



TEXAS RACING COMMISSION

P. O. Box 12080

Austin, TX 78711-2080

(512) 833-6699

Fax (512) 833-6907

Texas Racing Commission
Tuesday, March 19, 2019
10:30 a.m.
Texas Animal Health Commission
2105 Kramer Lane
Austin, TX 78758

AGENDA

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

- A. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:
1. Budget and finance
 2. Wagering statistics
 3. Enforcement

IV. PROCEEDINGS ON RULES

- A. Discussion and possible action to adopt:
1. new 16 TAC § 303.44, Oversight of Use of Funds Generated by Pari-Mutuel Racing
 2. amendments to 16 TAC § 313.103, Eligibility Requirements
 3. amendments to 16 TAC § 301.1, Definitions
 4. amendments to 16 TAC § 303.1, Purpose

5. amendments to 16 TAC § 303.95, Races for Accredited Texas-Bred Horses
 6. amendments to 16 TAC § 321.321, Fortune Pick (n)
- B. Discussion and possible action to propose:
1. amendments to 16 TAC § 321.320, Super Hi-Five
 2. amendments to 16 TAC § 303.93, Quarter Horse Rules
 3. amendments to 16 TAC § 303.102, Greyhound Rules
 4. amendments to 16 TAC § 309.129, Automatic Banking Machines
 5. amendments to 16 TAC § 321.1, Definitions and General Provisions
 6. amendments to 16 TAC § 321.36, Unclaimed Outs and Vouchers
 7. amendments to 16 TAC § 321.318, Special Wager
 8. amendments to 16 TAC § 321.503, Purses
 9. amendments to 16 TAC § 321.509, Escrowed Purse Account

V. PROCEEDINGS ON MATTERS RELATED TO AGENCY FUNDING

- A. Discussion regarding racetrack license fees
- B. Possible appointment of an ad hoc committee on finance

VI. 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.

VII. SCHEDULING OF NEXT COMMISSION MEETING

VIII. ADJOURN

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

- A. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:
 - 1. Budget and finance
 - 2. Wagering statistics
 - 3. Enforcement

Texas Racing Commission

FYE 08/31/2019
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-1

Strategy	Program Description	FY 2019 Annual Budget	FY 2019 Expended Thru 1/31/2019	FY 2019 Unexpended Bal 8/31/2019	With 41.7% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	(0.50) FTE's = 4.00 <u>Regulate Racetrack Owners</u>				
Base Appr = \$ 385,941.00	1001 Salaries and Wages	340,041.87	140,350.40	199,691.47	41.27%
	1002 Other Personnel Cost	5,280.00	2,060.00	3,220.00	39.02%
Sup Appr = \$ -	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
Total Appr = \$ 385,941.00	2004 Utilities	-	-	-	
	2005 Travel	2,500.00	1,402.82	1,097.18	56.11%
Budgeted = \$ 354,422.50	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
Difference (31,518.50)	2009 Other Operating Cost	6,600.63	2,597.31	4,003.32	39.35%
	CB Computer Equipment	-	-	-	
-8.17%	Total Strategy A.1.1.	354,422.50	146,410.53	208,011.97	41.31%
<i>Appropriated</i> A.2.1.	0 FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	3,130,000.00	1,030,075.85	2,099,924.15	32.91%
3,130,000.00	Total Strategy A.2.1.	3,130,000.00	1,030,075.85	2,099,924.15	32.91%
<i>Appropriated</i> A.3.1.	(1.87) FTE's = 5.53 <u>Supervise Racing and Licensees</u>				
Base Appr = \$ 545,741.00	1001 Salaries and Wages	372,033.13	140,927.13	231,106.00	37.88%
	1002 Other Personnel Cost	15,280.28	4,844.74	10,435.54	31.71%
Sup Appr = \$ -	2001 Prof Fees and Services	9,900.00	2,575.00	7,325.00	26.01%
	2003 Consumables	-	-	-	
Total Appr = \$ 545,741.00	2004 Utilities	-	-	-	
	2005 Travel	62,300.00	18,120.40	44,179.60	29.09%
Budgeted = \$ 465,349.20	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
Difference (80,391.80)	2009 Other Operating Cost	5,835.79	2,063.89	3,771.90	35.37%
	CB Computer Equipment	-	-	-	
-14.73%	Total Strategy A.3.1.	465,349.20	168,531.16	296,818.04	36.22%
<i>Appropriated</i> A.3.2.	(0.10) FTE's = 3.70 <u>Monitor Occupational Licensee Act.</u>				
Base Appr = \$ 235,247.00	1001 Salaries and Wages	207,488.60	87,307.02	120,181.58	42.08%
	1002 Other Personnel Cost	8,963.31	4,219.67	4,743.64	47.08%
Sup Appr = \$ -	2001 Prof Fees and Services	500.00	75.00	425.00	15.00%
	2003 Consumables	800.00	505.00	295.00	63.13%
Total Appr = \$ 235,247.00	2004 Utilities	-	-	-	
	2005 Travel	37,500.00	6,297.30	31,202.70	16.79%
Budgeted = \$ 259,169.15	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
Difference \$ 23,922.15	2009 Other Operating Cost	3,917.24	3,202.65	714.59	81.76%
	CB Computer Equipment	-	-	-	
10.17%	Total Strategy A.3.2.	259,169.15	101,606.64	157,562.51	39.20%
<i>Appropriated</i> A.4.1.	(0.30) FTE's = 3.20 <u>Inspect and Provide Emerg. Care</u>				
Base Appr = \$ 364,152.00	1001 Salaries and Wages	212,985.36	88,743.90	124,241.46	41.67%
	1002 Other Personnel Cost	3,320.00	1,800.00	1,520.00	54.22%
Sup Appr = \$ -	2001 Prof Fees and Services	41,600.00	18,452.67	23,147.33	44.36%
	2003 Consumables	300.00	-	300.00	
Total Appr = \$ 364,152.00	2004 Utilities	-	-	-	
	2005 Travel	17,375.00	6,278.93	11,096.07	36.14%
Budgeted = \$ 281,875.14	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
Difference \$ (82,276.86)	2009 Other Operating Cost	6,294.78	3,237.73	3,057.05	51.44%
	CB Computer Equipment	-	-	-	
-22.59%	Total Strategy A.4.1.	281,875.14	118,513.23	163,361.91	42.04%

Texas Racing Commission

FYE 08/31/2019
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-2

Strategy	Program Description	FY 2019 Annual Budget	FY 2019 Expended Thru 1/31/2019	FY 2019 Unexpended Bal 8/31/2019	With 41.7% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.4.2.	(1.73) FTE's = 2.57 <u>Administer Drug Testing</u>				
Base Appr = \$ 215,181.00	1001 Salaries and Wages	135,858.90	53,734.94	82,123.96	39.55%
Sup Appr = \$ -	1002 Other Personnel Cost	420.00	2,140.00	(1,720.00)	509.52%
Total Appr = \$ 215,181.00	2001 Prof Fees and Services	500.00	-	500.00	0.00%
Budgeted = \$ 179,825.78	2003 Consumables	200.00	30.24	169.76	15.12%
Difference \$ (35,355.22)	2004 Utilities	-	-	-	
	2005 Travel	31,209.00	4,662.83	26,546.17	14.94%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
	2009 Other Operating Cost	11,637.88	1,162.33	10,475.55	9.99%
	CB Computer Equipment	-	-	-	
-16.43%	Total Strategy A.4.2.	179,825.78	61,730.34	118,095.44	34.33%
<i>Appropriated</i> B.1.1.	(2.10) FTE's = 5.00 <u>Occupational Licensing</u>				
Base Appr = \$ 412,016.00	1001 Salaries and Wages	206,723.88	86,070.62	120,653.26	41.64%
Sup Appr = \$ -	1002 Other Personnel Cost	7,093.60	4,916.24	2,177.36	69.31%
Total Appr = \$ 412,016.00	2001 Prof Fees and Services	-	-	-	
Budgeted = \$ 343,609.53	2003 Consumables	2,500.00	261.49	2,238.51	10.46%
Difference \$ (68,406.47)	2004 Utilities	-	-	-	
	2005 Travel	14,500.00	3,371.94	11,128.06	23.25%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	2,000.00	133.96	1,866.04	6.70%
	2009 Other Operating Cost	110,792.06	20,757.27	90,034.79	18.74%
	CB Computer Equipment	-	-	-	
-16.60%	Total Strategy B.1.1.	343,609.53	115,511.52	228,098.01	33.62%
<i>Appropriated</i> B.1.2.	- FTE's = 0 <u>Texas OnLine</u>				
Base Appr = \$ 19,185.00	1001 Salaries and Wages	-	-	-	
Sup Appr = \$ -	1002 Other Personnel Cost	-	-	-	
Total Appr = \$ 19,185.00	2001 Prof Fees and Services	-	-	-	
Budgeted = \$ 17,000.00	2003 Consumables	-	-	-	
Difference \$ (2,185.00)	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
	2009 Other Operating Cost	17,000.00	3,014.00	13,986.00	17.73%
	CB Computer Equipment	-	-	-	
-11.39%	Total Strategy B.1.2.	17,000.00	3,014.00	13,986.00	17.73%
<i>Appropriated</i> C.1.1.	- FTE's = 4.00 <u>Monitor Wagering and Audit</u>				
Base Appr = \$ 373,795.00	1001 Salaries and Wages	231,225.36	96,214.82	135,010.54	41.61%
Sup Appr = \$ -	1002 Other Personnel Cost	7,820.00	3,100.00	4,720.00	39.64%
Total Appr = \$ 373,795.00	2001 Prof Fees and Services	-	-	-	
Budgeted = \$ 260,513.74	2003 Consumables	-	-	-	
Difference \$ (113,281.26)	2004 Utilities	-	-	-	
	2005 Travel	6,000.00	1,128.70	4,871.30	18.81%
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
	2009 Other Operating Cost	15,468.38	4,718.23	10,750.15	30.50%
	CB Computer Equipment	-	-	-	
-30.31%	Total Strategy C.1.1.	260,513.74	105,161.75	155,351.99	40.37%

Texas Racing Commission

FYE 08/31/2019
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-3

Strategy	Program Description	FY 2019 Annual Budget	FY 2019 Expended Thru 1/31/2019	FY 2019 Unexpended Bal 8/31/2019	With 41.7% of Year Lapsed % of Budget Expended
<i>Appropriated</i> D.1.1.	(1.00) FTE's = 6.00 <u>Central Administration</u>				
Base Appr = \$ 753,512.00	1001 Salaries and Wages	392,006.18	135,892.24	256,113.94	34.67%
Sup Appr = \$ -	1002 Other Personnel Cost	18,029.60	7,111.83	10,917.77	39.45%
Total Appr = \$ 753,512.00	2001 Prof Fees and Services	25,500.00	6,321.53	19,178.47	24.79%
Budgeted = \$ 687,785.87	2003 Consumables	6,000.00	2,110.21	3,889.79	35.17%
Difference \$ (65,726.13)	2004 Utilities	51,000.00	18,922.43	32,077.57	37.10%
	2005 Travel	15,000.00	2,168.53	12,831.47	14.46%
	2006 Rent Building	104,470.00	51,901.50	52,568.50	49.68%
	2007 Rent Machine	3,200.00	2,304.77	895.23	72.02%
	2009 Other Operating Cost	72,580.09	18,383.89	54,196.20	25.33%
	CB Computer Equipment	-	-	-	0.00%
-8.72%	Total Strategy D.1.1.	687,785.87	245,116.93	442,668.94	35.64%
<i>Appropriated</i> D.1.2.	(1.00) FTE's = 3.80 <u>Information Resources</u>				
Base Appr = \$ 509,511.00	1001 Salaries and Wages	262,187.72	70,715.40	191,472.32	26.97%
Sup Appr = \$ -	1002 Other Personnel Cost	10,082.75	3,642.80	6,439.95	36.13%
Total Appr = \$ 509,511.00	2001 Prof Fees and Services	154,185.00	9,900.00	144,285.00	6.42%
Budgeted = \$ 515,428.15	2003 Consumables	1,500.00	181.64	1,318.36	12.11%
Difference \$ 5,917.15	2004 Utilities	-	-	-	
	2005 Travel	2,500.00	244.00	2,256.00	9.76%
	2006 Rent Building	500.00	200.00	300.00	40.00%
	2007 Rent Machine	-	-	-	
	2009 Other Operating Cost	84,472.68	39,939.19	44,533.49	47.28%
	CB Computer Equipment	-	-	-	
1.16%	Total Strategy D.1.2.	515,428.15	124,823.03	390,605.12	24.22%
<i>Appropriated</i> D.1.3.	FTE's = 37.80 <u>Other Support Services</u>				
Base Appr = \$ 6,944,281.00	1001 Salaries and Wages	-	-	-	
Sup Appr = \$ -	1002 Other Personnel Cost	-	-	-	
Total Appr = \$ 6,944,281.00	2001 Prof Fees and Services	-	-	-	
Budgeted = \$ 6,494,979.07	2003 Consumables	-	-	-	
Difference \$ (449,301.93)	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
	2009 Other Operating Cost	-	-	-	
	CB Computer Equipment	-	-	-	
-6.47%	Total Strategy D.1.3.	-	-	-	
\$ 3,814,281	Regulatory Program Operating Budget	3,364,979.07	1,190,419.13	1,884,915.99	35.38%
\$ 3,130,000	TX Bred Program Operating Budget	3,130,000.00	1,030,075.85	2,099,924.15	32.91%
\$ 6,944,281	Total M.O.F. (TXRC Acct. 597 & GR) Total All Programs Operating Budget	6,494,979.07	2,220,494.98	3,984,840.14	34.19%

Texas Racing Commission

FYE 08/31/2019
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2019 Annual Budget	FY 2019 Expended Thru 1/31/2019	FY 2019 Unexpended Bal 8/31/2019	With 41.7% of Year Lapsed % of Budget Expended
\$ -	(8.60) FTE's = 37.80				
<i>Appropriated</i>	<u>Direct Expense of Regulatory Programs</u>				
	1001 Salaries and Wages	2,360,551.00	899,956.47	1,460,594.53	38.12%
	1002 Other Personnel Cost	76,289.53	33,835.28	42,454.25	44.35%
	2001 Prof Fees and Services	232,185.00	37,324.20	194,860.80	16.08%
	2003 Consumables	11,300.00	3,088.58	8,211.42	27.33%
	2004 Utilities	51,000.00	18,922.43	32,077.57	37.10%
	2005 Travel	188,884.00	43,675.45	145,208.55	23.12%
	2006 Rent Building	104,970.00	52,101.50	52,868.50	49.63%
	2007 Rent Machine	5,200.00	2,438.73	2,761.27	46.90%
	2009 Other Operating Cost	334,599.54	99,076.49	235,523.05	29.61%
	CB Computer Equipment	-	-	-	0.00%
\$ 3,814,281	Total Direct Expense of Regulatory Program	3,364,979.07	1,190,419.13	2,174,559.94	35.38%
\$ 3,130,000	FTE's = - Direct Expense of TX Bred Program	3,130,000.00	1,030,075.85	2,099,924.15	32.91%
\$ 6,944,281	(8.60) FTE's = 37.80 Total Direct Expense of All Programs	6,494,979.07	2,220,494.98	4,274,484.09	34.19%
\$ -	<i>Un-Appropriated</i> <u>Indirect Expense of All Programs</u>				
	OASI Match	180,582.15	68,493.10	112,089.05	37.93%
	Group Insurance	260,000.00	105,026.52	154,973.48	40.39%
	State Retirement	189,982.81	71,728.18	118,254.63	37.76%
	Benefit Replacement	2,053.72	1,772.88	280.84	86.33%
	ERS Retiree Insurance	409,000.00	170,524.97	238,475.03	41.69%
	SWCAP GR Reimburse	-	-	-	
	Unemployment Cost	-	-	-	
	Other	-	-	-	
\$ 1,041,619	Total Indirect Expense of All Programs	1,041,618.69	417,545.65	624,073.04	40.09%
\$ 7,985,900	Total Direct and Indirect Expense of All Programs	7,536,597.76	2,638,040.63	4,898,557.13	35.00%

Source Of Funds	Agency Method Of Finance	FY 2019 Projected Revenue	FY 2019 Actual Revenue Thru 1/31/2019	N/A	With 41.7% of Year Lapsed % of Revenue Collected
	Regulatory Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ 200,000.00	\$ 200,000.00		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Day Fees	\$ -	\$ -		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 3,681,855.00	\$ 1,528,091.71		41.50%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 665,000.00	\$ 187,542.25		28.20%
Acct. 597	Other Revenue	\$ 18,000.00	\$ 7,488.68		41.60%
Acct. 1	GR Funds	\$ -	\$ -		
	Sub-Total Regulatory Prgm. MOF	\$ 4,564,855.00	\$ 1,923,122.64		42.13%
	Texas Bred Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ -	\$ -		
Acct. 597	Breakage and 1% Exotic	\$ 3,130,000.00	\$ 1,030,075.85		32.91%
Acct. 597	Other	\$ -	\$ -		
	Sub-Total Texas Bred Prgm. MOF	\$ 3,130,000.00	\$ 1,030,075.85		32.91%
All Sources	Total MOF	\$ 7,694,855.00	\$ 2,953,198.49		38.38%
MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget		\$ 158,257.24	\$ 315,157.86		



Fiscal Year 2019 Operational Budget

Updated: February 22, 2019
Thru: January 31, 2019

Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected Balance	%
Account 597 - Racing Commission - GRD	\$ 7,694,855	\$ 2,953,198	\$ -	\$ 4,741,657	62%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL REVENUES	\$ 7,694,855	\$ 2,953,198	\$ -	\$ 4,741,657	62%

Summary of Appropriated Operating Expenses

Type:	Budget	Expended	Encumbered	Unexpended Balance	%
1001 - Salaries and Wages:	\$ 2,360,551	\$ 899,956	\$ -	\$ 1,460,595	62%
1002 - Other Personnel Cost:	\$ 76,290	\$ 33,835	\$ -	\$ 42,454	56%
2001 - Professional Fees and Services:	\$ 232,185	\$ 37,324	\$ -	\$ 194,861	84%
2003 - Consumable Supplies:	\$ 11,300	\$ 3,089	\$ -	\$ 8,211	73%
2004 - Utilities:	\$ 51,000	\$ 18,922	\$ -	\$ 32,078	63%
2005 - Travel:	\$ 188,884	\$ 43,675	\$ -	\$ 145,209	77%
2006 - Rent Building:	\$ 104,970	\$ 52,102	\$ -	\$ 52,869	50%
2007 - Rent Machine and Other:	\$ 5,200	\$ 2,439	\$ -	\$ 2,761	53%
2009 - Other Operating Expense:	\$ 334,600	\$ 99,076	\$ -	\$ 235,523	70%
4000 - Grants	\$ 3,130,000	\$ 1,030,076	\$ -	\$ 2,099,924	67%
5000 - Capital Expenditures:	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL APPROPRIATED EXPENDITURES	\$ 6,494,979	\$ 2,220,495	\$ -	\$ 4,274,484	66%

Unappropriated Operating Expenses

Type:	Budget	Expended	Encumbered	Unexpended Balance	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 1,041,619	\$ 417,546	\$ -	\$ 624,073	60%
TOTAL - ALL EXPENDITURES	\$ 7,536,598	\$ 2,638,041	\$ -	\$ 4,898,557	65%
OPERATING SURPLUS / (DEFICIT)	\$ 158,257	\$ 315,158			

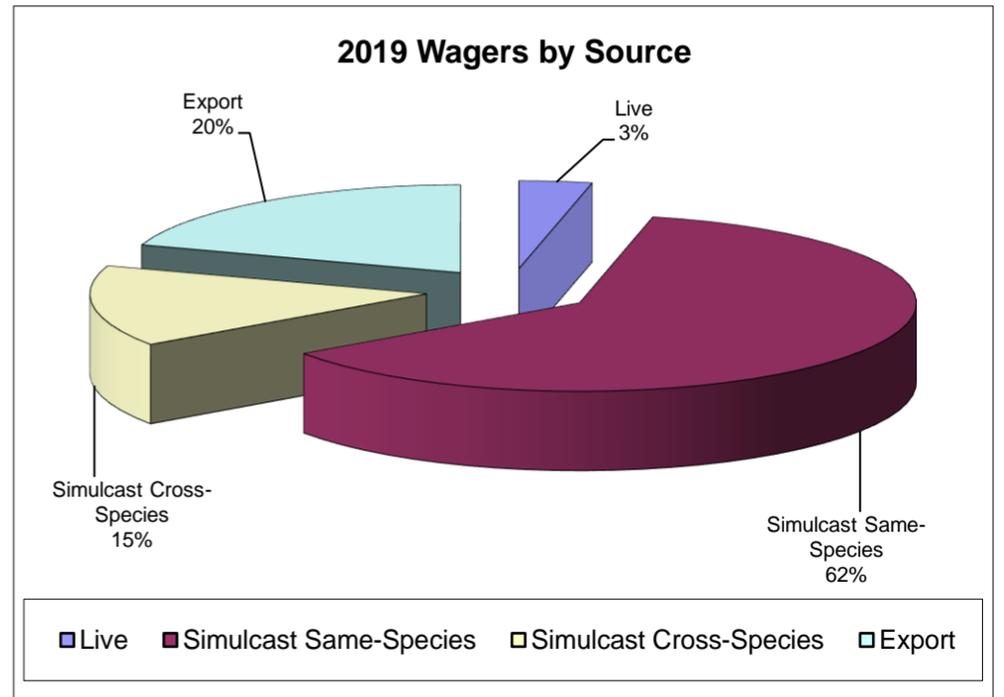
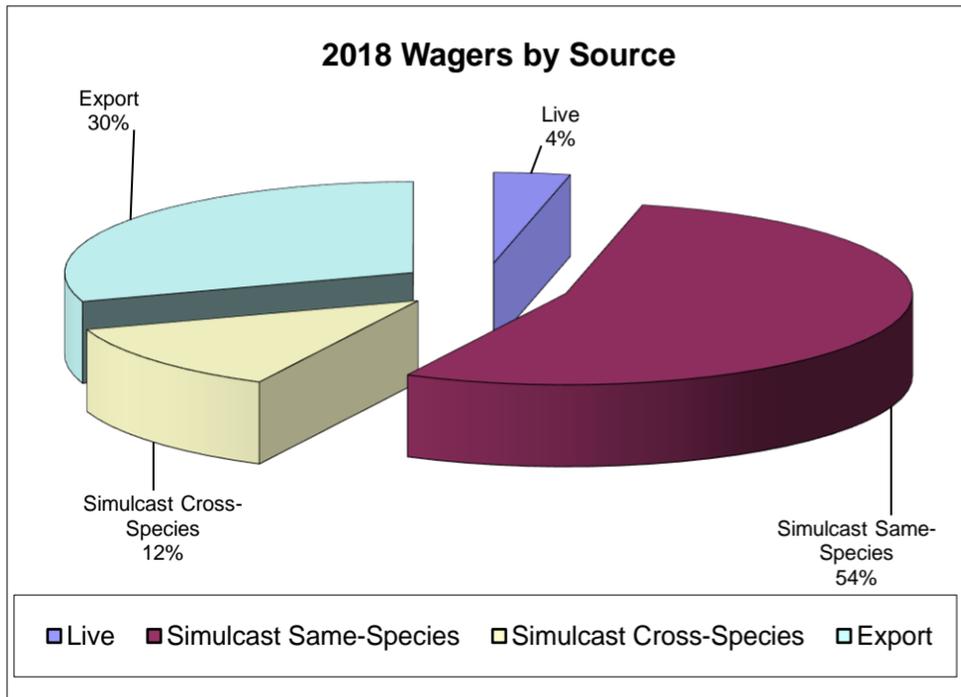
Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	46.40	46.40	46.40	46.40
Budgeted FTE's	37.80	37.80	37.80	37.80
Actual FTE's	33.80	0.00	0.00	0.00
Actual FTE's Over / (Under) Budget	n/a	n/a	n/a	n/a
Actual FTE's Over / (Under) Authorization	n/a	n/a	n/a	n/a



Texas Pari-Mutuel Racetracks Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through January 31

	Year 2018			Year 2019			Percentage Change	
	# Days	Wagers (Handle)*		# Days	Wagers (Handle)*		Total	Average per day
		Total	Average per day		Total	Average per day		
Greyhound Racetracks								
Live	16	\$ 277,512	\$ 17,344	19	\$ 278,824	\$ 14,675	0.47%	-15.39%
Simulcast Same-Species	76	\$ 1,865,338	\$ 24,544	79	\$ 1,851,056	\$ 23,431	-0.77%	-4.53%
Simulcast Cross-Species	76	\$ 1,266,793	\$ 16,668	79	\$ 1,257,897	\$ 15,923	-0.70%	-4.47%
Export	16	\$ 535,208	\$ 33,450	19	\$ 1,174,220	\$ 61,801	119.40%	84.75%
Total Wagers		\$ 3,944,850			\$ 4,561,996		15.64%	
Horse Racetracks								
Live	7	\$ 855,583	\$ 122,226	3	\$ 626,559	\$ 208,853	-26.77%	70.87%
Simulcast Same-Species	107	\$ 15,380,754	\$ 143,745	110	\$ 14,109,840	\$ 128,271	-8.26%	-10.76%
Simulcast Cross-Species	107	\$ 2,679,868	\$ 25,045	110	\$ 2,586,740	\$ 23,516	-3.48%	-6.11%
Export	7	\$ 9,105,041	\$ 1,300,720	3	\$ 3,957,824	\$ 1,319,275	-56.53%	1.43%
Total Wagers		\$ 28,021,246			\$ 21,280,963		-24.05%	
All Racetracks								
Live	23	\$ 1,133,095	\$ 49,265	22	\$ 905,383	\$ 41,154	-20.10%	-16.46%
Simulcast Same-Species	183	\$ 17,246,092	\$ 94,241	189	\$ 15,960,896	\$ 84,449	-7.45%	-10.39%
Simulcast Cross-Species	183	\$ 3,946,661	\$ 21,566	189	\$ 3,844,637	\$ 20,342	-2.59%	-5.68%
Export	23	\$ 9,640,248	\$ 419,141	22	\$ 5,132,044	\$ 233,275	-46.76%	-44.34%
Total Wagers		\$ 31,966,096			\$ 25,842,959		-19.16%	
Total Wagers Placed in Texas		\$ 22,325,847			\$ 20,710,915		-7.23%	
Total Wagers Placed on Texas Races		\$ 10,773,343			\$ 6,037,427		-43.96%	



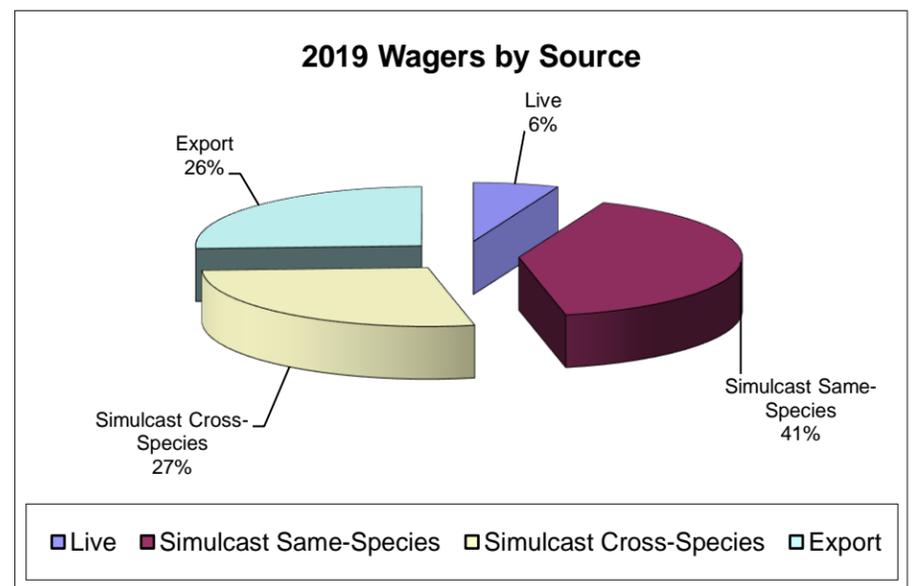
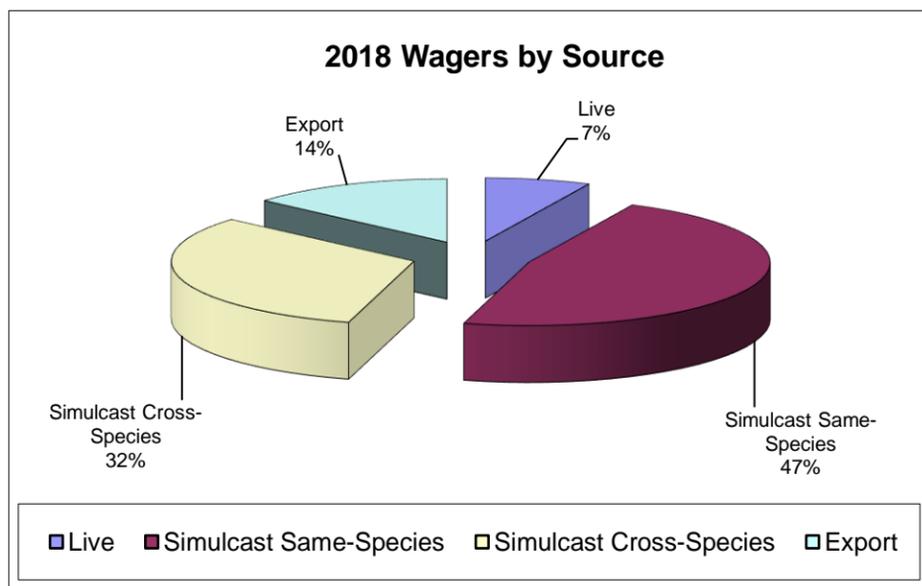
*NOTE: All figures are based on data available at the time the report was compiled and are subject to being audited and revised.



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

For the Period of January 1 through January 31

	Year 2018			Year 2019			Percentage Change	
	# Days	Wagers (Handle)*		# Days	Wagers (Handle)*		Total	Average per day
		Total	Average per day		Total	Average per day		
<u>Gulf Coast Racing</u>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	21	\$ 578,151	\$ 27,531	22	\$ 664,702	\$ 30,214	14.97%	9.74%
Simulcast Cross-Species	21	\$ 243,393	\$ 11,590	22	\$ 289,739	\$ 13,170	19.04%	13.63%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 821,544			\$ 954,441		16.18%	
<u>Gulf Greyhound Park</u>								
Live	16	\$ 277,512	\$ 17,344	19	\$ 278,824	\$ 14,675	0.47%	-15.39%
Simulcast Same-Species	29	\$ 830,869	\$ 28,651	31	\$ 730,609	\$ 23,568	-12.07%	-17.74%
Simulcast Cross-Species	29	\$ 670,952	\$ 23,136	31	\$ 585,737	\$ 18,895	-12.70%	-18.33%
Export	16	\$ 535,208	\$ 33,450	19	\$ 1,174,220	\$ 61,801	119.40%	84.75%
Total Wagers		\$ 2,314,540			\$ 2,769,389		19.65%	
<u>Valley Race Park</u>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	NA
Simulcast Same-Species	26	\$ 456,318	\$ 17,551	26	\$ 455,744	\$ 17,529	-0.13%	-0.13%
Simulcast Cross-Species	26	\$ 352,448	\$ 13,556	26	\$ 382,421	\$ 14,709	8.50%	8.50%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	NA
Total Wagers		\$ 808,766			\$ 838,166		3.64%	
<u>All Greyhound Tracks</u>								
Live	16	\$ 277,512	\$ 17,344	19	\$ 278,824	\$ 14,675	0.47%	-15.39%
Simulcast Same-Species	76	\$ 1,865,338	\$ 24,544	79	\$ 1,851,056	\$ 23,431	-0.77%	-4.53%
Simulcast Cross-Species	76	\$ 1,266,793	\$ 16,668	79	\$ 1,257,897	\$ 15,923	-0.70%	-4.47%
Export	16	\$ 535,208	\$ 33,450	19	\$ 1,174,220	\$ 61,801	119.40%	84.75%
Total Wagers		\$ 3,944,850			\$ 4,561,996		15.64%	
Total Wagers Placed in Texas		\$ 3,409,642			\$ 3,387,776		-0.64%	
Total Wagers Placed on Texas Races		\$ 812,719			\$ 1,453,043		78.79%	

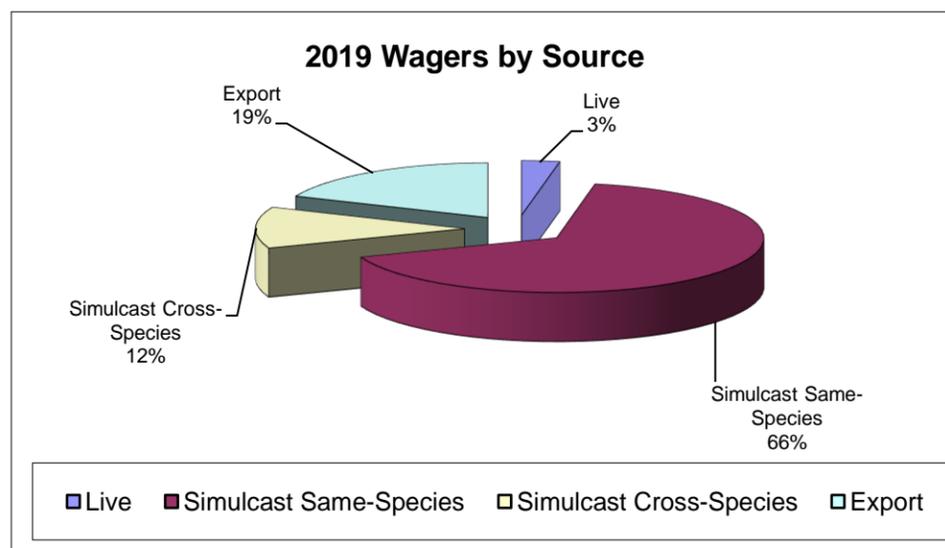
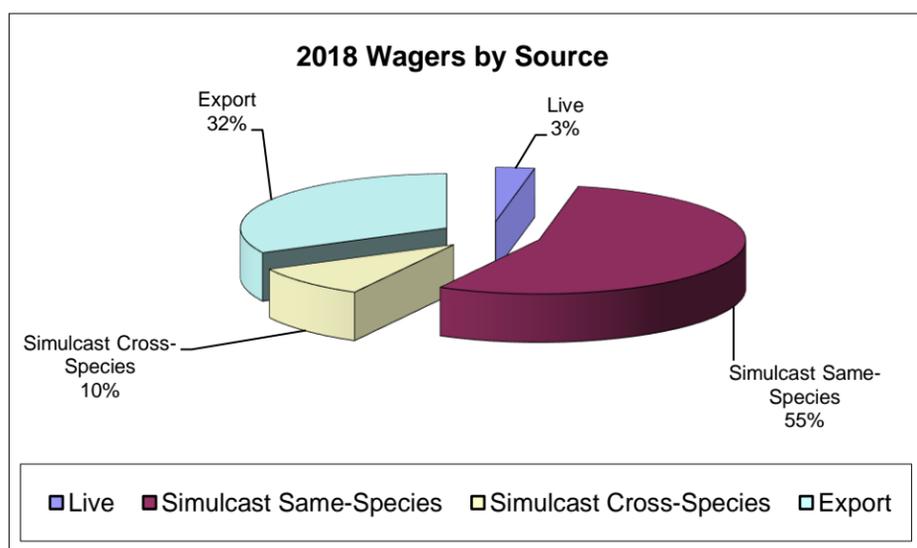


*NOTE: All figures are based on data available at the time the report was compiled and are subject to being audited and revised.



Horse Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through January 31

	Year 2018				Year 2019				Percentage Change	
	# Days	Wagers (Handle)*		Average per day	# Days	Wagers (Handle)*		Average per day	Wagers (Handle)	
		Total				Total			Total	Average per day
Gillespie County Fair										
Live	0	\$ -	\$ -	-	0	\$ -	\$ -	-	0.00%	0.00%
Simulcast Same-Species	16	\$ 279,191	\$ 17,449		17	\$ 268,359	\$ 15,786		-3.88%	-9.53%
Simulcast Cross-Species	16	\$ 30,173	\$ 1,886		17	\$ 46,870	\$ 2,757		55.34%	46.20%
Export	0	\$ -	\$ -	-	0	\$ -	\$ -	-	0.00%	0.00%
Total Wagers		\$ 309,363				\$ 315,228			1.90%	
Lone Star Park										
Live	0	\$ -	\$ -	-	0	\$ -	\$ -	-	0.00%	0.00%
Simulcast Same-Species	31	\$ 8,003,052	\$ 258,163		31	\$ 7,030,943	\$ 226,805		-12.15%	-12.15%
Simulcast Cross-Species	31	\$ 641,766	\$ 20,702		31	\$ 669,877	\$ 21,609		4.38%	4.38%
Export	0	\$ -	\$ -	-	0	\$ -	\$ -	-	0.00%	0.00%
Total Wagers		\$ 8,644,818				\$ 7,700,820			-10.92%	
Retama Park										
Live	0	\$ -	\$ -	-	0	\$ -	\$ -	-	0.00%	0.00%
Simulcast Same-Species	30	\$ 2,354,622	\$ 78,487		31	\$ 2,241,306	\$ 72,300		-4.81%	-7.88%
Simulcast Cross-Species	30	\$ 518,631	\$ 17,288		31	\$ 462,435	\$ 14,917		-10.84%	-13.71%
Export	0	\$ -	\$ -	-	0	\$ -	\$ -	-	0.00%	0.00%
Total Wagers		\$ 2,873,253				\$ 2,703,741			-5.90%	
Sam Houston Race Park										
Live	7	\$ 855,583	\$ 122,226		3	\$ 626,559	\$ 208,853		-26.77%	70.87%
Simulcast Same-Species	30	\$ 4,743,889	\$ 158,130		31	\$ 4,569,232	\$ 147,395		-3.68%	-6.79%
Simulcast Cross-Species	30	\$ 1,489,299	\$ 49,643		31	\$ 1,407,559	\$ 45,405		-5.49%	-8.54%
Export	7	\$ 9,105,041	\$ 1,300,720		3	\$ 3,957,824	\$ 1,319,275		-56.53%	1.43%
Total Wagers		\$ 16,193,812				\$ 10,561,175			-34.78%	
All Horse Tracks										
Live	7	\$ 855,583	\$ 122,226		3	\$ 626,559	\$ 208,853		-26.77%	70.87%
Simulcast Same-Species	107	\$ 15,380,754	\$ 143,745		110	\$ 14,109,840	\$ 128,271		-8.26%	-10.76%
Simulcast Cross-Species	107	\$ 2,679,868	\$ 25,045		110	\$ 2,586,740	\$ 23,516		-3.48%	-6.11%
Export	7	\$ 9,105,041	\$ 1,300,720		3	\$ 3,957,824	\$ 1,319,275		-56.53%	1.43%
Total Wagers		\$ 28,021,246				\$ 21,280,963			-24.05%	
Total Wagers Placed in Texas		\$ 18,916,205				\$ 17,323,139			-8.42%	
Total Wagers Placed on Texas Races		\$ 9,960,624				\$ 4,584,384			-53.97%	



*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 began its 2019 race meet on December 26, 2018 and ran through February 23, 2019.

Sam Houston Race Park is currently running its Thoroughbred race meet through March 30, 2019.

Lone Star Park will start its Thoroughbred meet on Thursday, April 18, 2019.

All active status racetracks in Texas are conducting simulcast operations at this time.

Gulf Greyhound Park

Rulings Activity from 12/26/2018 – 3/05/2019*

Greyhound weight violations	5
Medication Violations Class 5 Methocarbamol (1)	1
TOTAL	6

Sam Houston Race Park

Rulings Activity from 01/25/2019 through 03/05/2019*

Human Drug Violation	3
Jockey – Riding Infraction	3
Trainer Infractions	1
Contraband	2
Medication Violation Class 5 Furosemide (1)	1
Failure to Pay Fine	1
Human Alcohol Violations	1
Miscellaneous	1
TOTAL	13

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

IV. PROCEEDINGS ON RULES

A. Discussion and possible action to adopt:

1. new 16 TAC § 303.44, Oversight of Use of Funds Generated by Pari-Mutuel Racing
2. amendments to 16 TAC § 313.103, Eligibility Requirements
3. amendments to 16 TAC § 301.1, Definitions
4. amendments to 16 TAC § 303.1, Purpose
5. amendments to 16 TAC § 303.95, Races for Accredited Texas-Bred Horses
6. amendments to 16 TAC § 321.321, Fortune Pick (n)

1 Chapter 303. General Provisions

2 Subchapter B. Powers and Duties of the Commission

3 303.44. Oversight of Use of Funds Generated by Pari-Mutuel Racing.

4 **(a) Subject to subsection (b), the commission may suspend or withhold funds from an**
5 **organization:**

6 (1) that it determines has failed to comply with the requirements or performance
7 measures adopted under Section 2028.001, Tex. Occ Code; or

8 (2) for which material questions on the use of funds by the organization are raised
9 following an independent audit or other report to the commission.

10 **(b) The commission shall not withhold funds from an organization pursuant to**
11 **subsection (a) unless:**

12 **(1) the commission has notified the organization of all outstanding**
13 **requirements, performance measures, and material questions on the use of funds**
14 **by the organization and has provided at least 30 days for the organization to**
15 **address the issue(s); and**

16 **(2) the issues remain unresolved after the deadline indicated in the letter.**

17

[Note: Section 2028.001, Tex. Occ. Code, effective April 1, 2019, replaces Section 6.092(a), Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), which was codified in S.B. 1969 (85th Regular Legislative Session, 2017).



tga



texas greyhound association

December 12, 2018

Chuck Trout
Texas Racing Commission
PO Box 12080
Austin, TX 78754

Dear Mr. Trout,

The TGA has complied with all auditing requirements of TxRC since the beginning of racing in Texas. We also recognize The Racing Act authorization to TxRC to suspend or withhold funds under specified circumstances such as a failed account audit.

The TGA concern and objection to proposed Rule 303.44 is founded in the use of rulemaking authority in the Act as a rule itself. The Act does not define "other report" nor does the proposed rule. The Act allows TxRC to act on "material questions raised" but the proposed rule fails to give any description or parameter for just what is a "material question." The meeting materials fail to provide an example or guidance as to what act or omission would raise a material question and TxRC has failed to identify who may provide a "report" of a material question. The proposed rule fails to identify or differentiate conduct or procedure which would result in suspension as contrasted to withholding of funds. This proposed rule could allow any person to make some unfounded or unwarranted report of some unspecified material question which could result in TxRC suspending or withholding of funds without notice or hearing being provided the organization. TxRC could engage in a taking of property without due process under the rule as proposed.

Chapter 303. General Provisions Subchapter B. Powers and Duties of the Commission
303.44. Oversight of Use of Funds Generated by Pari-Mutuel Racing. 1 The commission may suspend or withhold funds from an organization: 2 (1) that it determines has failed to comply with the requirements or performance 3 measures adopted under Section 2028.001, Tex. Occ Code; or 4 (2) for which material questions on the use of funds by the organization are raised 5 following an independent audit or other report to the commission. [Note: Section 2028.001, Tex. Occ Code, effective April 1, 2019, replaces Section 6.092(a), Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), which was codified in SB 1969 (85th Regular Legislative Session, 2017).]

Cell: (254) 592-3813 * Alternate: (254) 968-0487
Email: drpeck5@embargmail.com Website: www.tgagreyhounds.com



texas greyhound association

Sec. 6.092. Oversight of Use of Funds Generated by Pari-Mutuel Racing.

(a) The commission shall adopt reporting, monitoring, and auditing requirements or other appropriate performance measures for any funds distributed to or used by or any function or service provided by the expenditure of any funds distributed to or used by any organization that receives funds generated by live or simulcast parimutuel racing.

(b) The commission shall adopt the requirements or performance measures after consultation with the affected organization. In adopting the rules, the commission shall give consideration to the concerns of the affected organization.

(c) An organization receiving funds generated by live or simulcast parimutuel racing shall annually file with the commission a copy of an audit report prepared by an independent certified public accountant. The audit shall include a verification of any performance report sent to or required by the commission.

(d) The commission may review any records or books of an organization that submits an independent audit to the commission as the commission determines necessary to confirm or further investigate the findings of an audit or report.

- (e) The commission by rule may suspend or withhold funds from an organization that:
- (1) it determines has failed to comply with the requirements or performance measures adopted under Subsection (a) of this section; or
 - (2) has, following an independent audit or other report to the commission, material questions raised on the use of funds by the organization.

If you have any questions, don't hesitate to contact me.

Respectfully,

David Peck
President

TGA Board of Directors



February 26, 2019

Ms. Jean Cook
Assistant to the Executive Director
Texas Racing Commission
P.O. Box 12080
Austin TX 78711-2080

RE: Comment in Opposition to Proposed 16 TAC Section 303.44 "Oversight of Funds Generated by Pari-Mutual Racing

Dear Members of the Texas Racing Commission,

I am writing in opposition to the proposed rule designated as 16 TAC Section 303.44 "Oversight of Funds Generated by Pari-Mutual Racing. I am a member of the Texas Greyhound Association (TGA), currently serve of the board of directors, and as counsel have represented the TGA before the commission. The Texas Greyhound Association is the only organization subject to this rule and was not consulted in the drafting or any discussion of the proposed rule. Prior to adopting any rule under the authority of Section 6.092 of the Racing Act, The Commission is required to engage the TGA, Section 6.092(b) of the Racing Act states "The commission shall adopt the requirements or performance measures after consultation with the affected organization. In adopting the rules, the commission shall give consideration to the concerns of the affected organization." The record is bereft of any consultation by the commission with the TGA. The commission has not expressed or acknowledged any consideration for the concerns of the TGA.

The proposed rule fails to set forth any basis for an arbitrary act of suspending or withholding funds due the TGA. The Act provides limited circumstances for the commission to develop rules which could provide a consequence of withholding or suspending funds but no basis for such an action is set forth, no procedure for such action is defined and no provision for contesting such action is provided in the proposal. Rather than provide a detailed administrative scheme, the proposed rule is a regurgitation of the enabling language of the Act and a granting of license to the commission to commit a capricious and arbitrary taking which would jeopardize the existence of the TGA. One suspects that is the actual intent of such a strategically vague justification for seizure embodied in the language of the proposal allowing suspension or withholding of funds following "other report to the commission." In light of the history of the TGA annually receiving successful, unqualified audits of the two escrow accounts maintained pursuant to the Act, there is no justification for such a vague and overreaching provision.

I would also disagree with Mr. Trout's certification as to Public Benefit and Cost. There is nothing in the record, no statement by the commission nor evidence of anyone appearing before the commission averring a failure by the TGA to comply with the existing commission reporting requirements. There is no justification for the unwarranted rule. The TGA has complied with the commission request to have the auditor, as an additional

service during the annual audit, review and confirm compliance of the ATB distribution. The auditor found complete compliance and the TGA incurred additional expense in responding to the commission request. Despite Mr. Trout's certification of the proposed rule, additional compliance requirements result in additional cost.

The proposed rule does not comply the Racing Act. The proposed rule was concocted in an opaque manner without engaging the TGA as required by the Racing Act. The proposed rule fails to provide the requirements and performance measures for legitimate regulation. The proposed rule fails to establish clear and lawful criteria for invoking a death penalty on the one organization potentially impacted by the rule. The proposed rule does not set out any procedural scheme for establishing standards for enforcement or provide the one impacted organization with any provision to contest an arbitrary action by the commission.

Please allow me to address any question or concern regarding this submission. Please do not hesitate to email or call.

Thank you for your consideration.

Sincerely,

G. Laird Morgan

Laird Morgan

Chapter 313. Officials and Rules of Horse Racing
Subchapter B. Entries, Scratches, and Allowances
313.103. Eligibility Requirements.

- 1 (a) – (g) (No change.)
- 2 (h) To be eligible to start in a race, a horse must be properly tattooed and/or
- 3 microchipped and the horse's registration certificate, or certificates if dually registered,
- 4 showing the tattoo number or microchip number of the horse must be on file with the
- 5 racing secretary before scratch time for the race, unless the stewards authorize the
- 6 certificate or certificates to be filed at a later time.

1 CHAPTER 301. DEFINITIONS

2 301.1. Definitions.

3 (a) Words and terms defined in the Act shall have the same meaning when used in this
4 part unless otherwise defined below.

5 (b) The following words and terms, when used in this part, shall have the following
6 meanings, unless the context clearly indicates otherwise:

7 (1) Act--The Texas Racing Act, Subtitle A-1, Title 13, Texas Occupations Code [~~Article~~
8 ~~179e, Texas Civil Statutes~~].

9 (2) – (92) (No change.)

10

11

12 CHAPTER 303. GENERAL PROVISIONS

13 SUBCHAPTER A. ORGANIZATION OF THE COMMISSION

14 303.1. Purpose.

15 (a) The Texas Racing Commission [~~, created by the Texas Racing Act, Texas Civil~~
16 ~~Statutes, Article 179e,~~] is charged with implementing, administering, and enforcing the Act.
17 It is the intent of the commission that the rules of the commission be interpreted in the best
18 interests of the public and the state.

19 (b) (No change.)

20

21

22 CHAPTER 303. GENERAL PROVISIONS

23 SUBCHAPTER D. TEXAS BRED INCENTIVE PROGRAMS

24 DIVISION 2. PROGRAMS FOR HORSES

25 303.95. Races for Accredited Texas-Bred[~~bred~~] Horses.

26 [~~The commission finds that, pursuant to the Texas Racing Act, Texas Civil Statutes, Article~~
27 ~~179e, §9.03, on] On each race day, an association shall provide for the running of at least
28 two races limited to accredited Texas-bred horses, one of which shall be restricted to
29 maidens. An association may defer, with the approval of the executive secretary, the
30 running of one or both of the two races required by this section for each race day, but the
31 association must provide that the total number of accredited Texas-bred races conducted
32 in a race meeting is equal to or greater than twice the total number of race dates in the
33 race meeting.~~

Chapter 321.321. Pari-Mutuel Wagering
Subchapter C. Regulation of Live Wagering
Division 2. Distribution of Pari-Mutuel Pools
321.321. Fortune Pick (n)

1 (a) – (g) (No change.)

2 (h) If the association elects to designate the major pool at one hundred percent (100%)
3 and the minor pool at zero percent (0%), the entire net fortune pick (n) pool and
4 carryover, if any, shall be distributed to the holder of a unique wager selecting the first
5 place finisher in each of the selected fortune pick (n) contests, based upon the official
6 order of finish. If there is no unique wager selecting the first place finisher in all fortune
7 pick (n) contests, the entire pool shall be combined with the previous day's carryover.
8 The entire pool plus carryover shall be carried forward to the next fortune pick (n) pool.

9 (i) Unique wager, as used in this rule, shall be defined as having occurred when the
10 total amount wagered on a winning combination selecting the first place finisher in each
11 of the selected fortune pick (n) contests, based upon the official order of finish, is equal
12 to the minimum allowable wager.

13 (j) [(j)] If there is a dead heat for first in any of the fortune pick (n) contests involving:

14 (1) Contestants representing the same betting interest, the fortune pick (n) pool shall
15 be distributed as if no dead heat occurred.

16 (2) Contestants representing two or more betting interests, the fortune pick (n) pool
17 shall be distributed as a single price pool with each unique winning wager receiving an
18 equal share of the profit.

19 (k) [(j)] Should a betting interest in any of the fortune pick (n) contests be scratched,
20 excused, or determined to be a non-starter, the actual favorite, as shown by the largest
21 amount wagered in the win pool at the time of the start of the race, will be substituted for
22 the non-starting selection for all purposes, including pool calculations and payoffs. If
23 there are two or more favorites in the win pool, both favorites will be substituted for the
24 non-starting selection.

25 (l) [(k)] Except as otherwise provided by this subsection, if one or more races in the
26 fortune pick (n) are canceled or declared a "no race", the amount contributed to the
27 major pool for that performance shall be added to the minor pool for that performance

28 and distributed as an extra amount in the minor pool to the holders of the tickets that
29 designate the most winners in the remaining races. All contributions to the major pool
30 from prior performances shall remain in the major pool, to be carried forward to the next
31 performance to be paid in the major pool for that performance. If the stewards or racing
32 judges cancel or declare a "no race" in three or more of the races comprising a fortune
33 pick six, seven, or eight, four or more of the races comprising the fortune pick nine, or
34 five or more of the races comprising the fortune pick 10, the fortune pick (n) is canceled
35 and the association shall refund all fortune pick (n) tickets. A person may not win the
36 major pool unless the person holds a fortune pick (n) ticket that correctly designates the
37 official winners of all the scheduled races comprising the fortune pick (n) for that
38 performance unless it is on the last performance of the race meeting or a designated
39 mandatory payout performance. On the last performance of a race meeting or on a
40 designated mandatory payout performance, if one or more races comprising the fortune
41 pick (n) are canceled or declared a "no race", the major pool and the minor pool for that
42 performance shall be combined with the prior performance major pool and be paid to
43 those holders of tickets who correctly designated the most winners of the remaining
44 races of the fortune pick (n). If on the last performance of the race meeting or on a
45 designated mandatory payout performance the major pool and the minor pool cannot be
46 distributed in accordance with this subsection then the major and minor pool shall be
47 handled in accordance with subsection (n) of the section.

48 (m) [~~(+)~~] When the condition of the turf course warrants a change of racing surface in any
49 of the races open to fortune pick (n) wagering, and such change has not been made
50 known to the betting public prior to the close of wagering for the first fortune pick (n)
51 race, the Stewards shall declare the changed races a "no contest" for fortune pick (n)
52 wagering purposes and the pool shall be distributed in accordance with subsection (k)
53 of this section. Following the designation of a race as a "no contest", no tickets shall be
54 sold selecting a horse in such "no contest" race.

55 (n) [~~(+)~~] If on the last performance of the race meeting or on a designated mandatory
56 payout performance the major pool is not distributable under subsection (g) or (h) of this
57 section, the major pool and all money carried forward into that pool from previous
58 performances shall be combined with the minor pool and distributed to the holders of

59 tickets correctly designating the most winners of the races comprising the fortune pick
60 (n) for that performance.

61 (o) [~~(n)~~] If the final or designated mandatory payoff performance is canceled or the
62 [~~major~~] pool has not been distributed in accordance with this section, the [~~major~~] pool
63 shall be deposited in an interest-bearing account approved by the executive secretary.
64 The [~~major~~] pool plus all accrued interest shall then be carried over and added to a
65 fortune pick (n) [included in a major] pool with the same number of (n) contests in a
66 subsequent race meeting within the following twelve months, on a date and
67 performance designated by the association with the approval of [~~offered on one of the~~
68 ~~first five days of the next subsequent race meeting or on the next performance after the~~
69 ~~undistributed mandatory payout performance, as approved by]~~ the executive secretary.
70 The designation of the date and performance must be made prior to the start of the
71 association's next live racing meet.

72 (p) [~~(e)~~] Except for refunds required by this section, a fortune pick (n) ticket may not be
73 sold, exchanged, or canceled after the close of wagering on the first of the fortune pick
74 (n) races.

75 (q) [~~(p)~~] A person may not disclose the number of tickets sold in the fortune pick (n) pool
76 or the number or amount of tickets selecting winners of the races comprising the fortune
77 pick (n) until the results of the last race comprising the fortune pick (n) are official. The
78 totalisator equipment shall be programmed or constructed to suppress the publication or
79 printing of any such information, except the total number of dollars wagered in the
80 fortune pick (n), until the results of the last race comprising the fortune pick (n) are
81 official.

IV. PROCEEDINGS ON RULES

B. Discussion and possible action to propose:

1. amendments to 16 TAC § 321.320,
Super Hi-Five
2. amendments to 16 TAC § 303.93,
Quarter Horse Rules
3. amendments to 16 TAC § 303.102,
Greyhound Rules

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: 11/10/2018

***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, 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@txrc.texas.gov

Contact Information:

Name:	Carl Reeves		
Phone Number:	972-237-5088	Fax number:	972-237-5022
Mailing address:	1000 Lone Star Parkway, Grand Prairie, TX 75050		

Check appropriate box(es):

Personal Submission *OR*

Submission on Behalf of Lone Star Park at Grand Prairie
(Name of Organization)

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

Proposed Addition to (if known): Chapter: 321 Rule: 320 (j.)

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?

In the 2018 Spring Thoroughbred meet at Lone Star Park, the final weekend of racing was cancelled due to extreme heat. The carryover for the Super Hi-Five (as well as the Fortune Pick 6 carryover) was forced to be placed in an interest-bearing account and applied to the next live racing day in the following race meeting. In Lone Star Park’s case, the next race day was our fall meeting for quarter horses, Arabian horses and other breeds dissimilar to thoroughbreds.

Our typical patron for the spring and fall meets differs greatly. Even though this was an extremely rare case of heat causing racing to be cancelled, Lone Star Park would like to add the option to choose the most similar live racing meet to apply any remaining carryover. For example, if the final day(s) of Lone Star Park’s 2019 thoroughbred meet were to be cancelled again, it would be beneficial if there was an option to apply the remaining carryover to the 2020 thoroughbred meet.

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?

Again, this is a very rare scenario, but we have obviously seen it is possible with Texas’ weather extremes. We do not necessarily want to change the rule, just add the option to select an appropriate meet to make it more equitable to our customer base. Many of the “regular” patrons during Lone Star Park’s thoroughbred season would not have the opportunity to wager on a similar racing product and possibly win the carryover to which they contributed to during the thoroughbred season if it is applied to the quarter horse season.

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?
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?

Yes	No
	X
	X
	X
	X
	X
	X
	X

- 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

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

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?

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

Season-specific patrons would have an equitable chance to win a carryover to which they contributed to in a given season.

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 with strikethroughs (example: ~~text to be deleted~~).

Sec. 321.320 Super Hi-Five. (subsection j)

If the final or designated mandatory payoff performance is canceled or the pool has not been distributed under subsection (i) of this section the pool shall be deposited in an interest-bearing account approved by the executive secretary. The pool plus all accrued interest shall then be carried over and added to the super hi-five pari-mutuel pool in the following race meeting on a date and performance designated by the executive secretary or the first meeting day of the next most similar racing meet based on animal breed.

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?

The reasons for changing this are listed above, and there has been no opposition to a possible change.

CHAPTER 321 PARI-MUTUEL WAGERING
SUBCHAPTER C REGULATION OF LIVE WAGERING
DIVISION 2 DISTRIBUTION OF PARI-MUTUEL POOLS
SECTION 321.320 SUPER HI-FIVE

- 1 (a) – (i) (No change.)
2 (j) If the final or designated mandatory payoff performance is canceled or the pool has
3 not been distributed under subsection (i) of this section, the pool shall be deposited in
4 an interest-bearing account approved by the executive secretary. The pool plus all
5 accrued interest shall then be carried over and added to a [the] super hi-five pari-mutuel
6 pool in a subsequent [the following] race meeting within the following twelve months, on
7 a date and performance designated by the association with the approval of the
8 executive secretary. The designation of the date and performance must be made prior
9 to the start of the association's next live racing meet.
10 (k) – (m) (No change.)

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: 2/5/2019

***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@txrc.texas.gov

Contact Information:

Name:	Rob Werstler		
Phone Number:	512-458-5202	Fax number:	512-458-1713
Mailing address:	14 N. Main St, Elgin, TX 78621		

Check appropriate box(es):

Personal Submission *OR*
 Submission on Behalf of Texas Quarter Horse Association
(Name of Organization)

Proposed Change to (if known): Chapter: 303 Rule: 303.93 b1
 Proposed Addition to (if known): Chapter: 303 Rule: 303.93 b2(A)&(D)

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?

Removing the requirement a Texas Broodmare must be permanently domiciled in Texas

There are no ARCI rules affected

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?

This has the potential to increase the number of Accredited Texas-breds and help racetrack fill races restricted to accredited Texas-breds. It will also help Texans who have moved broodmares to other states continue to participate in the Texas racing & breeding industries.

B. Impact of Proposal

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

	Yes	No
1. Is this change likely to have any fiscal impact on state or local government over the next five years?		X
2. Is there likely to be any cost to persons or businesses required to comply with the change?		X
3. Is the change likely to result in the creation or elimination of a government program?		X
4. Is the change likely to create any new employee positions or eliminate any existing employee positions within the Texas Racing Commission?		X
5. Is the change likely to require an increase or decrease in future legislative appropriations to the agency?		X
6. Is the change likely to require a substantial increase or decrease in the total amount of fees paid to the agency?		X
7. Does the change create any new regulations or expand any existing regulations?		X
8. Is the change likely to increase the number of individuals subject to the rule's applicability?		X
9. Is the change likely to have an impact on the Texas economy?	X	
10. Is the change likely to have a negative economic effect on small businesses?		X
11. Is the change likely to have a negative impact on micro-businesses (independently owned businesses with no more than 20 employees)?		X
12. Is the change likely to have a negative impact on the local economy?		X
13. Is the change likely to have a negative impact on rural communities (communities with a population of less than 25,000)?		X

14. Is the change likely to have a negative impact on employment conditions in Texas?

	X
	X

15. Is the change likely to restrict, limit, or impose a burden on an owner's right to his or her private real property?

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

This change has the potential for more horses foaled and raised in Texas and have a positive economic impact, especially in rural areas: feed, veterinary services, farrier services, etc.

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?

N/A

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

Jobs and local economic benefits

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?

No

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~~]).

Texas Administrative Code

[Next Rule>>](#)

TITLE 16	ECONOMIC REGULATION
PART 8	TEXAS RACING COMMISSION
CHAPTER 303	GENERAL PROVISIONS
SUBCHAPTER D	TEXAS BRED INCENTIVE PROGRAMS
DIVISION 2	PROGRAM FOR HORSES
RULE §303.93	Quarter Horse Rules

(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context indicates otherwise.

- (1) AQHA--American Quarter Horse Association.
- (2) ATB horse--A horse accredited by the TQHA as a Texas-bred quarter horse.
- (3) ATB broodmare--A mare accredited by the TQHA as breeding stock for participation in the Texas Bred Incentive Program for quarter horses.
- (4) ATB stallion--A stallion accredited by the TQHA as breeding stock for participation in the Texas Bred Incentive Program for quarter horses.
- (5) Breeder--A person who is, at the time of conception, the owner of record of an ATB broodmare that foals an ATB horse.
- (6) Owner--A person who is the owner of record of an ATB horse at the time of a race.
- (7) Stallion Owner--A person who is, at the time of conception, the owner of record of an ATB stallion that sired an ATB horse.
- (8) TQHA--Texas Quarter Horse Association.

(b) Eligibility for Accreditation.

- (1) ATB Horses. A horse may be accredited as an ATB horse if the horse was foaled in Texas from an ATB broodmare ~~that is permanently domiciled in Texas~~.
- (2) ATB Broodmares.

(A) A mare may be accredited as an ATB broodmare if the mare ~~is permanently domiciled in Texas~~, is registered with the AQHA or the Jockey Club, and is accredited by the TQHA as breeding stock.

(B) An application for accreditation must be on a form prescribed by TQHA and include the applicable one-time payment as prescribed by TQHA. The deadline for filing an application for accreditation is June 30 of the year in which an ATB eligible foal is conceived. TQHA may accredit a broodmare for which the application for accreditation is filed after June 30 but no later than December 31 of the year in which an ATB eligible foal is conceived, provided the application includes payment of a late fee as established by TQHA. An application for accreditation is considered timely filed if it is placed in U.S. mail and is postmarked on or before the applicable deadline.

(C) TQHA may accredit a broodmare for which an application is filed after December 31 of the year in which an ATB eligible foal is conceived; however, the breeder of that foal is not eligible to receive breeder awards for that foal.

~~(D) A mare may leave Texas for racing purposes without losing its accreditation provided the mare returns to Texas each year before December 31 and remains in Texas until foaling. A mare may leave Texas for breeding or medical purposes without losing its accreditation provided the mare returns to Texas each year before August 15 and remains in Texas until foaling.~~ All foals of an ATB broodmare are eligible to be accredited as ATB horses provided the mare is bred to an ATB stallion at least every other breeding. TQHA may require documentation regarding breeding activity to prove eligibility for accreditation.

Chapter 303. General Provisions
Subchapter D. Texas Bred Incentive Programs
Division 2. Programs for Horses
303.93 Quarter Horse Rules.

1 (a) (No change.)

2 (b) Eligibility for Accreditation.

3 (1) ATB Horses. A horse may be accredited as an ATB horse if the horse was foaled
4 in Texas from an ATB broodmare and is bred to an ATB stallion at least every other
5 breeding [that is permanently domiciled in Texas]. TQHA may require documentation
6 regarding breeding activity to prove eligibility for accreditation.

7 (2) ATB Broodmares.

8 (A) A mare may be accredited as an ATB broodmare if the mare [~~is permanently~~
9 ~~domiciled in Texas,~~] is registered with the AQHA or the Jockey Club[~~;~~] and is accredited
10 by the TQHA as breeding stock.

11 (B) An application for accreditation must be on a form prescribed by TQHA and
12 include the applicable one-time payment as prescribed by TQHA. The deadline for filing
13 an application for accreditation is June 30 of the year in which an ATB eligible foal is
14 conceived. TQHA may accredit a broodmare for which the application for accreditation
15 is filed after June 30 but no later than December 31 of the year in which an ATB eligible
16 foal is conceived, provided the application includes payment of a late fee as established
17 by TQHA. An application for accreditation is considered timely filed if it is placed in U.S.
18 mail and is postmarked on or before the applicable deadline.

19 (C) TQHA may accredit a broodmare for which an application is filed after
20 December 31 of the year in which an ATB eligible foal is conceived; however, the
21 breeder of that foal is not eligible to receive breeder awards for that foal.

22 [~~(D) A mare may leave Texas for racing purposes without losing its accreditation~~
23 ~~provided the mare returns to Texas each year before December 31 and remains in~~
24 ~~Texas until foaling. A mare may leave Texas for breeding or medical purposes without~~
25 ~~losing its accreditation provided the mare returns to Texas each year before August 15~~
26 ~~and remains in Texas until foaling. All foals of an ATB broodmare are eligible to be~~
27 ~~accredited as ATB horses provided the mare is bred to an ATB stallion at least every~~

28 ~~other breeding. TQHA may require documentation regarding breeding activity to prove~~
29 ~~eligibility for accreditation.]~~

30 (3) (No change.)

31 (c) – (d) (No change.)

32 (e) Organizational Structure.

33 (1) The TQHA shall maintain all ownership records for the Accredited Texas Bred
34 Quarter Horse program. TQHA shall comply with all sections of the Act, including but
35 not limited to §§ 2028.101-.107 and 2030.001-.004, Tex. Occ. Code. ~~[the Act, §6.08 and~~
36 ~~§§9.01 – 9.04.]~~ TQHA shall comply with the rules promulgated by the Commission,
37 including but not limited to §§303.81 - 303.85 of this title (relating to General
38 Provisions.)

39 (2) – (4) (No change.)

40 (f) (No change.)



texas greyhound association

March 12, 2019

Chuck Trout
Texas Racing Commission
PO Box 12080
Austin, TX 78711

delivered via email: chuck.trout@txrc.texas.gov

Dear Mr. Trout,

The TGA Board of Directors has voted to withdraw the rule change 303.102 on paying Texas Bred breeders' awards.

Thank you,

David Peck
President

Board of Directors

Cc: Ronald Ederer, Commissioner
Joel Speight, TxRC
Devon Bijansky, TxRC

IV. PROCEEDINGS ON RULES

B. Discussion and possible action to propose:

4. amendments to 16 TAC § 309.129,
Automatic Banking Machines
5. amendments to 16 TAC § 321.1,
Definitions and General Provisions
6. amendments to 16 TAC § 321.36,
Unclaimed Outs and Vouchers
7. amendments to 16 TAC § 321.318,
Special Wager
8. amendments to 16 TAC § 321.503,
Purses
9. amendments to 16 TAC § 321.509,
Escrowed Purse Account

1 CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

2 SUBCHAPTER B. OPERATIONS OF RACETRACKS

3 DIVISION 2. FACILITIES AND EQUIPMENT

4 309.129 Automatic Banking Machines

5 (a) – (b) (No change.)

6 (c) Configuration. An automatic banking machine placed on association grounds must be
7 configured with the following restrictions:

8 (1) – (2) (No change.)

9 (3) Before the customer authorizes the transaction, the machine must display a screen
10 that notifies the customer of the statutory fee and permits the customer to cancel the
11 transaction. The notice must state the following or its equivalent: UNDER TEXAS RACING
12 ACT[;] §2027.004 [~~44.04(E)~~], A \$1 FEE MUST BE COLLECTED ON EACH
13 TRANSACTION AT THIS MACHINE FOR DEPOSIT INTO THE TEXAS STATE
14 TREASURY.

15 (d) – (f) (No change.)

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18 CHAPTER 321. PARI-MUTUEL WAGERING

19 SUBCHAPTER A. MUTUEL OPERATIONS

20 DIVISION 1. GENERAL PROVISIONS

21 321.1 Definitions and General Provisions

22 (a) The following words and terms, when used in this chapter, shall have the following
23 meanings, unless the context clearly indicates otherwise:

24 (1) – (4) (No change.)

25 (5) Guest racetrack--a racetrack facility at which a simulcast race is received and
26 offered for wagering purposes; a receiving location, as defined in the Act, §2021.003
27 [~~1-03(64)~~].

28 (6) Host racetrack--a racetrack facility at which a race is conducted and simulcast for
29 wagering purposes; a sending track, as defined in the Act, §2021.003 [~~1-03(66)~~].

30 (7) Import simulcast--a simulcast race received at a racetrack facility.

31 (8) – (16) (No change.)

32 (17) Ticketless Electronic Wagering (E-wagering)--a form of pari-mutuel wagering in
33 which wagers are placed and cashed through an electronic ticketless account system
34 operated through a licensed totalisator vendor in accordance with §2027.002 [44.04] of
35 this Act. Wagers are automatically debited and credited to the account holder.

36 (18) – (23) (No change.)

37 (b) – (c) (No change.)

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40 CHAPTER 321. PARI-MUTUEL WAGERING

41 SUBCHAPTER A. MUTUEL OPERATIONS

42 DIVISION 3. MUTUEL TICKETS AND VOUCHERS

43 321.36 Unclaimed Outs and Vouchers

44 [~~Pursuant to the Act, §3.07, to~~] To pay the charges associated with the medication or drug
45 testing, an association may use the money held by the association to pay outstanding
46 tickets and pari-mutuel vouchers. If additional amounts are needed to pay the charges, the
47 association shall pay those additional amounts. If the amount of outstanding tickets and
48 pari-mutuel vouchers held exceeds the amount needed to pay the charges, the association
49 may retain the excess amount as outstanding tickets and pari-mutuel vouchers expire.

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52 CHAPTER 321. PARI-MUTUEL WAGERING

53 SUBCHAPTER C. REGULATION OF LIVE WAGERING

54 DIVISION 2. DISTRIBUTION OF PARI-MUTUEL POOLS

55 321.318 Special Wager

56 (a) Special wager authorized.

57 (1) (No change.)

58 (2) A special wager must be based on the outcome of a race or races and comply with
59 the definition of pari-mutuel wagering as defined by the Act, §2021.003 [4.03(18)]. The
60 wager must be based on the performance of a specific race animal or animals in a race or
61 races.

62 (3) (No change.)

63 (b) – (c) (No change.)

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CHAPTER 321. PARI-MUTUEL WAGERING
SUBCHAPTER D. SIMULCAST WAGERING
DIVISION 3. SIMULCASTING AT HORSE RACETRACKS

321.503 Purses

(a) To be approved by the executive secretary, an association's request for approval to import a simulcast must allocate for purses as follows:

(1) for a same species simulcast, as provided by the Act, §2028.101 ~~[6.08]~~; and

(2) (No change.)

(b) – (c) (No change.)

CHAPTER 321. PARI-MUTUEL WAGERING
SUBCHAPTER D. SIMULCAST WAGERING
DIVISION 3. SIMULCASTING AT HORSE RACETRACKS

321.509 Escrowed Purse Account

(a) At least once a year, the Commission shall distribute all funds accrued in the escrowed purse account ~~[created by the Act, §6.091(e)]~~. The executive secretary shall establish a deadline for receiving requests for distribution from the account and publicize that deadline to the horse racetrack associations at least 30 days before the deadline. The associations when requesting for distribution from the account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

(b) The Commission shall determine the amount of the distribution to each racetrack in accordance with the standards set forth in the Act, §§2028.204-.205 ~~[6.091(e) and (f)]~~.

(c) – (e) (No change.)

V. PROCEEDINGS ON MATTERS RELATED TO AGENCY FUNDING

- A. Discussion regarding racetrack license fees
- B. Possible appointment of an ad hoc committee on finance

VI. 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.

VII. SCHEDULING OF NEXT COMMISSION MEETING

VIII. ADJOURN