee as determined by the purse and bring the losing mount fees more in line with the economics of today, as opposed to what they were almost 10 years ago.

Increased jockey fees will help jockeys cover expenditures associated with the jockey profession, including safety equipment, such as such as new helmets, vests, stirrups, and riding crops. Many jockeys today are not making enough money through losing mount fees to cover the costs of new and improved safety equipment. As such they are foregoing the improvements and allowing their standard equipment, such as stirrups, girths, and goggles, to become worn to the point they are unsafe. Increasing fees should provide jockeys the necessary income to cover the costs of these necessary items. This could potentially reduce the number of injuries suffered by jockeys and possibly result in lower insurance premiums to racetracks. Increasing fees for losing mounts will also provide additional incentives to jockeys to ride in races they otherwise might skip because of the risk and chance of earning very little money. This should provide for higher quality and safer racing. More experienced jockeys with better equipment may again affect the injury rates at tracks and result in lower premiums.

B. Impact of Proposal

Please answer the following questions to the best of your ability. Explain all "yes" answers below.

- 1. Is this change likely to have any fiscal impact on state or local government over the next five years?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

2. Is there likely to be any cost to persons or businesses required to comply with the change?
3. Is the change likely to result in the creation or elimination of a government program?
4. Is the change likely to create any new employee positions or eliminate any existing employee positions within the Texas Racing Commission?
5. Is the change likely to require an increase or decrease in future legislative appropriations to the agency?
6. Is the change likely to require a substantial increase or decrease in the total amount of fees paid to the agency?
7. Does the change create any new regulations or expand any existing regulations?
8. Is the change likely to increase the number of individuals subject to the rule's applicability?
9. Is the change likely to have an impact on the Texas economy?
10. Is the change likely to have a negative economic effect on small businesses?
11. Is the change likely to have a negative impact on micro-businesses (independently owned businesses with no more than 20 employees)?
12. Is the change likely to have a negative impact on the local economy?
13. Is the change likely to have a negative impact on rural communities (communities with a population of less than 25,000)?
14. Is the change likely to have a negative impact on employment conditions in Texas?
15. Is the change likely to restrict, limit, or impose a burden an owner's right to his or her private real property?

X	
	X
	X
	X
	X
	X
	X
X	
	X
	X
	X
	X
	X

16. Explain any "yes" answers, including estimates of cost where appropriate.

B. 2. There will be an increase in the fees paid by the owner(s) to the jockeys for riding in a race on his or her behalf at Texas racetracks governed by the Texas Racing Commission.

B. 9. By increasing the amount of the losing mount fees, jockeys will have an increase in income. Therefore, allowing them to have additional monies to be used for living and contributing to the Texas economy.

17. If you answered "yes" to any questions above, is there another way to achieve the same goal that would not result in a "yes" answer?

No. The losing mount fees are paid by the owner(s) to the jockeys he or she has engaged to ride his or her horse at the Texas racetracks governed by the Texas Racing Commission.

18. What is the anticipated public benefit of this change?

By increasing the losing mount fees, jockeys will have an increase in income based on the increase in the cost of the living and costs associated with being a jockey. Which in turn, will

allow them to have additional monies to be used for living and contributing to the surrounding communities.

D. Support or Opposition

Please identify any affected stakeholder groups that expressed support or opposition. (These stakeholders may include the racetracks, breed registries, owners, kennel owners, trainers, jockeys, veterinarians, members of the public, or others.)

- For those stakeholder groups that have expressed an opinion, please state their opinion(s) and submit any formal letters of support or opposition.
- Are there any affected stakeholder groups that have not been consulted on this proposal?

Attached for the Commission’s review, is the signed agreement between representatives of Jockeys’ Guild, Inc. and the Texas Horsemen’s Partnership LLP, which has the proposed increase in the losing mount fees.

C. Proposal

Provide rule language you are proposing. Please show any language to be added with underlined text (example: new text) and any current rule language to be eliminated in brackets with strikethroughs (example: [~~text to be deleted~~]). To substitute text, show the new text first (example: new text [~~old text~~]).

Sec. 313.409. Jockey Mount Fees.

(c) In the absence of a written agreement, the following jockey mount fees apply:

Purse	Winning Mount	Second Place Mount	Third Place Mount	Fourth Place Mount	Losing Mount
Up to \$4,999.00	10% of Win Purse	\$70 <u>\$75</u>	\$60 <u>\$70</u>	\$58 <u>\$68</u>	\$50 <u>\$60</u>
\$5,000 - \$9999.00	10% of Win Purse	\$80 <u>\$85 or 5% of Place Purse</u>	\$65 <u>\$75</u>	\$63 <u>\$73</u>	\$55 <u>\$65</u>
\$10,000.00 to \$14,999.00	10% of Win Purse	\$100.00 <u>5% of Place Purse</u>	\$75 <u>\$85</u>	\$68 <u>\$78</u>	\$60 <u>\$70</u>
\$15,000 to \$24,999.00	10% of Win Purse	5% of Place Purse	\$90 <u>or 5% of Show Purse</u>	\$75 <u>\$85</u>	\$70 <u>\$80</u>
\$25,000 to \$49,999.00	10% of Win Purse	5% of Place Purse	5% of Show Purse	\$80 <u>\$90</u>	\$75 <u>\$85</u>
\$50,000 to \$99,999.00	10% of Win Purse	5% of Place Purse	5% of Show Purse	5% of 4th Purse	\$90 <u>\$100</u>
\$100,000.00 and up	10% of Win Purse	5% of Place Purse	5% of Show Purse	5% of 4th Purse	\$110 <u>\$120</u>



PROPOSAL (\$10 INCREASE)

11-1-2019

This is an agreement between the Jockeys' Guild and the Texas Horsemen's Partnership LLP with regard to fees paid to jockeys for riding in races at Texas tracks. While both parties acknowledge that jockeys, as independent contractors are free to negotiate their own terms for each horse they ride, both parties are in favor of a new schedule to be used in the absence of an individual contract. This schedule will be kept on file with the racing secretary and the horsemen's bookkeeper.

Jockey Fees Schedule:

Purse	Win	Place	Show	Fourth	other
Up to \$4,999	10%	\$75	\$70	\$68	\$60
\$5,000 to \$9,999	10%	\$85 OR 5%	\$75	\$73	\$65
\$10,000-\$14,999	10%	5%	\$85	\$78	\$70
\$15,000-\$24,999	10%	5%	\$90 OR 5%	\$85	\$80
\$25,000-\$49,999	10%	5%	5%	\$90	\$85
\$50,000-\$99,999	10%	5%	5%	5%	\$100
\$100,000 and up	10%	5%	5%	5%	\$120

John W. Beed
Jockeys' Guild Rep. 12-18-19 Date

Mark Reunten
Texas Horsemen's Partnership Rep. 12/9/19 Date

CHAPTER 313 OFFICIALS AND RULES OF HORSE RACING
SUBCHAPTER D RUNNING OF THE RACE
DIVISION 1 JOCKEYS
SECTION 313.409 JOCKEY MOUNT FEES

- 1 (a) – (b) (No change.)
 2 (c) In the absence of a written agreement, the following jockey mount fees apply:
 3

Figure: 16 TAC §313.409(c)

Purse	Winning Mount	Second Mount	Third Mount	Fourth Mount	Losing Mount
Up to \$4,999	10% Win Purse	\$ <u>75</u> [70]	\$ <u>70</u> [60]	\$ <u>68</u> [58]	\$ <u>60</u> [50]
\$5,000-\$9,999	10% Win Purse	Larger of \$85 or 5% of Place Purse [80]	\$ <u>75</u> [65]	\$ <u>73</u> [63]	\$ <u>65</u> [55]
\$10,000-\$14,999	10% Win Purse	5% Place Purse	\$ <u>85</u> [75]	\$ <u>78</u> [68]	\$ <u>70</u> [60]
\$15,000-\$24,999	10% Win Purse	5% Place Purse	Larger of \$90 or 5% Show Purse	\$ <u>85</u> [75]	\$ <u>80</u> [70]
\$25,000-\$49,999	10% Win Purse	5% Place Purse	5% Show Purse	\$ <u>90</u> [80]	\$ <u>85</u> [75]
\$50,000-\$99,999	10% Win Purse	5% Place Purse	5% Show Purse	5% Fourth Place Purse	\$ <u>100</u> [90]
\$100,000 and up	10% Win Purse	5% Place Purse	5% Show Purse	5% Fourth Place Purse	\$ <u>120</u> [110]

- 4
 5 (d) – (g) (No change.)

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: 11/25/19

***Request for Proposed Change to an Existing Rule or
Addition of a New Rule to the Rules of Racing***

Please submit this information to the attention of the Executive Director *at least 14 days* in advance of the next scheduled Committee on Rules meeting. An electronic form is available to assist in your submission or feel free to add additional pages as necessary in order to provide as much detail as possible. Filing this request does not guarantee that your proposal will be considered by the Committee on Rules.

Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754-4552
Phone: 512/833-6699 Fax: 512-833-6907
email: info@txrc.texas.gov

Contact Information:

Name:	Bart Lang	Phone(s):	972-237-5046
E-mail address:	bart.lang@lonestarpark.com	Fax number:	972-237-1155
Mailing address:	1000 Lone Star Parkway, Grand Prairie, TX 75050		

Check appropriate box(es):

Personal Submission *OR*

Submission on Behalf of Lone Star Park
(Name of Organization)

Proposed Change to (if known): Chapter: 309 Rule: 206 (b)

Proposed Addition to (if known): Chapter: _____ Rule: _____

Other Rules Affected by Proposal (if any): Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Statutory Authority for Proposed Change: _____

A. Brief Description of the Issue

We are planning on installing a new and safer inner turf rail that is 50 inches above the ground, but the current rule only allows rail heights from 38 to 42 inches.

B. Discussion of the Issue and Problem

Please see above.

C. Possible Solutions and Impact

Change the rule to only specify a minimum rail height rather than both a minimum and maximum.

D. Support or Opposition

I can't imagine there would be any opposition to changing this rule to allow for a safer railing option.

E. Proposal

Change the current rule by striking the language that specifies the maximum height of the top of the rail.

The top of the rail must be not less than 38 ~~nor more than 42~~ inches above the top of the cushion.

CHAPTER 309
SUBCHAPTER C
DIVISION 1
SECTION 309.206

RACETRACK LICENSES AND OPERATIONS
HORSE RACETRACKS
RACETRACKS
RAILS

- 1 (a) (No change.)
- 2 (b) The top of the rail must be not less than 38 nor more than 50 [42] inches above the
- 3 top of the cushion.
- 4 (c) – (e) (No change.)

IV. PROCEEDINGS ON RULES

B. Discussion and possible action to propose amendments to the following sections of Chapter 303, Subchapter G, Horse Industry Escrow Account:

1.16 TAC § 303.301, Definitions

2.16 TAC § 303.321, Allocations to Breed Registries

3.16 TAC § 303.322, Limitations on Use of Funds by Breed Registries

4.16 TAC § 303.325, Quarterly Reports

CHAPTER 303
SUBCHAPTER G
DIVISION 1

GENERAL PROVISIONS
HORSE INDUSTRY ESCROW ACCOUNT
GENERAL PROVISIONS

1 303.301 Definitions

2 The following words and terms, when used in this subchapter, shall have the following
3 meanings:

4 (1) – (2) (No change.)

5 (3) Event -- a planned occasion or activity, such as a competition or other public gathering.

6

7 **DIVISION 3** **BREED REGISTRIES**

8 303.321 Allocations to Breed Registries

9 (a) (No change.)

10 (b) A breed registry requesting an allocation from the horse industry escrow account shall
11 do so using forms approved by the executive director.

12 (c) [(b)] When requesting an allocation from the horse industry escrow account, an eligible
13 breed registry shall indicate the event(s) for which it intends to use the funds and provide
14 the following information for each event:

15 (1) – (5) (No change.)

16 (d) [(e)] The Commission may approve a request for allocation of funds submitted by an
17 eligible breed registry if, after considering the factors set forth in the Act, §2028.204(b), it
18 finds that the request satisfies the requirement that the funds be used for events to further
19 the horse industry. Requests may be approved in full or in part, at the discretion of the
20 Commission.

21 (e) [(d)] If ~~[In the event that]~~ the total of funds requested by eligible breed registries exceed
22 the funds expected to be available in the account, the Commission may approve requests
23 on a pro rata basis, may approve funding for certain events but not others, or a
24 combination. Priority shall be given to events that the Commission finds likely to have the
25 greatest economic impact in the following areas:

26 (1) – (5) (No change.)

27 ~~[(e) Notwithstanding subsections (c) and (d) of this section, prior to January 1, 2020, the~~
28 ~~executive director may act on behalf of the Commission to approve requests for allocation~~
29 ~~from the account.]~~

30

31 303.322 Limitations on Use of Funds by Breed Registries

32 (a) – (b) (No change.)

33 (c) The following types of costs may only be paid with funds allocated from the account, in
34 an amount not to exceed five percent of the amount [total] allocated for the event for which
35 it is allocated [to the breed registry or of the approved allocation for any event], if
36 specifically approved by the Commission:

37 (1) – (2) (No change.)

38 (d) (No change.)

39 (e) Use of funds allocated to a breed registry from the account shall comply with the
40 current Uniform Grant Management Standards or Texas Grant Management Standards.

41

42 303.325 Quarterly Reports

43 (a) A breed registry receiving funds from the horse industry escrow account shall submit to
44 the Commission a report every quarter. The report must include:

45 (1) (No change.)

46 (2) for each ~~[completed]~~ event completed during the previous calendar quarter, the total
47 amount of funds expended toward the event, ~~[and]~~ a breakdown of the funds expended for
48 that event, and copies of documentation of all amounts expended; and

49 (3) (No change.)

50 (b) Quarterly reports shall be submitted to the Commission no later than November 30,
51 February 28, May 31, and August 31 of each year for the previous calendar quarter.

V. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT

Discussion and possible action to allocate funds in the horse industry escrow account to state horse breed registries under 16 TAC Chapter 303, Subchapter G



TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: _____

Mailing Address: _____

Street Address

City State Zip Code County

Physical Address: _____

Street Address

City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: _____
First Last
Mr. Dr.
Ms. Other

Position Title: _____

Email Address: _____

Phone: () - Ext. Alt #:() -

(2) Secondary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: _____
First Last
Mr. Dr.
Ms. Other

Position Title: _____

Email Address: X _____

Phone: () - Ext. Alt #:() -



TEXAS RACING COMMISSION

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Barrel Racing Association of Texas (BRAT) Barrel Race #2

Event Date(s) or Approximate Date(s): June 27, 2020, Alvarado, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds needed by May 25, 2020. Approval of funds needed by May 19, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Barrel Racing Association of Texas (BRAT) produces multiple Texas barrel racing events each year. \$2,500 will be added to the Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$2,500 added money to Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a Paint Barrel Racing Incentive Program (PBRIP) entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many

of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$3,500.00

Event Production Costs (\$ _____ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$3500 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. Paint Barrel Racing Incentive Program (PBRIP) sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ _____ total) Provide an explanation of advertising costs.

Donations (\$ _____ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS PAINT HORSE BREEDERS' ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): The 22nd Running of the G.C.F.A. Paint Horse Stakes. GCFA stands for Gillespie County Fair Association

Event Date(s) or Approximate Date(s): Sunday, August 9 2020, Fredricksburg, TX

Total Amount Requested For this Event: \$10,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds needed by July 1, 2020. Approval of funds needed by May 19, 2020 for marketing purposes and printing of the track condition book.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Purse Supplement for ATB Paint Horses is an incentive to breed, raise and race in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The purpose of this incentive is to award the top three finishing Accredited Texas-Bred Paint Horses in the Gillespie County Fair Association Paint Horse Juvenile Stake for two-year-olds and the Maturity Stake for three-year-olds and older horses at Gillespie County Fair Association (GCFA). The goal of the project is to increase the value of breeding, owning and racing of Accredited Texas-Bred Paint Horses and to increase the number of stallions and mares breeding and owners in Texas. These funds will be in addition to the purse amount and will be exclusive for Accredited Texas-Bred horses racing at Gillespie Fairgrounds.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

TPHBA expects to see an increase in the number of Accredited Texas-Bred Racing Stock. We also expect a number of horses will be purchased by new owners in order to race in Texas and be eligible for these purse supplements. We also expect Texas foaled horses that left Texas to race in Oklahoma will return to race in Texas. The expected results will be measured by the number of starters compared to previous years.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, Treasurer TPHBA and Lex Smurthwaite, Executive Secretary TPHBA will be overseeing the activities, management and will tabulate the results of this project after the Gillespie meet closes.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) *operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) *the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$10,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	<u>\$10,000.00</u>

Event Production Costs (\$ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$10000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

The payout of supplemental purse money for Accredited Texas-Bred (ATB) Paint Horses will be handle by Gillespie Fair bookkeeper, using the rules and guidelines provided by TPHBA. This \$10,000 supplement will be paid to Futurity Trials or Finals, if no Trials are held. The \$10,000 is in addition to any Purse or Added Money. The supplement will be paid out; \$5,000 the fastest time ATB Paint Horse, \$3,000 to the 2nd fastest time ATB Paint Horse and \$2,000 to the 3rd fastest time ATB Paint Horse. If no Trials are held, then the incentive will be paid out; \$5,000 the highest placing ATB Paint Horse, \$3,000 to the 2nd highest placing ATB Paint Horse and \$2,000 to the 3rd highest placing ATB Paint Horse in the Futurity Finals.

Advertising (\$ total) *Provide an explanation of advertising costs.*

Donations (\$ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

Other direct expenses – first category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): The 13th Running of the Colors of the Alamo Futurity Stakes

Event Date(s) or Approximate Date(s): Saturday, September 5, 2020, Selma, Texas

Total Amount Requested For this Event: \$25,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by August 1, 2020. Approval of funds needed by May 19, 2020 for marketing purposes and printing of the track condition book

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

A two-year-old Paint & Appaloosa futurity race. Provides an opportunity to attract the best nominated Paint Horses to the great state of Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$25,000 added purse money to the existing \$10,000 added purse money for the Colors of the Alamo Futurity stakes race to be held at Retama Park racetrack making this a \$35,000 added futurity event.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Our assessment of the net increase in spending as a result of this event is: 25 horses x 4 people per horse x \$230 (estimated money spent on hotels, food and fuel) x 3 days equals \$69,000. In

addition, it is estimated that each dollar spent “rolls over” or changes hands an average of four times.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Lex Smurthwaite, TPHBA Executive Secretary and Pancho Villarreal, President TPHBA will be attending the race and presenting awards.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$25,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$25,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$25000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.
 \$25,000 will be added to the overall purse. We anticipate the total added money to be \$35,000 with \$10,000 coming from Retama Park Paint Horseman's account. Retama Park's stakes payout schedule will be used for payouts.

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS PAINT HORSE BREEDERS' ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): ATB Incentive - Colors of the Alamo Futurity Stakes

Event Date(s) or Approximate Date(s): Saturday, September 5, 2020, Selma, Texas

Total Amount Requested For this Event: \$12,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by August 1, 2020. Approval of funds needed by May 19, 2020 for marketing purposes and printing of the track condition book

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Purse Supplement for ATB Paint Horses is an incentive to breed, raise and race in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The purpose of this incentive is to award the top three finishing Accredited Texas-Bred Paint Horses in the 13th Running of the Colors of the Alamo Futurity Stakes for two-year-old horses at Retama Park. The goal of the project is to increase the value of breeding, owning and racing of Accredited Texas-Bred Paint Horses and to increase the number of stallions and mares breeding and owners in Texas. These funds will be in addition to the purse amount and will be exclusive for Accredited Texas-Bred horses racing at Retama Park.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

*Application for Breed Registry Funding from the Horse Industry Escrow Account
February 2020*

TPHBA expects to see an increase in the number of Accredited Texas-Bred Racing Stock. We also expect a number of horses will be purchased by new owners in order to race in Texas and be eligible for these purse supplements. We also expect Texas foaled horses that left Texas to race in Oklahoma will return to race in Texas. The expected results will be measured by the number of starters compared to previous years.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, Treasurer TPHBA and Lex Smurthwaite, Executive Secretary TPHBA will be overseeing the activities, management and will tabulate the results of this project after the Retama Park meet closes.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

*borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
 (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$12,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	<u>\$12,000.00</u>

Event Production Costs (\$ _____ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$12000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

The payout of supplemental purse money for Accredited Texas-Bred (ATB) Paint Horses will be handle by Retama Park bookkeeper, using the rules and guidelines provided by TPHBA. This \$12,000 supplement will be paid to Futurity Trials or Finals, if no Trials are held. The \$12,000 is in addition to any Purse or Added Money. The supplement will be paid out; \$6,000 the fastest time ATB Paint Horse, \$4,000 to the 2nd fastest time ATB Paint Horse and \$2,000 to the 3rd fastest time ATB Paint Horse. If no Trials are held, then the incentive will be paid out; \$6,000 the highest placing ATB Paint Horse, \$4,000 to the 2nd highest placing ATB Paint Horse and \$2,000 to the 3rd highest placing ATB Paint Horse in the Futurity Finals. .

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _ _____ (\$ **total**)
Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS PAINT HORSE BREEDERS' ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Cowgirl Celebration

Event Date(s) or Approximate Date(s): September 1, 2020, Fort Worth Stockyards, Texas

Total Amount Requested For this Event: \$130,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by July 15, 2020. Approval of funds needed by May 19, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The American Paint Horse Association (APHA) will oversee the development, organization and execution of a premier series of events in September 2020 showcasing women & horses. The events will be billed as the Fort Worth Stockyard's "Marked For Greatness" Cowgirl Celebration. The highlights of the event will be the Women's Professional Rodeo Association (WPRA) Rodeos, an all-breed Breakaway roping, an all-breed Barrel Race, and an Equine Educational summit designed to enlighten all levels of horseman. The WPRA is the oldest women's sports organization in the country. The Association started in 1948 with a group of Texas ranch women who wanted to add a little color and femininity to the rough-and-tumble sport of rodeo. Also included is an all-female Ranch Work Championship competition and exhibition, which will feature invited female leaders from the equine disciplines of: cutting, reining, barrel racing, cowboy mounted shooting, trick riding, roping, therapeutic riding, etc.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The APHA envisions this to be the first annual Cowgirl event hosted in the Fort Worth Stockyards. It is important that we plan and execute a manageable number of activities over this (three day) period, to build enthusiasm and momentum for future editions of “Cowgirls and the horses they rode in on.”

For the 2020 event, the planned activities during the festivities include:

- A ticketed WPRA Rodeo in the Stockyards Coliseum (Friday night Sept. 4th, 2020 and Saturday night Sept. 5th, 2020)
- Live equestrian and cowgirl demonstrations, photo opportunities and meet & greets in demonstration area in the Fort Worth Stockyards. Opportunities for people to get up close with horses. (Saturday Sept. 5th & Sunday Sept. 6th).
- Equine Rehoming Meet and Greet, opportunity for visitors to meet and hear the stories of horses ready to be rehomed. (Around the Demonstration Arena, Saturday Sept. 5 – Sunday Sept. 6th, 2020)
- The Cowgirl Extravaganza western horse sport competition and exhibition (Ranch Work Championships - Sunday evening Sept. 6th).
- Equine expert female HorseIQ Summit, educational TED Talk-type speakers’ series (Cowboy Channel Studio – Saturday Sept. 5 – Sunday Sept. 6th).
- \$10,000 added 3D Breakaway Roping Competition paired with WCRA and the American Rodeo (Stockyards Coliseum, Saturday Sept. 5th).
- \$10,000 added 5D Barrel Racing Competition paired with the American Rodeo (Sunday Sept. 7th).

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The APHA partnered with Texas Thoroughbred Association, Texas Quarter Horse Association and Texas Paint Horse Breeders' Association feel the economic impact of this event will bring at least 750 horse at \$350 per horse = \$262,500 equine impact. 750 horses at 3 people per horse at \$100 dollars + 10,000 spectators at \$35 = \$575,000 economic impact

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Steven Hayes, APHA’s Chief Marketing Officer will oversee the event. Each event will be treated as an event within an event, all working under the Cowgirl Celebration umbrella. Each event will be precisely planned and executed to insure the best production.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$9,000.00
Purse Supplements/Prizes	\$65,000.00
Advertising	\$11,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
Contract Labor	\$14,000.00
Equipment Rental	\$16,000.00
Educational Speakers	\$15,000.00
	\$
Total Direct Costs	\$130,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$

Total	<u>\$130,000.00</u>
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Event Production Costs (\$9000 total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Venue Rental

Purse Supplements/Prizes (\$65000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

- \$5,000 added Invitational Ranch Work Competition paired with WCRA and the American Rodeo (Stockyards Coliseum, Saturday Sept. 5th).
- \$12,500 added 3D Breakaway Roping Competition paired with WCRA and the American Rodeo (Stockyards Coliseum, Saturday Sept. 5th).
- \$2,500 added 3D Breakaway Roping Competition for Texas Foaled Registered American Paint Horses.
- \$10,000 added 5D Barrel Racing Competition paired with the American Rodeo (Sunday Sept. 7th).
- \$1,000 added 5D Barrel Racing Competition for Texas Foaled Registered American Paint Horses.
- \$15,000 added to the Women's Professional Rodeo Association (WPRA) (Stockyards Coliseum, Saturday Sept. 5th).

Advertising (\$11000 total) *Provide an explanation of advertising costs.*

Donations (\$ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category Contract Labor (\$14000 **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category Equipment Rental (\$16000 **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category Educational Speakers (\$15000 **total**) *Provide a detailed description of any other category of direct expenses.*

- Equine expert female HorseIQ Summit, educational TED Talk-type speakers' series (Cowboy Channel Studio – Saturday Sept. 5 – Sunday Sept. 6th).

Administrative Expenses/Capital Assets (\$ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted*

costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.



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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Paint Barrel Racing Incentive Program (PBRIP) Barrel Race Cowgirl Celebration

Event Date(s) or Approximate Date(s): September 1, 2020, Fort Worth Stockyards, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by July 15, 2020. Approval of funds needed by May 19, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

APHA will be sponsoring a Cowgirl Celebration weekend that will consist of a rodeo that will include barrel racing. This event will be held in the Historic Stockyards Coliseum. \$2,500 will be added to a Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Paint Barrel Racing Incentive Program (PBRIP) \$2,500 added money to Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive.

By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a PBRIP entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in

the State of Texas. Many of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) *operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) *the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$3,500.00

Event Production Costs (\$ _____ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$3500 **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. PBRIP sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ _____ **total**) *Provide an explanation of advertising costs.*

Donations (\$ _____ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS PAINT HORSE BREEDERS ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Texas Paint Horse Breeders Association (TPHBA) Celebration & Awards

Event Date(s) or Approximate Date(s): Thursday, December 31, 2020, Fort Worth Stockyards, Texas

Total Amount Requested For this Event: \$35,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds are needed by November 1, 2020. Approval of funds needed by May 19, 2020 for marketing purposes. Owners and trainers need to know about these incentive funds before the Gillespie County Fair racing, Retama Park and Lone Star Park racing season.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The 2020 Year-End Incentive will supplement the current program in place that awards stallion owners, breeders and owners of Accredited Texas-Bred horses. The additional award money will encourage and reward the breeding of Accredited Texas-bred horses.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The incentive funds will supplement the current accredited Texas-bred incentive award payouts, mandated by the Texas Racing Act, to stallion owners, breeders and race horse owners. The purpose of the additional award money will enhance the current incentive of increasing the value of breeding, owning and racing a Texas-Bred Paint Horse. The goal is to increase the overall number of stallions and mares breeding in Texas and then encourage those Texas-foaled horses

to take an additional step and register those horses as Accredited Texas-Breds. In December, the race results of all Accredited Texas-Bred horses that finish first, second or third in a Texas pari-mutuel race during the 2020 season (January 1 - December 30). When the amounts are determined, 40% (of the total) will be paid to owner awards, 40% to breeder awards and 20% to stallion owner awards. The owner of an accredited Texas-bred Paint horse that finishes first, second or third in any pari-mutuel race in Texas will receive award monies from the Accredited Texas-Bred (ATB) Incentive Fund. The breeder of an ATB Paint Horse that finishes first, second, or third in any pari-mutuel race in Texas will receive award monies from the ATB Incentive Fund. The owner of the sire (provided he was an Accredited Texas Paint Horse, Quarter Horse or Thoroughbred stallion at the time of conception of the runner) of an ATB Paint Horse that finishes first, second, or third in any pari-mutuel race in Texas will receive award monies from the ATB Incentive Fund. Quarter Horse and Thoroughbred stallions must be accredited with the TPHB to be eligible to receive award monies from the Paint Horse ATB Incentive Fund.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The additional award money will increase the value of breeding, owning and racing a Texas-Bred Paint Horse. The increase the overall number of stallions and mares being bred in Texas will increase the number of Texas-foaled horses. The overall increase in breeding activity will impact feed companies, veterinarians, tack shops etc in Texas. And because Paint Horses can be bred to Thoroughbreds and Quarter Horses, the economic impact on the horse industry will improve all three breeds statewide. The results of increased breeding activity will be measured is by the number of mares bred that are required to be reported on annual stallion breeding reports.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, Treasurer TPHBA and Lex Smurthwaite, Executive Secretary TPHBA will be overseeing the activities, management and will tabulate the results of this project in December.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*

- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$35,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$35,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$35000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

The payout of \$35,000 supplemental awards will be added to the existing Accredited Texas-Bred Program, as stipulated by state law. These additional funds will be divided as follows: 40% to owner awards, 40% to breeder awards and 20% to stallion owner awards. The owner of an accredited Texas-bred Paint horse that finishes first, second or third in any selected pari-mutuel race in Texas(except a stakes race restricted to Accredited Texas-Breds) will receive award monies from the Accredited Texas-Bred (ATB) Incentive Fund. The breeder of an ATB Paint horse that finishes first, second, or third in any pari-mutuel race in Texas will receive award monies from the ATB Incentive Fund. The owner of the sire (provided he was an Accredited Texas Paint Horse, Quarter Horse, or Thoroughbred stallion at the time of conception of the runner) of an ATB Paint Horse that finishes first, second, or third in any pari-mutuel race in Texas will receive award monies from the ATB Incentive Fund. Quarter Horse and Thoroughbred stallions must be accredited with the TPHBA to be eligible to receive award monies from the Paint Horse ATB Incentive Fund.

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _ _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _ _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): The 14th Running of the Lone Star Paint & Appaloosa Futurity Stakes

Event Date(s) or Approximate Date(s): Saturday, November 7, 2020, Grand Prairie, Texas

Total Amount Requested For this Event: \$25,000.00

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by October 1, 2020. Approval of funds needed by July 1, 2020 for marketing purposes and printing of the track condition book

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

A Two-Year-Old Paint & Appaloosa Futurity race which includes trials and finals. Features the best nominated horses converging in the great state of Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Lone Star Paint & Appaloosa Futurity stakes race to be held at Lone Star Park Racetrack.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Our assessment of the net increase in spending as a result of this event is: 25 horses x 4 people per horse x \$230 (estimated money spent on hotels, food and fuel) x 3 days equals \$69,000. In

addition, it is estimated that each dollar spent "rolls over" or changes hands an average of four times in the Grand Prairie area.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Lex Smurthwaite, TPHBA Executive Secretary and Pancho Villarreal, TPHBA President, will be attending the races and presenting awards.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$25,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$25,000.00

Event Production Costs (\$ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$25000 **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*
 \$25,000 to be added to the purse making the total added purse money \$50,000. The remaining \$25,000 will come from the Lone Star Park Paint Horse account.

Advertising (\$ **total**) *Provide an explanation of advertising costs.*

Donations (\$ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

Other direct expenses – first category _ _____ (\$ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _ _____ (\$ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS PAINT HORSE BREEDERS' ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): ATB Incentive - Lone Star Paint & Appaloosa Futurity Stakes

Event Date(s) or Approximate Date(s): Saturday, November 7, 2020, Grand Prairie, Texas

Total Amount Requested For this Event: \$15,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds needed by October 1, 2020. Approval of funds needed by July 1, 2020 for marketing purposes and printing of the track condition book

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Purse Supplement for ATB Paint Horses is an incentive to breed, raise and race in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The purpose of this incentive is to award the top three finishing Accredited Texas-Bred Paint Horses in the 14th Running of the Lone Star Paint & Appaloosa Futurity Stakes for two-year-old horses. The goal of the project is to increase the value of breeding, owning and racing of Accredited Texas-Bred Paint Horses and to increase the number of stallions and mares breeding and owners in Texas. These funds will be in addition to the purse amount and will be exclusive for Accredited Texas-Bred horses racing at Lone Star Park.

Anticipated Project Results/Economic Impact on the Horse Industry

*Application for Breed Registry Funding from the Horse Industry Escrow Account
February 2020*

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

TPHBA expects to see an increase in the number of Accredited Texas-Bred Racing Stock. We also expect a number of horses will be purchased by new owners in order to race in Texas and be eligible for these purse supplements. We also expect Texas foaled horses that left Texas to race in Oklahoma will return to race in Texas. The expected results will be measured by the number of starters compared to previous years.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, Treasurer TPHBA and Lex Smurthwaite, Executive Secretary TPHBA will be overseeing the activities, management and will tabulate the results of this project after the Lone Star Park meet closes.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) *operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) *the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$15,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	<u>\$15,000.00</u>

Event Production Costs (\$ **total**) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$15000 **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

The payout of supplemental purse money for Accredited Texas-Bred (ATB) Paint Horses will be handle by Lone Star Park bookkeeper, using the rules and guidelines provided by TPHBA. This \$15,000 supplement will be paid to Futurity Trials or Finals, if no Trials are held. The \$15,000 is in addition to any Purse or Added Money. The supplement will be paid out; \$7,500 the fastest time ATB Paint Horse, \$5,000 to the 2nd fastest time ATB Paint Horse and \$2,500 to the 3rd fastest time ATB Paint Horse. If no Trials are held, then the incentive will be paid out; \$7,500 the highest placing ATB Paint Horse, \$5,000 to the 2nd highest placing ATB Paint Horse and \$2,500 to the 3rd highest placing ATB Paint Horse in the Futurity Finals.

Advertising (\$ **total**) *Provide an explanation of advertising costs.*

Donations (\$ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Central Texas Barrel Racing Association (CTBRA) Finals

Event Date(s) or Approximate Date(s): October 1-2, 2020, Hamilton, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by September 1, 2020. Approval of funds needed by July 1, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Central Texas Barrel Racing Association (CTBRA) produces multiple Texas barrel racing events each year. \$2,500 will be added to the PBRIP sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

PBRIP \$2,500 added money to PBRIP sidepot with a \$1,000 Texas-bred incentive.

By increasing the added money amount to the PBRIP sidepot increased participation is expected.

Each participant will pay a PBRIP entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the PBRIP sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*

(2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	<u>\$3,500.00</u>

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$3500 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$2,500 added PBRIP sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. PBRIP sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Barrel Racing Association of Texas (BRAT) #3 October Race

Event Date(s) or Approximate Date(s): October 10, 2020, Cleburne, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by September 10, 2020. Approval of funds needed by July 1, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Barrel Racing Association of Texas (BRAT) produces multiple Texas barrel racing events each year. \$2,500 will be added to the Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$2,500 added money to Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a PBRIP entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
 (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$3,500.00

Event Production Costs (\$ _____ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$3500 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. Paint Barrel Racing Incentive Program (PBRIP) sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ _____ total) Provide an explanation of advertising costs.

Donations (\$ _____ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

Other direct expenses – first category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Spooktacular Barrel Race

Event Date(s) or Approximate Date(s): October 23-24, 2020, Marshall, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Funds needed by September 23, 2020. Approval of funds needed by July 1, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Two Hearts Barrel Racing Association produces multiple Texas barrel racing events each year. \$2,500 will be added to the Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$2,500 added money to a Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a Paint Barrel Racing Incentive Program (PBRIP) entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many

of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$3,500.00

Event Production Costs (\$ _____ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$3500 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. Paint Barrel Racing Incentive Program (PBRIP) sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ _____ total) Provide an explanation of advertising costs.

Donations (\$ _____ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Wild Notions Fall Kickoff Barrel Race

Event Date(s) or Approximate Date(s): November 1, 2020, Groesbeck, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds needed by October 1, 2020. Approval of funds needed by September 1, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Carol McGrew produces multiple Texas barrel racing events each year. \$2,500 will be added to the Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$2,500 added money to Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a Paint Barrel Racing Incentive Program (PBRIP) entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

*borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
 (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	<u>\$3,500.00</u>

Event Production Costs (\$ _____ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$3500 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas; paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Barrel Racing Association of Texas (BRAT) Christmas Classic

Event Date(s) or Approximate Date(s): December 4-5, 2020, Alvarado, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds needed by November 1, 2020. Approval of funds needed by September 1, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Barrel Racing Association of Texas (BRAT) produces multiple Texas barrel racing events each year. \$2,500 will be added to the Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$2,500 added money to Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a Paint Barrel Racing Incentive Program (PBRIP) entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event. Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many

of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) *operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) *the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$3,500.00

Event Production Costs (\$ _____ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$3500 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. Paint Barrel Racing Incentive Program (PBRIP) sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER
THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

15 of 15

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Paint Horse Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): CBT Barrel Racing Productions Christmas Cash Barrel Race (originally CBT stood for Cowboy Times but now it is simply CBT).

Event Date(s) or Approximate Date(s): November 28-29, 2020, Amarillo, Texas

Total Amount Requested For this Event: \$3,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funds needed by October 28, 2020. Approval of funds needed by September 1, 2020 for marketing and promotion purposes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

CBT Barrel Racing Productions produces multiple Texas barrel racing events each year. \$2,500 will be added to the Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. Texas-bred incentive to be paid to the top 3 fastest Paint horses foaled in Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

\$2,500 added money to Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive. By increasing the added money amount to the Paint Barrel Racing Incentive Program (PBRIP) sidepot increased participation is expected. Each participant will pay a Paint Barrel Racing Incentive Program (PBRIP) entry fee with our initial goal of obtaining at least 25 participants and as the program grows we hope to increase to 50 participants per event.

Adding the Texas-bred incentive will increase breeding and foaling in the State of Texas. Many of the participants will be race-bred horses and this event should increase the number of race-bred horses in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We anticipate at least 25 Paint horses to participate in the Paint Barrel Racing Incentive Program (PBRIP) sidepot which would generate approximately \$108,000 more in direct expenditures subject to eligible Texas taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Karen Utecht, TPHBA Treasurer to oversee the project activities.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the

breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,500.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	<u>\$3,500.00</u>

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$3500 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$2,500 added Paint Barrel Racing Incentive Program (PBRIP) sidepot with a \$1,000 Texas-bred incentive paid to the top 3 fastest Paint horses foaled in Texas. Paint Barrel Racing Incentive Program (PBRIP) sidepot will be paid out in a 4D format. Texas-Bred incentive payout to the top 3 fastest times of a Texas foaled Paint horse: \$500 (50%) \$300 (30%) \$200 (20%).

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

Other direct expenses – first category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: TEXAS ARABIAN BREEDERS ASSOCIATION

Mailing Address: PO Box 215
Street Address

Forney Tx 75126 Kaufman
City State Zip Code County

Physical Address: 10051 Wilson Ln.
Street Address

Forney tx 75126 Kaufman
City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact *(This person can answer day-to-day questions about the organization and the project.)*

Full Name: Ed Wilson Mr. Dr.
First Last Ms. Other _____

Position Title: President

Email Address: _____

Phone: (972) 564 - 9430 Ext. _____ Alt #: (972) 523 - 7870

(2) Secondary Program Contact *(This person can answer day-to-day questions about the organization and the project.)*

Full Name: Jon Henningsgard Mr. Dr.
First Last Ms. Other _____

Position Title: Vice President

Email Address: _____

Phone: (713) 624 - 6306 Ext. _____ Alt #: (505) 376 - 6890

(3) Name of Authorized Official *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Ed Wilson Mr. Dr.
First Last Ms. Other _____

Position Title: President

Email Address: _____

Phone: (972) 564 - 9430 Ext. _____ Alt #: (972) 523 - 7870

Section C. Certifications

By signing below, applicant and its authorized official (the person listed in Section B.3):

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.

Authorized Official: *(Person listed in Section B.3)*

x		<u>5/5/20</u>
	Signature	Date

This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Arabian Breeders Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Region 9 Arabian Horse Show

Event Date(s) or Approximate Date(s): June 16 thru 20, 2020

Total Amount Requested For this Event: \$22,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
June 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

A booth to promote Arabian Racing, Arabian Race Horse presentation center stage during show. Advertisement in Program and class sponsorships.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Region 9 Arabian Horse Association is the largest, most active region of the Arabian Horse Associations in North America. It is comprised primarily of breeders, show horse enthusiast, endurance riders, and recreational riders who call Arabians the horse of their choice. TABA is partnering with Region 9 leadership to promote Arabian Racing and why it pays to get involved in Texas racing.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The Region 9 Show brings the largest number of Arabian owners and enthusiasts together of any event in Texas. Racing interest will be expanded, new owners of race horses, and expand breeding in Texas. Will be evaluated by new membership, number of stallions and mares brought into the program and increase in ownership of race horses.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Promotional Manager will be Jon Henningsgard, TABA Vice President

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*

(2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$6,000.00
Purse Supplements/Prizes	\$
Advertising	\$7,500.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$7,000.00
Photography package	\$1,000.00
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$500.00
Total	\$22,000.00

Event Production Costs (\$6000 total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Produce a Texas Arabian Racing promotional video	\$3,000
Aabian Jockey Club TV Episode---Why it pays to Race in Texas	\$3,000

Purse Supplements/Prizes (\$0 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$7500 total) Provide an explanation of advertising costs.

Region 9 show program add (full page , inside cover)	\$ 500
Region 9 prize list program ad	750
Region 9 website advertising for 2020	1,250
Region 9 bi-weekly email advertising for 9 months	2,000
Region 9 social mediaad campaigns: open house advertising, why it pays to race in Texasadvertising,How to joina racing partnership advertising.	3,000

Donations (\$0 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ **(\$7000 total)** Provide a detailed description of any other category of direct expenses.

Region 9 Horse Show Sponserhip includes:

\$1,500 Class sponsorships: will promote web site: wwwTexasArabianBreeders.com and includes Center stage Award Presentation

500 Multiple showings of the Texas arabian promotional video on the center ring jumbotron

500 Open House promotional postcard in exhibitors bags

1,500 Enhanced location booth presence

1,000 Travel expenses for racing representatives

2,000 Live streaming of the demonstrations

Other direct expenses – second category _____ (**\$1000 total**) *Provide a detailed description of any other category of direct expenses.*

Photography package of open houses and Region 9 presence to utilize for ongoing promotion

Other direct expenses – third category _____ (**\$ _____ total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (**\$500 total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Reimbursement TABA representatives to attend show as a resource for information and to evaluate the effectiveness of the event.



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)

(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Arabian Stakes Night at Retama Park

Event Date(s) or Approximate Date(s): September 2, 2020

Total Amount Requested For this Event: \$26,300

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
August 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Two Arabian Stakes Races that Owners and Arabian enthusiast from the San Antonio area will be invited to the races at Retama Park to meet and enjoy the the races and learn more about the Arabian Racing oportunities that are now available.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The Texas Arabian Breeders Association has hired an experienced Promotional Manager to manage the social media blast, advertisement, e-mail blast, etc to get Arabian Owners or racing enthusiast to the track.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We expect to introduce Arabian Racing to some that are not familiar with it. To help Arabian owners realize the enjoyment of having their own race horse. The fellowship from meeting with other Arabian Owners helps attract new Arabian race horse owners and develop new racing fans.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Ed Wilson

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$0.00
Purse Supplements/Prizes	\$25,000.00
Advertising	\$1,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$0.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$300.00
Total	\$26,300.00

Event Production Costs (\$ _____ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$25000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.
\$12,500 is being added to the track purse for each of the two stakes races

Advertising (\$1000 total) Provide an explanation of advertising costs.
We will be paying our Promotional Manager for providing publicity and promotion activities

Donations (\$ _____ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$300 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Share of the audit: 1/6 of the projected audit cost \$300



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name):

Texas Bred Awards Retama Park

Event Date(s) or Approximate Date(s): July 20,2020 thru September 11, 2020

Total Amount Requested For this Event: \$20,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
September 15, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

To encourage Owners to bring their Mares and Stallions to Texas for Breeding. And encourage those in Texas to participate in the Accredited Texas Bred Program. These awards will be added to those earned at SHRP and paid in conjunction with them.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Media blast , e-mail blast , Advertisement, information made available at other events through the year.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

More Mares and Stallions being brought to Texas and Accredited. Increase in the number of Accredited Horse and more Horses on the track racing.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Ed Wilson

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$20,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$20,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$0.00
Total	\$20,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$20000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Being able to increase the Texas-bred supplement is a very important element in increasing the participation of owners and breeders of Arabian horses for racing in Texas.

Advertising (\$0 total) Provide an explanation of advertising costs.

Donations (\$0 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Arabian Juvinal Stakes at Lone star Park

Event Date(s) or Approximate Date(s): October 24, 2020

Total Amount Requested For this Event: 29,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
September 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Arabian owners in the Dallas area will be invited to the races at Lone Star Park to meet and enjoy the races and learn about the Arabian Racing opportunities that are now available. Our promotional activities will bring new owners and enthusiasts to the track but it is essential we have an activity to draw them to the track. TABA will provide finger foods and non-alcoholic beverages to provide a common area for them to meet and discuss Arabian Racing and learn to enjoy the Sport of Racing.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The Texas Arabian Breeders Association has hired an experienced Promotional Manager to manage the social media blast, advertisement, e-mail blast, etc to get Arabian Owners or racing enthusiasts to the Races. These promotional activities will be taking place in the weeks prior to and thru the event at the track.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We expect to introduce Arabian racing to some that are not familiar with it. To make Arabian owner realize the enjoyment of having their horse race, The fellowship from meeting with other Arabian owners attracts new Arabian race Horse owners and develops new race fans.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Ed Wilson

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

*borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
(2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$2,000.00
Purse Supplements/Prizes	\$25,000.00
Advertising	\$1,500.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$28,500.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$500.00
Total	\$29,000.00

Event Production Costs (\$2000 total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

This is to provide a place for Owners and enthusiast to meet. TABA will provide finger foods and non-alcoholic beverages to participants. Getting people to the track is essential for them to experience the enjoyment of owning a race horse or just becoming a race horse fan.

Purse Supplements/Prizes (\$25000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$12,500 is being added to the track purse for each of the two Graded Stakes Races.

Advertising (\$1500 total) *Provide an explanation of advertising costs.*

We will be paying our Promotional Manager for providing publicity and promotion upto and thru the event.

Donations (\$0 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$500 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Planning, making arrangements, preparing application	\$200
Share of Audit: 1/6 of projected audit cost	\$300



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Arabian Stakes Night at Lone Star Park

Event Date(s) or Approximate Date(s): November 20, 2020

Total Amount Requested For this Event: \$29,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
September 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Arabian owners in the Dallas area and enthusiast from all previous events will be invited to the races at Lone Star Park to meet and enjoy the races. The goal is increase the number of Owners, and develop racing fans to attend the races. Providing a common place to meet is essential. Finger foods and non alcoholic beverages will be provided. Meeting with owners and race enthusiast demonstrates the enjoyment of owning a race horse and choosing horse racing as part of their entertainment activities.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The Texas Arabian Breeders Association has hired an experienced Promotional Manager to manage the social media blast, advertisement, e-mail blast, etc to get Arabian Owners or racing enthusiast to the Races. participation at these events demonstrates the effect of our promotional effort.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

We expect to introduce Arabian racing to some that are not familiar with it. To make Arabian owner realize the enjoyment of having their horse race. The fellowship from meeting with other Arabian owners. Attract new Arabian Race Horse owners and develop new race fans, this is essential to grow the Horse and racing industry.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Ed Wilson

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) *operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) *the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$2,500.00
Purse Supplements/Prizes	\$25,000.00
Advertising	\$1,500.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$29,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$500.00
Total	<u>\$29,500.00</u>

Event Production Costs (\$2500 total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

This is to provide a place to meet other Arabian enthusiast and provide finger foods and non-alcoholic beverages and enjoy the races. Arabian racing information will be available. Getting people to the track to see and enjoy racing is essential to expand the industry.

Purse Supplements/Prizes (\$25000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$12,500 is being added to the track purse for each of the two Graded Stakes Races.

Advertising (\$1500 total) *Provide an explanation of advertising costs.*

We will be paying our Promotional Manager for providing publicity and promotion activities.

Donations (\$0 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$500 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Planning, making arrangements, preparing application	\$200
Share of Audit: 1/6 of projected audit cost	\$300



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS ARABIAN BREEDERS ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name):

Texas Bred Awards Lone Star Park

Event Date(s) or Approximate Date(s): September 11, 2020 thru November 28, 2020

Total Amount Requested For this Event: \$30,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

December 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

To encourage Owners to bring their Mares and Stallions to Texas for Breeding. And encourage those in Texas to participate in the Accredited Texas Bred Program. These awards will be added to those earned at SHRP and paid in conjunction with them.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Media blast , e-mail blast , Advertisement, information made available at other events through the year.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

More Mares and Stallions being brought to Texas and Accredited. Increase in the number of Accredited Horse and more Horses on the track racing.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Ed Wilson

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$30,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$30,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$0.00
Total	\$30,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$30000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Being able to increase the Texas-bred supplement is a very important element in increasing the participation of owners and breeders of Arabian horses for racing in Texas.

Advertising (\$0 total) Provide an explanation of advertising costs.

Donations (\$0 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

V. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT

Discussion and possible action to allocate funds in the horse industry escrow account to state horse breed registries under 16 TAC Chapter 303, Subchapter G

(Additional materials for this item to be posted separately.)

VI. PROCEEDINGS ON RACETRACKS

- A. Updates from Class 1 racetracks regarding 2020 race meets and discussion and possible action thereon
- B. Discussion and possible action to designate an application period for race dates under Commission rule 303.41

VI. PROCEEDINGS ON RACETRACKS

- C. Discussion and possible action on the ownership and management review of Gulf Coast Racing's racetrack license under 16 TAC § 309.53
- D. Discussion and possible action on applications by inactive racetrack license holders for license renewal under 16 TAC § 309.52:
 - 1. Manor Downs
 - 2. Laredo Downs
 - 3. Valle de los Tesoros



Texas Racing Commission

P.O. BOX 12080 - AUSTIN, TX 78711-2080

(512) 833-6699 FAX: (512) 833-6907

www.txrc.texas.gov

MEMORANDUM

TO: Texas Racing Commissioners

FROM: Chuck Trout, Executive Director

DATE: May 12, 2020

SUBJECT Ownership and Management Review of Active Racetrack License - Gulf Coast Racing

Pursuant to Section 2025.106 of the Texas Racing Act, the Commission must review the ownership and management of the holder of each active racing license every five years. In accordance with Section 309.53 of the Rules of Racing, which established the schedule and components of such reviews, one license holder, Gulf Coast Racing (GCR), is now subject to review.

The review process is as follows:

Submission Requirements

Not later than June 30 of the year in which an association is subject to review, the association shall submit to the Commission:

- (1) copies of its current management, concession, and totalisator contracts;
- (2) a copy of its current security plan;
- (3) for each person owning an interest of at least five percent of the association and for each officer, director, or management committee member who is not currently licensed as an Association Officer or Director by the Commission:

(A) a completed background information form and written authorization for the Commission and the Department of Public Safety to conduct any investigation deemed necessary; and

(B) a set of fingerprints on a form prescribed by the Department of Public Safety, or if the person already has a set of fingerprints classified and on file with the Department of Public Safety, authorization to resubmit those fingerprints to the Federal Bureau of Investigation and the Department of Public Safety for investigation;

(4) a review fee of \$5,000, to be held by the Commission in the state treasury in a suspense account until the review is complete or transferred to the Texas Racing Commission Fund as costs are incurred; and

(5) any other information required by the Commission.

Commission Review

(1) The executive secretary shall prepare a report for the Commission's review summarizing:

(A) the information provided by the association under this section or under Rule 309.152, Records;

(B) the Commission's inspection reports from the prior five years;

(C) the results of any inspections or investigations conducted by the Commission as part of the review; and

(D) any other information relevant to the ownership or management of the association.

(2) The executive secretary will separately provide to the Commission the results of any background investigations conducted by the Department of Public Safety.

(3) At the conclusion of each review, the Commission:

(A) may take any action authorized under the Act or the Rules; and

(B) shall schedule the next ownership and management review of the association's license.

Commission staff has reviewed the submissions and relevant information regarding Gulf Coast Racing. The following pages contain a summary of staff's findings.

GULF COAST RACING

Current Ownership and Management

Gulf Coast Racing, LLC (GCR) is a Texas Limited Liability Company that holds a greyhound racetrack license in Corpus Christi, Texas. The license was originally issued in 1989 to Corpus Christi Greyhound Racing Associates (CCGRA). On April 7, 2009, the Commission approved CCGRA's request to assign its interest in the license to GCR. As a result of the transfer, GCR owns the license, the facility, and the equipment.

GCR is comprised of the following members and interests:

361 Muy Buena Suerte, LLC - 65.3%, Paul W. Bryant Jr. -4.9%, Scott Phelps -4.9%, Nick Serafy, Jr. 4.9%, and Mikal Watts, 20.00%. .

The majority owner, 361 Muy Buena Suerte, LLC is comprised of Joseph V. LaMantia, 111. - 10.1667%, Stephen L. LaMantia, Special Trust, Beneficiary, Stephen L. LaMantia 10.1667%, Gregory LaMantia - 10.1667%, Anthony LaMantia - 10.1667%, Verna Ann La Mantia Peisen, 10.1667%, Marty Peisen, 2.6166%, and 15 separate trusts for members of the LaMantia family, ranging from 2.6166% to 4.9567% ownership interests.

The majority of the owners are residents of Texas.

GCR has a three member board of directors, Gregory LaMantia, President, Anthony LaMantia, Vice President and Nick Serafy, Jr., Vice President/Secretary/Treasurer.

GCR is managed by Texas Pari-Mutuel Management, Inc. (TPM). TPM, managed by Sally Briggs, general manager of Gulf Greyhound Park, oversees the day-to-day operations at GCR.

Background Investigations

Each officer and member of the executive board currently holds an occupational license issued by the Commission and therefore has undergone a background check within the past three years. Nothing has been identified that prevents these individuals from serving as a member of the executive board.

Security Plan

As required, GCR submitted its current security plan, Attachment C, dated June 2014. Staff reviewed the confidential plan and found it to be consistent with all the requirements of Section 309.153, General Security.

Totalisator, Management and Concession Contracts

GCR contracts with United Tote Company for totalisator services. The current contract with amendments was last Reviewed and approved by the Commission at its April 14, 2015, meeting.

GCR submitted a copy of the management agreement with Texas Pari-Mutuel Management, Inc. (TPM). This agreement was originally approved by the Commission as part of the overall approval of the ownership change in 2009. TPM also manages the concessions under the terms of the agreement.

Financial Review

Commission staff has reviewed GCR's most recent confidential financial statements.

Commission Inspections

Over the past five years, staff has identified the following violations in the performance of routine inspections at GCR's facility.

Administrative Operations

November 2017 - Sec. 321.27 Posting of Race Results. Vendor and Designated Representative allowed licenses to expire. Following notification, both licenses were renewed with end date of December 2018.

November 2018 - Sec. 309.112 Maintenance. All fire extinguishers were brought up to code in December 2018.

December 2018 - Sec. 309.164 Accounting Practices. All delinquent purse reports/account statements were submitted in December 2018.

Pari-mutuel Operations

November 2018 - Sec. 321.13 Pari-mutuel Track Report. All delinquent pari-mutuel reports were submitted in December 2018.

None of these violations resulted in a fine. Association management addressed all of these issues in a timely fashion.



TEXAS RACING COMMISSION
P. O. Box 12080
Austin, TX 78711-2080
(512) 833-6699
Fax (512) 833-6907

Date: May 12, 2020

To: Texas Racing Commissioners

From: Chuck Trout, Executive Director

Re: Applications by Inactive Racetrack License Holders for License Renewal under Commission Rule 309.52

At its meeting on May 19, 2020, the Commission will review and potentially renew each racetrack license that is currently designated as inactive under §2025.105 of the Texas Racing Act ("the Act").

The inactive licenses are:

Manor Downs

Laredo Downs

Valle de los Tesoros

In preparation for this review, staff prepared the following table that addresses each of the renewal criteria established under Commission Rule 309.52. Each inactive license holder then completed the application form and submitted the required fee. The completed applications are attached for your use.

At the conclusion of its review of each license, the Commission may:

- (1) designate the license as Active-Operating;
- (2) designate the license as Active-Other;
- (3) renew the license as Inactive; or
- (4) refer the inactive racetrack license to the State Office of Administrative Hearings for an evidentiary hearing and a Proposal for Decision as to whether the Commission should refuse to renew the license.

While the Commission has established the factors that it will consider in deciding whether to renew a license, the presence of any particular factor or factors does not require the Commission to either renew or refuse to renew an inactive racetrack license.

Renewal Criteria

Renewal criteria are established in Section 2025.105 of the Racing Act and Commission Rule 309.52. The following chart summarizes each track's response in relation to each of the criteria.

In determining whether to renew an inactive racetrack license, the Commission shall consider:	Manor Downs	Laredo Downs	Valle de los Tesoros
the inactive racetrack license holder's financial stability	Financially stable.	Financially stable.	Financially stable.
the inactive racetrack license holder's ability to conduct live racing	No racetrack facilities.	No racetrack facilities.	No racetrack facilities.
ability to construct and maintain a racetrack facility	Possesses finances and has technical capability. Does not own, lease, or have an option on designated property.	Possesses finances and has technical capability. Does not own, lease, or have an option on designated property.	Possesses finances, owns land, and has technical capability.
other good faith efforts to conduct live racing	See next page.	See next page.	See next page.
other necessary factors considered in the issuance of the original license	Other than lack of property, no change from original licensure.	Other than lack of property, no change from original licensure.	No change from original licensure.

Actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to:	Manor Downs	Laredo Downs	Valle del los Tesoros
securing sufficient financial commitments to fund construction of the racetrack facility	Financially capable	Financially capable	Financially capable
securing the real property of the designated location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more	No property	No property	Owns property

Actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to:	Manor Downs	Laredo Downs	Valle del los Tesoros
entering into contracts for the construction of the simulcasting and racetrack facilities	None	None	None
securing Commission approval of the racing facility's construction plans	None	None	None

License holders may report additional actions that they have undertaken as evidence of good faith efforts towards conducting live racing. *The following statements are taken verbatim from the license holders' applications for renewal.*

Manor Downs

Through its parent company PM Texas, LLC, Manor Downs is a significant contributor to the Racing Commission from a financial and regulatory perspective.

- Upon acquisition of the Manor Downs license in 2016, PM Texas, LLC agreed to satisfy all past due fees owed to the Commission by its former holder
- Manor Downs consistently makes timely license fee payments to the Commission
- Manor Downs has willingly paid higher license fees or accelerated fees as part of an industry agreement
- Manor Downs is represented on a regular basis at the Commission's public meetings and committee meetings

Through its parent company PM Texas, LLC, Manor Downs has taken the following actions in "good faith" pursuit of redeveloping a racetrack and conducting live racing:

- Pursuing legislative changes to improve the economics of the Texas racing industry
- Pursuing regulatory changes at the Commission to improve the Texas racing industry
- Hiring of a third party Travis County based consultant to help explore opportunities for development and partnerships to make the project feasible and successful
- Initiating discussions with large scale entertainment properties about parallel interests and partnerships
- Conducting exploratory meetings and site visits with existing Travis County retail operations to examine the potential for a temporary simulcast location

Laredo Downs

Since the Commission issued the license, LRP's principals and representatives have been heavily involved in the racing industry, including attending Commission public meetings, work sessions, and rulemaking committee sessions. The principals of LRP are very interested and involved in any and all activities that could improve the condition of the Texas racing industry. LRP is well-known by the horseman's groups and the owners of the other tracks as a key and responsible player in the industry. LRP has, on

more than one occasion, presented innovative ideas to the Commission and staff in support of the growth of the industry as a whole. In order to maintain the financial viability of the industry and the Commission itself, LRP has been paying the Commission's fees as currently required and is working with the Commission to further address the fee issue. LRP's continued support of and interest in the industry supports a finding that it is making good-faith efforts.

In addition, representatives of LRP and VLDT were key in the legislative process that has now resulted in the possibility of the racing industry and the Commission itself achieving financial stability.

LRP has incurred significant costs in its efforts to move forward to a live racing facility, and continues to expend funds and effort in that regard. LRP's various efforts to make the construction of a facility for simulcasting followed by a facility for live racing financially viable and reasonable are the best and only reasonable good faith efforts that a reasonable and prudent racing Association can make at this time. LRP is doing everything any reasonable Association in its position can do to further live racing in Texas.

Valle de los Tesoros

Since the Commission issued the license, VDLT's principals and representatives have been heavily involved in the racing industry, including attending Commission public meetings, work-sessions, and rulemaking committee sessions. The principals of VDLT are very interested and involved in any and all activities that could improve the condition of the Texas racing industry. VDLT is well-known by the horseman's groups and the owners of the other tracks as a key and responsible player in the industry. VDLT has, on more than one occasion, presented innovative ideas to the Commission and staff in support of the growth of the industry as a whole. In order to maintain the financial viability of the industry and the Commission itself, TDLT has been paying the Commission's fees as currently required and is working with the Commission to further address the fee issue. VDLT's continued support of and interest in the industry supports a finding that it is making good-faith efforts.

In addition, representatives of LRP and VLDT were key in the legislative process that has now resulted in the possibility of the racing industry and the Commission itself achieving financial stability.

VDLT has incurred significant costs in its efforts to move forward to a live racing facility, and continues to expend funds and effort in that regard. VDLT's various efforts to make the construction of a facility for simulcasting followed by a facility for live racing financially viable and reasonable are the best and only reasonable good faith efforts that a reasonable and prudent racing association can make at this time. VDLT is doing everything any reasonable association in its position can do to further live racing in Texas.

Nonrenewal

The Commission may refuse to renew an inactive racetrack license if, after notice and a hearing before the State Office of Administrative Hearings, the Commission determines that:

- (1) renewal of the license is not in the best interests of the racing industry or the

- public; or
- (2) the license holder has failed to make a good faith effort to conduct live racing.

Factors supporting Nonrenewal

The Commission has established the following factors as evidence that renewal of a license is not in the best interests of the racing industry or the public:	Manor Downs	Laredo Downs	Valle de los Tesoros
the presence of any ground for denial, revocation, or suspension of a license under §§2025.101, 2025.201, 2025.202 of the Act	N/A	N/A	N/A
forfeiture of any bond by an inactive racetrack license holder that was required by the Commission	N/A	N/A	N/A
failure by an inactive racetrack license holder to comply with any condition or order placed on the license by the Commission	N/A	N/A	N/A
failure to maintain the ownership or leasehold interest in the real property constituting the designated location	Applicable, Manor Downs does not maintain an ownership or leasehold interest in the designated property.	Applicable, Laredo Downs does not maintain an ownership or leasehold interest in the designated property.	N/A
any factor identified in §2025.102 of the Act	N/A	N/A	N/A

If you have any questions, please let me or general counsel Devon Bijansky know. Representatives of each inactive racetrack license holder should be present at the Commission meeting to answer your questions.

VI. PROCEEDINGS ON RACETRACKS

- E. Discussion and possible action to approve management change for PM Texas, LLC
- F. Discussion and possible action to open an application period for a class 2 horse racetrack in Jefferson County



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March 4, 2020

VIA HAND-DELIVERY

Texas Racing Commission
Attention: Executive Department
8505 Cross Park Drive, Suite 110
Austin, Texas 78754

RE: PM Texas LLC Member Representatives of Penn National subsidiary

As you know, an entity called PM Texas LLC owns the associations known as Sam Houston Race Park, Valley Race Park, and Hill Lane, LLC (f/k/a Manor Downs). As you may recall, PM Texas LLC has two members: a subsidiary of Maxxam, Inc. and a subsidiary of Penn National Gaming, Inc. Each member appoints two representatives to the Board of PM Texas LLC. The current designees of Penn National's subsidiary, Houston Gaming Ventures, Inc., are Eric Schippers and William "BJ" Fair.

Mr. Fair is retiring this month. Houston Gaming Ventures, Inc. proposes to appoint Christopher B. Rogers as his successor to the Board of PM Texas LLC, subject to necessary regulatory approvals. Mr. Rogers has not to date undergone a DPS background investigation.

In support of PM Texas LLC's request for approval of this change, I enclose the following documents:

- Request for Change of Board of Directors or Management Committee Form (proposing to replace BJ Fair with Chris Rogers); and
- Sealed and labeled envelope containing Chris Rogers's completed fingerprint card and DPS disclosure form.

Please let me know if I can provide anything further to facilitate the processing of this request. And thanks so much for your help.

Sincerely,

Marnie A. McCormick
mmccormick@dwmrlaw.com

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Enclosures

May 4, 2020

The Honorable John Steen, III
Chairman, Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Via Email to Devon Bijansky, General Counsel: devon.bijansky@txrc.texas.gov

Dear Chairman Steen,

This letter serves as a formal request for the Texas Racing Commission to designate a 60-day application period, under the Texas Administrative Code and any applicable statutes, for a Class 2 horse track racing license in Jefferson County.

Sincerely,



Renee Johnson
Beaumont Racing Venture LLC (in formation)

VII. EXECUTIVE SESSION

The following items may be discussed and considered in executive session or open meeting, with any action taken in the open meeting:

- A. Under Texas Government Code § 551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Texas Government Code § 551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Tex. Occ. Code § 2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

VIII. SCHEDULING OF NEXT COMMISSION MEETING

IX. ADJOURN