



TEXAS RACING COMMISSION

**P. O. Box 12080
Austin, TX 78711-2080
(512) 833-6699
Fax (512) 833-6907**

Texas Racing Commission
Tuesday, July 21, 2020
10:30 a.m.
By videoconference:
<https://global.gotomeeting.com/join/976673941>
Phone: (646) 749-3122 Access code 976-673-941

AGENDA

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:

- A. Budget and finance
- B. Wagering statistics
- C. Enforcement

IV. PROCEEDINGS ON RULES

- A. Discussion and possible action to adopt amendments to the following rules proposed in the June 5, 2020, issue of the Texas Register:
 - 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

- B. Discussion regarding 16 TAC § 309.8, Racetrack License Fees
- C. Discussion and possible action to propose amendments to the following sections of the Rules of the Texas Racing Commission:
 - 1. 16 TAC § 323.101, Administrative Penalties
 - 2. 16 TAC § 323.201, Reporting of Criminal Activity and Convictions
- D. Discussion and possible action on the following rule review matters:
 - 1. Closure of rule reviews of Chapter 321, Pari-Mutuel Wagering, and Chapter 323, Disciplinary Action and Enforcement
 - 2. Opening of rule reviews of Chapter 301, Definitions, Chapter 303, General Provisions, Chapter 307, Proceedings Before the Commission, and Chapter 319, Veterinary Practices and Drug Testing

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 and to approve modifications to approved events under 16 TAC Chapter 303, Subchapter G

VI. PROCEEDINGS ON RACETRACKS

- A. Updates from racetracks regarding current and upcoming race meets and simulcast operations and discussion and possible action thereon
- B. Discussion and possible action to designate an application period for race dates under 16 TAC § 303.41
- C. Discussion and possible action to approve modifications to Lone Star Park's 2020 thoroughbred race dates
- D. Discussion and possible action to approve amendments to the totalisator contract between Gillespie County Fair and Festival Associations, Inc., and United Tote Company

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

Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:

- A. Budget and finance
- B. Wagering statistics
- C. Enforcement



Fiscal Year 2020 Operational Budget

Updated: June 11, 2020
Thru: May 31, 2020

Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected	
				Balance	%
Accounts 597 & 327 Racing Commission - GRD	\$ 5,135,411	\$ 3,534,223	\$ -	\$ 1,601,188	31%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	-
TOTAL - ALL REVENUES	\$ 5,135,411	\$ 3,534,223	\$ -	\$ 1,601,188	31%

Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended	
				Balance	%
1001 - Salaries and Wages:	\$ 2,216,758	\$ 1,476,320	\$ -	\$ 740,438	33%
1002 - Other Personnel Cost:	\$ 43,860	\$ 56,743	\$ -	\$ (12,883)	-29%
2001 - Professional Fees and Services:	\$ 478,665	\$ 359,591	\$ -	\$ 119,073	25%
2003 - Consumable Supplies:	\$ 12,700	\$ 6,967	\$ -	\$ 5,733	45%
2004 - Utilities:	\$ 51,000	\$ 33,406	\$ -	\$ 17,594	34%
2005 - Travel:	\$ 229,348	\$ 92,827	\$ -	\$ 136,521	60%
2006 - Rent Building:	\$ 105,970	\$ 87,925	\$ -	\$ 18,045	17%
2007 - Rent Machine and Other:	\$ 4,700	\$ 4,416	\$ -	\$ 284	6%
2009 - Other Operating Expense:	\$ 379,485	\$ 194,613	\$ -	\$ 184,872	49%
5000 - Capital Expenditures:	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL - APPROPRIATED OPERATING EXPENDITURES	\$ 3,522,486	\$ 2,312,808	\$ -	\$ 1,209,678	34%

Unappropriated Operating Expenses

Type:	Budget	Expended	Encumbered	Unexpended	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 1,018,916	\$ 729,734	\$ -	\$ 289,182	28%
TOTAL - ALL EXPENDITURES	\$ 4,541,402	\$ 3,042,541	\$ -	\$ 1,498,861	33%
OPERATING SURPLUS / (DEFICIT)	\$ 594,009	\$ 491,681			

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	31.30	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
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-1

Strategy	Program Description	FY 2020 Annual Budget	FY 2020 Expended Thru 5/31/2020	FY 2020 Unexpended Bal 8/31/2020	With 75.0% 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	230,057.90	110,383.06	67.58%
\$ 373,628.00	1002 Other Personnel Cost	5,740.00	4,040.00	1,700.00	70.38%
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	2,303.11	1,046.89	68.75%
Budgeted =	2006 Rent Building	-	-	-	
\$ 373,403.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	8,872.04	15,310.66	(6,438.62)	172.57%
(225.00)	CB Computer Equipment	-	-	-	
-0.06%	Total Strategy A.1.1.	373,403.00	265,440.42	107,962.58	71.09%
<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	210,763.07	123,017.37	63.14%
\$ 465,909.00	1002 Other Personnel Cost	8,700.00	22,764.05	(14,064.05)	261.66%
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	42,271.55	35,028.45	54.69%
Budgeted =	2006 Rent Building	-	-	-	
\$ 462,062.14	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	11,766.70	5,300.83	6,465.87	45.05%
(3,846.86)	CB Computer Equipment	-	-	-	
-0.83%	Total Strategy A.3.1.	462,062.14	300,587.00	161,475.14	65.05%
<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	150,023.59	95,304.51	61.15%
\$ 303,586.00	1002 Other Personnel Cost	1,200.00	540.00	660.00	45.00%
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	9,119.08	5,570.82	62.08%
\$ 0.00	CB Computer Equipment	-	-	-	
0.00%	Total Strategy A.3.2.	303,586.00	176,975.08	126,610.92	58.29%
<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	98,850.06	32,950.02	75.00%
\$ 282,235.00	1002 Other Personnel Cost	3,360.00	2,520.00	840.00	75.00%
Sup Appr =	2001 Prof Fees and Services	130,700.00	56,017.33	74,682.67	42.86%
\$ -	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	2,758.07	4,518.93	37.90%
\$ 29,487.08	CB Computer Equipment	-	-	-	
10.45%	Total Strategy A.4.1.	311,722.08	165,800.07	145,922.01	53.19%

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 5/31/2020	FY 2020 Unexpended Bal 8/31/2020	With 75.0% 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	100,555.14	43,900.62	69.61%
\$ 206,721.00	1002 Other Personnel Cost	620.00	440.00	180.00	70.97%
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	15,704.84	24,908.16	38.67%
Budgeted =	2006 Rent Building	-	-	-	
\$ 200,705.60	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	14,316.84	3,672.01	10,644.83	25.65%
\$ (6,015.40)	CB Computer Equipment	-	-	-	
-2.91%	Total	200,705.60	120,736.78	79,968.82	60.16%
<i>Appropriated</i> B.1.1.	- FTE's = 5.00 <u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	186,483.84	139,862.88	46,620.96	75.00%
\$ 344,130.00	1002 Other Personnel Cost	4,760.00	5,139.50	(379.50)	107.97%
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	7,131.04	7,468.96	48.84%
Budgeted =	2006 Rent Building	-	-	-	
\$ 321,141.10	2007 Rent Machine	2,000.00	1,695.48	304.52	84.77%
Difference	2009 Other Operating Cost	110,797.26	36,611.69	74,185.57	33.04%
\$ (22,988.90)	CB Computer Equipment	-	-	-	
-6.68%	Total	321,141.10	191,787.01	129,354.09	59.72%
<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	159,854.80	71,718.52	69.03%
\$ 260,794.00	1002 Other Personnel Cost	8,700.00	7,160.00	1,540.00	82.30%
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	8,327.75	7,145.85	53.82%
\$ (415.20)	CB Computer Equipment	-	-	-	
-0.16%	Total	260,378.80	177,106.80	83,272.00	68.02%

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 5/31/2020	FY 2020 Unexpended Bal 8/31/2020	With 75.0% 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	286,953.39	142,102.05	66.88%
\$ 723,926.00	1002 Other Personnel Cost	7,600.00	12,158.98	(4,558.98)	159.99%
Sup Appr =	2001 Prof Fees and Services	40,500.00	22,412.93	18,087.07	55.34%
\$ -	2003 Consumables	8,000.00	4,380.57	3,619.43	54.76%
Total Appr =	2004 Utilities	51,000.00	33,406.18	17,593.82	65.50%
\$ 723,926.00	2005 Travel	8,000.00	2,234.62	5,765.38	27.93%
Budgeted =	2006 Rent Building	105,470.00	87,884.74	17,585.26	83.33%
\$ 740,715.87	2007 Rent Machine	2,700.00	2,720.15	(20.15)	100.75%
Difference	2009 Other Operating Cost	88,390.43	69,367.51	19,022.92	78.48%
\$ 16,789.87	CB Computer Equipment	-	-	-	
2.32%	Total Strategy D.1.1.	740,715.87	521,519.07	219,196.80	70.41%
<i>Appropriated</i> D.1.2.	- FTE's = 3.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	173,840.12	99,399.14	74,440.98	57.18%
\$ 546,788.00	1002 Other Personnel Cost	3,180.00	1,980.00	1,200.00	62.26%
Sup Appr =	2001 Prof Fees and Services	260,449.66	246,799.90	13,649.76	94.76%
\$ -	2003 Consumables	500.00	-	500.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 546,788.00	2005 Travel	2,400.00	491.09	1,908.91	20.46%
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	37,001.15	53,400.28	40.93%
\$ (15,516.79)	CB Computer Equipment	-	-	-	
-2.84%	Total Strategy D.1.2.	531,271.21	385,711.28	145,559.93	72.60%
<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	2,312,807.51	992,742.56	65.66%
	Total Regulatory Programs Operating Budget	3,522,485.81	2,312,807.51	992,742.56	65.66%

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 5/31/2020	FY 2020 Unexpended Bal 8/31/2020	With 75.0% 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	1,476,319.97	740,438.09	66.60%
	1002 Other Personnel Cost	43,860.00	56,742.53	(12,882.53)	129.37%
	2001 Prof Fees and Services	478,664.66	359,591.41	119,073.25	75.12%
	2003 Consumables	12,700.00	6,967.37	5,732.63	54.86%
	2004 Utilities	51,000.00	33,406.18	17,593.82	65.50%
	2005 Travel	229,347.88	92,826.93	136,520.95	40.47%
	2006 Rent Building	105,970.00	87,924.74	18,045.26	82.97%
	2007 Rent Machine	4,700.00	4,415.63	284.37	93.95%
	2009 Other Operating Cost	379,485.21	194,612.75	184,872.46	51.28%
CB Computer Equipment	-	-	-	0.00%	
\$ 3,525,217	Total Direct Expense of Regulatory Program	3,522,485.81	2,312,807.51	1,209,678.30	65.66%
\$ 3,525,217	Total Direct Expense of All Programs	3,522,485.81	2,312,807.51	1,209,678.30	65.66%
<i>Un-Appropriated</i>	<u>Indirect Expense of All Programs</u>				
	OASI Match	169,581.99	113,366.21	56,215.78	66.85%
	Group Insurance	260,000.00	178,961.48	81,038.52	68.83%
	State Retirement	173,280.75	118,575.96	54,704.79	68.43%
	Benefit Replacement	2,053.72	2,053.72	-	100.00%
	ERS Retiree Insurance	414,000.00	315,137.11	98,862.89	76.12%
	SWCAP GR Reimburse	-	-	-	0.00%
	Unemployment Cost	-	1,639.50	(1,639.50)	0.00%
	Other	-	-	-	-
\$ 1,018,916	Total Indirect Expense of All Programs	1,018,916.46	729,733.98	289,182.48	71.62%
\$ 4,544,133	Total Direct and Indirect Expense of All Programs	4,541,402.28	3,042,541.49	1,498,860.79	67.00%

Source Of Funds	Agency Method Of Finance	FY 2020 Projected Revenue	FY 2020 Actual Revenue Thru 5/31/2020	N/A	With 75.0% 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	\$ 1,590,952.50		82.71%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 555,750.00	\$ 515,603.50		92.78%
Acct. 597	Other Revenue	\$ 18,000.00	\$ 6,471.56		35.95%
Acct. 1	GR Funds	\$ -	\$ -		
	Total Regulatory Prgm. MOF	\$ 5,135,410.85	\$ 3,534,222.77		68.82%
All Sources	Total MOF	\$ 5,135,410.85	\$ 3,534,222.77		68.82%
MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget		\$ 594,008.57	\$ 491,681.28		

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

FYE 08/31/2020

Appropriated Budget Status

Fund 327 - Pass Through Funds

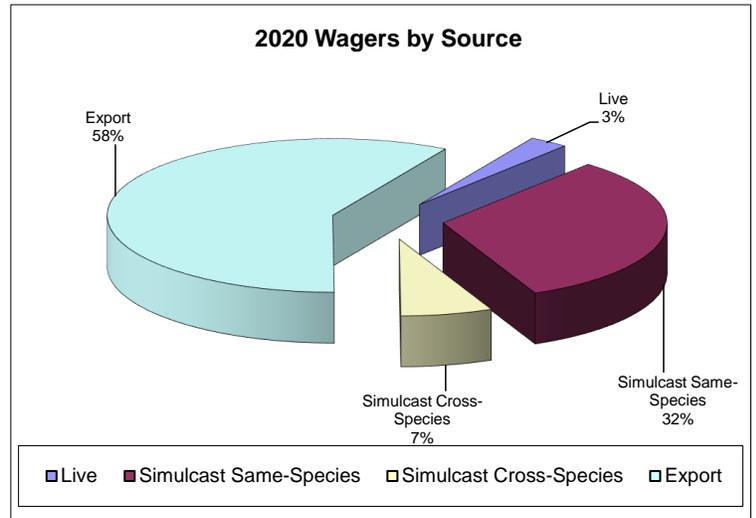
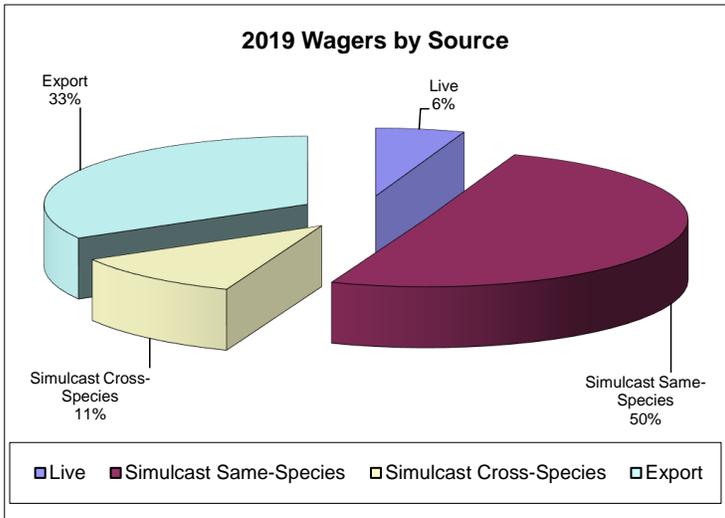
Strategy	Program Description	FY2020 Annual <u>Budget</u>	FY2020 Expended Thru <u>5/31/2020</u>	FY2020 Unexpended Balance <u>8/31/2020</u>	With 75% of Year Lapsed % of <u>Budget Expended</u>
Appropriated A.2.1. Fund 327	FTE's = 0.00 <u>Texas Bred Incentive</u> ATB Funds Expended	3,130,000.00	1,355,219.11	1,774,780.89	43.30%
3,130,000.00	Total Strategy A.2.1.	3,130,000.00	1,355,219.00	1,774,780.89	43.30%

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 June 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	465	\$ 11,003,362	\$ 23,663	239	\$ 5,306,378	\$ 22,202	-51.77%	-6.17%
Simulcast Cross-Species	465	\$ 8,756,466	\$ 18,831	239	\$ 4,269,461	\$ 17,864	-51.24%	-5.14%
Export	32	\$ 1,963,797	\$ 61,369	36	\$ 1,167,765	\$ 32,438	-40.54%	-47.14%
Total Wagers		\$ 22,248,535			\$ 11,227,178		-49.54%	
Horse Racetracks								
Live	85	\$ 11,386,910	\$ 133,964	55	\$ 4,632,069	\$ 84,219	-59.32%	-37.13%
Simulcast Same-Species	647	\$ 99,212,523	\$ 153,342	361	\$ 53,157,717	\$ 147,251	-46.42%	-3.97%
Simulcast Cross-Species	647	\$ 15,035,426	\$ 23,239	358	\$ 7,664,350	\$ 21,409	-49.02%	-7.87%
Export	85	\$ 70,796,370	\$ 832,898	55	\$ 105,089,964	\$ 1,910,727	48.44%	129.41%
Total Wagers		\$ 196,431,229			\$ 170,544,100		-13.18%	
All Racetracks								
Live	117	\$ 11,911,820	\$ 101,810	91	\$ 5,115,643	\$ 56,216	-57.05%	-44.78%
Simulcast Same-Species	1,112	\$ 110,215,885	\$ 99,115	600	\$ 58,464,095	\$ 97,440	-46.95%	-1.69%
Simulcast Cross-Species	1,112	\$ 23,791,892	\$ 21,396	597	\$ 11,933,812	\$ 19,990	-49.84%	-6.57%
Export	117	\$ 72,760,167	\$ 621,882	91	\$ 106,257,729	\$ 1,167,667	46.04%	87.76%
Total Wagers		\$ 218,679,764			\$ 181,771,278		-16.88%	
Total Wagers Placed in Texas		\$ 145,919,597			\$ 75,513,549		-48.25%	
Total Wagers Placed on Texas Races		\$ 84,671,987			\$ 111,373,372		31.54%	



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

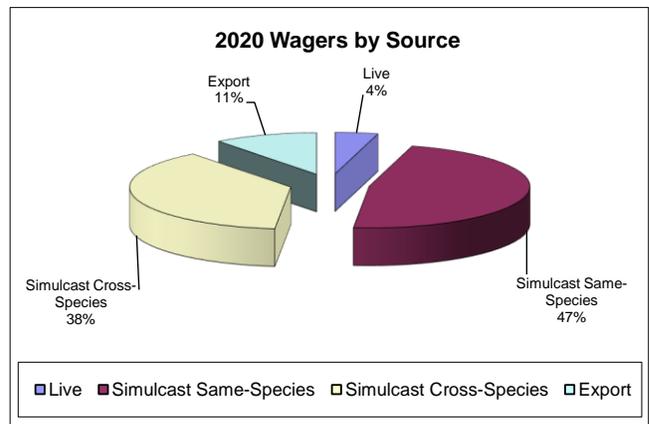
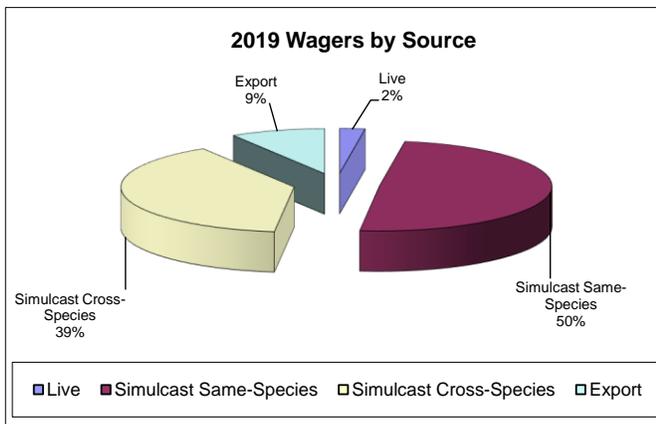
Due to COVID-19 Pandemic orders, all tracks ceased operations as of March 21, 2020. Lone Star Park reopened May 22, 2020, with Sam Houston Race Park following on June 3, 2020. All other tracks resumed operations on June 5, 2020. Valley Race Park has not yet reopened.



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

For the Period of January 1 through June 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
<u>Gulf Coast Racing</u>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	130	\$ 3,821,578	\$ 29,397	76	\$ 2,143,080	\$ 28,198	-43.92%	-4.08%
Simulcast Cross-Species	130	\$ 2,119,759	\$ 16,306	76	\$ 1,161,151	\$ 15,278	-45.22%	-6.30%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 5,941,337			\$ 3,304,230		-44.39%	
<u>Gulf Greyhound Park</u>								
Live	32	\$ 524,910	\$ 16,403	36	\$ 483,574	\$ 13,433	-7.87%	-18.11%
Simulcast Same-Species	180	\$ 4,492,307	\$ 24,957	96	\$ 2,177,198	\$ 22,679	-51.53%	-9.13%
Simulcast Cross-Species	180	\$ 3,836,745	\$ 21,315	96	\$ 2,120,604	\$ 22,090	-44.73%	3.63%
Export	32	\$ 1,963,797	\$ 61,369	36	\$ 1,167,765	\$ 32,438	-40.54%	-47.14%
Total Wagers		\$ 10,817,759			\$ 5,949,140		-45.01%	
<u>Valley Race Park</u>								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	155	\$ 2,689,477	\$ 17,351	67	\$ 986,100	\$ 14,718	-63.33%	-15.18%
Simulcast Cross-Species	155	\$ 2,799,962	\$ 18,064	67	\$ 987,707	\$ 14,742	-64.72%	-18.39%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 5,489,439			\$ 1,973,807		-64.04%	
<u>All Greyhound Tracks</u>								
Live	32	\$ 524,910	\$ 16,403	36	\$ 483,574	\$ 13,433	-7.87%	-18.11%
Simulcast Same-Species	465	\$ 11,003,362	\$ 23,663	239	\$ 5,306,378	\$ 22,202	-51.77%	-6.17%
Simulcast Cross-Species	465	\$ 8,756,466	\$ 18,831	239	\$ 4,269,461	\$ 17,864	-51.24%	-5.14%
Export	32	\$ 1,963,797	\$ 61,369	36	\$ 1,167,765	\$ 32,438	-40.54%	-47.14%
Total Wagers		\$ 22,248,535			\$ 11,227,178		-49.54%	
Total Wagers Placed in Texas		\$ 20,284,738			\$ 10,059,413		-50.41%	
Total Wagers Placed on Texas Races		\$ 2,488,707			\$ 1,651,339		-33.65%	



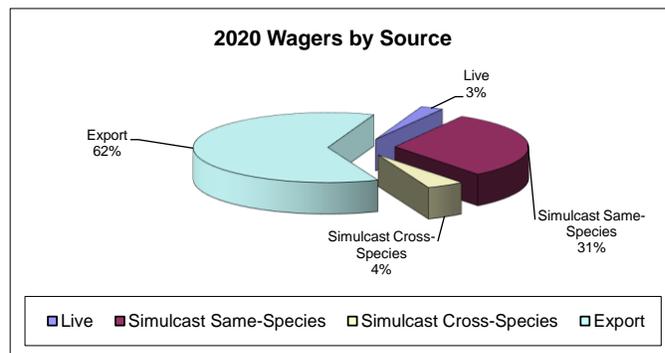
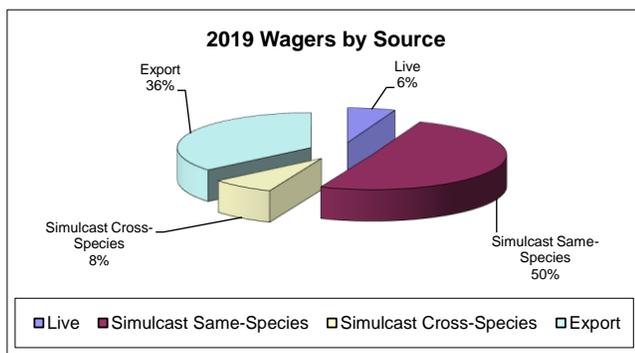
*NOTE: All figures are based on data available at the time the report was compiled and are subject to being audited and revised.

Due to COVID-19 Pandemic orders, all tracks ceased operations as of March 21, 2020. Lone Star Park reopened May 22, 2020, with Sam Houston Race Park following on June 3, 2020. All other tracks resumed operations on June 5, 2020. Valley Race Park has not yet reopened.



Horse Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races For the Period of January 1 through June 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	104	\$ 2,134,279	\$ 20,522	59	\$ 1,114,385	\$ 18,888	-47.79%	-7.96%
Simulcast Cross-Species	104	\$ 262,549	\$ 2,525	57	\$ 129,845	\$ 2,278	-50.54%	-9.77%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 2,396,828			\$ 1,244,230		-48.09%	
Lone Star Park								
Live	33	\$ 7,034,305	\$ 213,161	20	\$ 1,560,635	\$ 78,032	-77.81%	-63.39%
Simulcast Same-Species	181	\$ 50,695,173	\$ 280,084	116	\$ 29,991,678	\$ 258,549	-40.84%	-7.69%
Simulcast Cross-Species	181	\$ 3,909,223	\$ 21,598	115	\$ 2,557,741	\$ 22,241	-34.57%	2.98%
Export	33	\$ 24,783,289	\$ 751,009	20	\$ 46,745,248	\$ 2,337,262	88.62%	211.22%
Total Wagers		\$ 86,421,990			\$ 80,855,302		-6.44%	
Retama Park								
Live	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Simulcast Same-Species	181	\$ 16,275,575	\$ 89,920	94	\$ 7,710,357	\$ 82,025	-52.63%	-8.78%
Simulcast Cross-Species	181	\$ 2,728,354	\$ 15,074	94	\$ 1,430,802	\$ 15,221	-47.56%	0.98%
Export	0	\$ -	\$ -	0	\$ -	\$ -	0.00%	0.00%
Total Wagers		\$ 19,003,929			\$ 9,141,159		-51.90%	
Sam Houston Race Park								
Live	52	\$ 4,352,605	\$ 83,704	35	\$ 3,071,434	\$ 87,755	-29.43%	4.84%
Simulcast Same-Species	181	\$ 30,107,496	\$ 166,340	92	\$ 14,341,296	\$ 155,884	-52.37%	-6.29%
Simulcast Cross-Species	181	\$ 8,135,300	\$ 44,946	92	\$ 3,545,962	\$ 38,543	-56.41%	-14.25%
Export	52	\$ 46,013,081	\$ 884,867	35	\$ 58,344,716	\$ 1,666,992	26.80%	88.39%
Total Wagers		\$ 88,608,482			\$ 79,303,409		-10.50%	
All Horse Tracks								
Live	85	\$ 11,386,910	\$ 133,964	55	\$ 4,632,069	\$ 84,219	-59.32%	-37.13%
Simulcast Same-Species	647	\$ 99,212,523	\$ 153,342	361	\$ 53,157,717	\$ 147,251	-46.42%	-3.97%
Simulcast Cross-Species	647	\$ 15,035,426	\$ 23,239	358	\$ 7,664,350	\$ 21,409	-49.02%	-7.87%
Export	85	\$ 70,796,370	\$ 832,898	55	\$ 105,089,964	\$ 1,910,727	48.44%	129.41%
Total Wagers		\$ 196,431,229			\$ 170,544,100		-13.18%	
Total Wagers Placed in Texas		\$ 125,634,859			\$ 65,454,136		-47.90%	
Total Wagers Placed on Texas Races		\$ 82,183,280			\$ 109,722,033		33.51%	



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

Due to COVID-19 Pandemic orders, all tracks ceased operations as of March 21, 2020. Lone Star Park reopened May 22, 2020, with Sam Houston Race Park following on June 3, 2020. All other tracks resumed operations on June 5, 2020. Valley Race Park has not yet reopened.

IV. PROCEEDINGS ON RULES

A. Discussion and possible action to adopt amendments to the following rules proposed in the June 5, 2020, issue of the Texas Register:

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) Account – the horse industry escrow account.

5 (2) Association – a horse racetrack association.

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

June 23, 2020

Texas Racing Commission
Attn: Jean Cook
Assistant to the Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711

Re: Texas Racing Commission Proposed Rule Changes Posted on June 5, 2020 in the Texas Register
Ms. Cook,

The Texas Racing Commission “Commission” has proposed a series of amendments to 16 TAC §303 to which this letter is in direct reply. The Texas horse industry has a long history and a prominent place in the culture of our state. The Texas horse racing and the equine industry as a whole represents hundreds of millions of dollars in economic impact and thousands of permanent Texas jobs. Statutes enacted following the 86th Texas Legislative session were an indication from the legislature of its strong resolve for growing this important component of our state’s economy. The Legislature created a program by which equine related purchases could be used to foster and grow this important industry. In creating the Horse Industry Escrow Account (hereinafter “HIEA” or “Program”), the intent was to provide the Breed Registries with broad discretion on use of the funds. The Commission’s proposed amendment to the rules regarding the Program seem to limit the potential use of the funds, contrary to what the legislature intended. In addition, we would ask for clarification on the proposed rules.

Please find our comments relative to the currently proposed amendments by Texas Racing Commission.

Proposal:

§303.301. Definitions.

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

(1) Account - the horse industry escrow account.

(2) Association - a horse racetrack association.

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

Comments:

The definition, interpretation and application of the term “Event” has substantial implications for the use of funding from the Horse Industry Escrow Account (HIEA). Senator Kolkhorst, the Texas Senate bill sponsor, indicated in a letter to the Commission, that the intent of the legislation is to “allow broad discretion to the Texas Breed Registries defined in the Act to determine the best application of this incentive fund to foster a strong Texas racing industry that would, in turn, allow the preservation of a historic Texas institution.”¹

We believe that the term “Event” was not defined so as to give the Breed Registries a broad scope to achieve the goal of growing a strong Texas equine industry. However, the Commission’s proposed definition unduly narrows the possible utilization of the HIEA funds. Programs such as breeding incentives are critical to the health and growth of the Texas horse industry, and the proposed definition could specifically hinder the HIEA funds from being utilized for these types of programs.

We understand that the Commission may want to develop a definition for the term “Event”, therefore, we respectfully request consideration be given to the following definition set forth in the example here:

(3) Event - a planned occasion or activity, such as a competition, public gathering, or program that fosters, promotes or encourages a strong Texas horse industry

We believe that the above definition more closely adheres to the intent of the statute, allowing for flexibility, creativity, and the resourcefulness of the Texas Breed Registries to utilize HIEA funding to further the horse industry.

Proposal:

§303.322.Limitations on Use of Funds by Breed Registries.

¹ Letter from State Senator Lois W. Kolkhorst to Executive Director Chuck Trout, September 5, 2019, “RE: House Bill 2463 – Legislative Intent” is attached to this submission of comments.

(a) A breed registry may use horse industry escrow account funds only for events that further the horse industry. The Commission may require a breed registry to repay funds if the breed registry fails to expend the funds in accordance with Section 2028.204 of the Act and this section on the earlier of 45 days after the cancellation of any previously approved and funded event or ~~within~~ twelve months of the date it receives the funds. All funds expended with respect to any canceled event or event that does not otherwise occur shall be accounted for and such accounting shall accompany the return of the balance of such related canceled event funds.

(b) The following types of costs may not be paid from 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.

(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 amount ~~total~~ allocated for the event for which it is 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.

(d) A breed registry may pay a cost out of funds awarded from the horse industry escrow account if it satisfies subsections (a) through (c) of this section and is reasonable and adequately documented.

(1) A cost is reasonable if the cost does not exceed that which would be incurred by a prudent individual or organization under the circumstances prevailing at the time the decision was made to incur the cost and it is necessary to achieve the purpose for which the funds were sought.

(2) A cost is adequately documented if the cost is supported by Generally Accepted Accounting Principles, the breed registry's accounting records, and documented in accordance with §303.325 of this subchapter (relating to Quarterly Reports).

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

Comments:

§303.322.Limitations on Use of Funds by Breed Registries, Subsection (a) outlines procedures and timelines for canceled events, but does not provide any information related to a case in which allocated funds are not fully expended on an event that was conducted. In this case, we request clarification and guidance on the appropriate measures to be taken should this situation occur.

We appreciate your consideration of the matters raised in the aforementioned comments and remain committed to providing any additional necessary information or further conversation on these items.

Sincerely,



Val Clark
Executive Director
Texas Quarter Horse Association



Lex Smurthwaite
Executive Director
Texas Paint Horse Breeders' Association



Mary Ruyle
Executive Director
Texas Thoroughbred Association



Ed Wilson
President
Texas Arabian Breeders Association

COMMITTEES:
HEALTH & HUMAN SERVICES, CHAIR
FINANCE
NOMINATIONS
TRANSPORTATION
WATER & RURAL AFFAIRS

THE SENATE OF TEXAS



CAPITOL OFFICE:
GE.4 • P.O. Box 12068
AUSTIN, TEXAS 78711
(512) 463-0118

LOIS W. KOLKHORST

STATE SENATOR
DISTRICT 18

September 5, 2019

Chuck Trout
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

Re: House Bill 2463 – Legislative Intent

Dear Mr. Trout:

In 2019, the Texas Legislature passed House Bill 2463 to establish an economic incentive fund, administered by the Officially Recognized Texas Horsemen's Organization and the Officially Recognized Texas Breed Registries, as designated by the Texas Racing Act. It was intended that these incentive funds would be paid to owners and breeders in Texas in a manner to strengthen the Texas racing industry and invigorate the Texas breeding industry. House Bill 2463 was signed into law by Governor Greg Abbott and became effective on September 1, 2019.

I have been informed that the Texas Racing Commission is in the process of promulgating rules to implement House Bill 2463 and there is some dispute as to the type of activities that could receive the incentive funds created in Section 2028.204 (b) of the Act. It was not the legislative intent of House Bill 2463 to narrowly define those activities, but rather allow broad discretion to the Texas Breed Registries defined in the Act to determine the best application of this incentive fund to foster a strong Texas racing industry that would, in turn, allow the preservation of a historic Texas institution.

I hope this clarifies any dispute; however, I am certainly willing to further engage with your agency to clarify this matter if you feel that is necessary.

Very truly yours,

A handwritten signature in black ink that reads "Lois W. Kolkhorst". The signature is written in a cursive style with a horizontal line at the end.

Lois W. Kolkhorst.

COMMITTEES:
HEALTH & HUMAN SERVICES, CHAIR
FINANCE
NOMINATIONS
TRANSPORTATION
WATER & RURAL AFFAIRS

THE SENATE OF TEXAS



CAPITOL OFFICE:
GE.4 • P.O. BOX 12068
AUSTIN, TEXAS 78711
(512) 463-0118

LOIS W. KOLKHORST

STATE SENATOR
DISTRICT 18

July 2, 2020

Mr. John Steen
Chairman
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

Re: Proposed Rules regarding the Horse Industry Escrow Account

Dear Chairman Steen,

We are writing in regards to the proposed rules relating to the passage of House Bill 2463, which became effective on September 1, 2019. Specifically, the Commission's proposed definition of "event" as submitted for public comment.

The specific language in House Bill 2463, Section 4 (Section 2028.204(b), Occupations Code) states "any event that furthers the horse industry." The proposed definition of the term "event" does not follow the intent of the legislature to offer broad discretion to the official state horse breed registries to plan, schedule and support any events that further the horse industry as well as create and stimulate economic activity and greater awareness in the Texas horse industry. We trust the Racing Commission will not narrowly define what constitutes an event, and subsequently limit these funds from being allocated to their highest and best use.

House Bill 2463 was a difficult piece of legislation to pass. Altering the intent of the legislature would be deceptive to our fellow colleagues in the legislature. The legislature only passed House Bill 2463 with the understanding that the Horse Industry Escrow Account would benefit all horse breeds registered in Section 2030.002, Occupations Code. If the proposed rules stray too far from the intent of the legislature, lawmakers might seek to repeal the Horse Industry Escrow Account.

We appreciate your service to the State of Texas as a member of the Texas Racing Commission, and in your added role of overseeing this new program, which is crucial to an important industry.

Handwritten signature of Lois W. Kolkhorst in black ink.

Senator Lois W. Kolkhorst

Handwritten signature of Tracy O. King in black ink.

Representative Tracy King

July 1, 2020

Texas Racing Commission
Attn: John T. Steen III, Chair
P.O. Box 12080
Austin, Texas 78711

Re: Texas Racing Commission Proposed Rule Changes Posted on June 5, 2020 in the Texas Register
Chairman Steen,

The Texas Racing Commission has proposed a series of amendments to 16 TAC §303. I am writing in strong support of the comments expressed in a letter submitted to the Commission by the breed associations dated June 23, 2020. I am a business owner in this industry and a board member of the Texas Thoroughbred Association.

The Texas horse racing and equine industry is an important part of our state's agriculture economy. The provisions being considered for revision have the potential to negatively impact our industry's ability to utilize HIEA funding. Specifically, the definition of the term "event" is of serious concern. Should this term be narrowly defined, businesses in our industry will be faced with reduced flexibility for future proposals for HIEA funds that are intended to grow the industry, which has a positive impact on the state's economy.

I recognize the Commission has some discretion regarding how the funds are utilized, therefore I encourage the Commission to adopt a definition that does not unduly restrict utilization of these important funds.

I appreciate your service to our state and your consideration of this important matter.

Sincerely,

Bill Winters
PO Box 339
Bluff Dale, TX 76433

817-578-5940

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CHAPTER 303 GENERAL PROVISIONS
SUBCHAPTER G HORSE INDUSTRY ESCROW ACCOUNT
DIVISION 3 BREED REGISTRIES

303.321 Allocations to Breed Registries

(a) A breed registry is eligible to request funds from the horse industry escrow account if it is listed in Section 2030.002(a) of the Act.

(b) Events funded from the horse industry escrow account must serve the public purpose of increasing the development, expansion, or diversification of the economy, employment, growth of enterprise, or tourism of the state.

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

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

- (1) the date(s) or approximate date(s);
 - (2) a detailed description of the event;
 - (3) the dollar amount requested for the event;
 - (4) a detailed explanation of the budget for the event, with any costs related to personnel, the purchase of assets, and other administrative expenses stated separately;
- and
- (5) the anticipated economic impact of the event on the horse industry.

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

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

- 33 (1) the state's horse racing industry;
34 (2) live racing at the state's racetracks;
35 (3) the horse breeding industry;
36 (4) the state of Texas as a whole; and
37 (5) non-racing horse industry activities.

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

41

42 303.322 Limitations on Use of Funds by Breed Registries

43 (a) A breed registry may use horse industry escrow account funds only for events that
44 further the horse industry. ~~[The Commission may require a breed registry to repay funds if~~
45 ~~the breed registry fails to expend the funds in accordance with Section 2028.204 of the Act~~
46 ~~and this section on the earlier of 45 days after the cancellation of any previously approved~~
47 ~~and funded event or [within] twelve months of the date it receives the funds. All funds~~
48 ~~expended with respect to any canceled event or event that does not otherwise occur shall~~
49 ~~be accounted for and such accounting shall accompany the return of the balance of such~~
50 ~~related canceled event funds.]~~

51 (b) The following types of costs may not be paid with funds allocated from the account:

- 52 (1) capital improvements;
53 (2) donations or contributions made to any individual or organization without express
54 approval from the Commission for such contribution or donation;
55 (3) costs of entertainment, amusements, social activities, and incidental costs relating
56 thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging,
57 rentals, transportation, tips, and gratuities;
58 (4) fines, penalties, or other costs resulting from violations of or failure to comply with
59 federal, state, or local laws and regulations;
60 (5) liability insurance coverage not specific to a particular event or series of events for
61 which the Commission has allocated funds from the account;
62 (6) expenses related to litigation;
63 (7) professional association fees or dues for the breed registry or an individual;

64 (8) legislative expenses such as salaries and other expenses associated with lobbying
65 the state or federal legislature or similar local governmental bodies, whether incurred for
66 purposes of legislation or executive direction; or

67 (9) fundraising.

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

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

76 (2) the purchase of capital assets.

77 (d) A breed registry may pay a cost out of funds awarded from the horse industry escrow
78 account if it satisfies subsections (a) through (c) of this section and is reasonable and
79 adequately documented.

80 (1) A cost is reasonable if the cost does not exceed that which would be incurred by a
81 prudent individual or organization under the circumstances prevailing at the time the
82 decision was made to incur the cost and it is necessary to achieve the purpose for which
83 the funds were sought.

84 (2) A cost is adequately documented if the cost is supported by Generally Accepted
85 Accounting Principles, the breed registry's accounting records, and documented in
86 accordance with §303.325 of this subchapter (relating to Quarterly Reports).

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

89 (f) If a previously approved and funded event is canceled, the funds shall be returned to
90 the Commission within 45 days after the cancelation of the event. All funds expended with
91 respect to any canceled event or event that does not otherwise occur shall be accounted
92 for an such accounting shall accompany the return of the balance of such related canceled
93 event funds.

94 (g) The Commission may require a breed registry to repay any funds not expended in
95 accordance with Section 2028.204 of the Act and this section after the completion of an
96 event.

97

98

99 303.325 Quarterly Reports

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

102 (1) the amount of funds expended toward each event for which funds have been
103 allocated;

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

107 (3) the following certification: "By my signature below, I certify that (1) all of the
108 information in this report is correct, (2) all funds expended from the horse industry escrow
109 account were used in accordance with Section 2028.204 of the Texas Racing Act and the
110 Rules of the Texas Racing Commission, and (3) the breed registry has all documentation
111 required by 16 TAC § 303.324."

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

IV. PROCEEDINGS ON RULES

B. Discussion regarding 16 TAC §
309.8, Racetrack License Fees

IV. PROCEEDINGS ON RULES

C. Discussion and possible action to propose amendments to the following sections of the Rules of the Texas Racing Commission:

1. 16 TAC § 323.101, Administrative Penalties
2. 16 TAC § 323.201, Reporting of Criminal Activity and Convictions

CHAPTER 323 DISCIPLINARY ACTION AND ENFORCEMENT
SUBCHAPTER B CIVIL REMEDIES

1 323.101, Administrative Penalties

2 (a) ~~[If the Commission determines that a person regulated under this Act has violated this~~
3 ~~Act or a rule or order adopted under this Act in a manner that constitutes a ground for a~~
4 ~~disciplinary action under this Act, the Commission may assess an administrative penalty~~
5 ~~against that person as provided by this section.~~

6 ~~(b)]~~ The Commission delegates to the executive secretary the authority to prepare and
7 issue preliminary reports pursuant to the Act, Chapter 2033, Subchapter B ~~[\$ 15-03]~~.

8

9 **SUBCHAPTER C CRIMINAL ENFORCEMENT**

10 323.201 Reporting of Criminal Activity and Convictions

11 (a) A licensee, a Commission employee, or an applicant for a license from the Commission
12 shall report any conviction of a felony or misdemeanor, other than a misdemeanor under
13 ~~[Vernon's Texas Codes Annotated,]~~ Transportation Code, Title 7, Vehicles and Traffic, or a
14 similar misdemeanor traffic offense.

15 (b) A licensee, a Commission employee, or an applicant for a license from the Commission
16 shall promptly report to the Commission any criminal activity observed relating to racing or
17 pari-mutuel wagering.

IV. PROCEEDINGS ON RULES

D. Discussion and possible action on the following rule review matters:

1. Closure of rule reviews of Chapter 321, Pari-Mutuel Wagering, and Chapter 323, Disciplinary Action and Enforcement
2. Opening of rule reviews of Chapter 301, Definitions, Chapter 303, General Provisions, Chapter 307, Proceedings Before the Commission, and Chapter 319, Veterinary Practices and Drug Testing

**CURRENT RULE REVIEWS
CHAPTER 321, PARI-MUTUEL WAGERING,
AND CHAPTER 323, DISCIPLINARY ACTION AND ENFORCEMENT**

Texas Government Code § 2001.039 requires state agencies to review all current rules to determine whether the reasons for initially adopting the rules continue to exist. The review must be conducted not later than the fourth anniversary of the date on which the rule takes effect and every four years after that date. The state agency must readopt, readopt with amendments, or repeal a rule as a result of reviewing the rule.

On June 11, 2019, the Commission opened the reviews of Chapter 321, Pari-Mutuel Wagering, and Chapter 323, Disciplinary Action and Enforcement. Notice of the reviews was submitted to the *Texas Register* for publication in the June 21, 2019, issue (44 *TexReg* 3135). The Commission received no comments on the rule review. Non-substantive amendments are being recommended to Sections 323.101, Administrative Penalties, and 323.201, Reporting of Criminal Activity and Convictions.

The tables of contents for Chapters 321 and 323 are on the following pages.

Staff recommends that the Commission readopt the rules of these chapters.

CHAPTER 321. PARI-MUTUEL WAGERING

Subchapter A. Mutuel Operations

Division 1. General Provisions

- Sec. 321.1. Definitions and General Provisions
- Sec. 321.2. Odds Manipulation
- Sec. 321.3. Conduct of Wagering
- Sec. 321.5. Pari-mutuel Auditor
- Sec. 321.7. Cooperation with Officials
- Sec. 321.9. System Failure
- Sec. 321.11. Access to Removable Electronic Media
- Sec. 321.12. Time Synchronization
- Sec. 321.13. Pari-mutuel Track Report
- Sec. 321.15. License to Provide Totalisator Services
- Sec. 321.17. Activities by Minors Restricted
- Sec. 321.19. Wagers by Employees of Commission
- Sec. 321.21. Certain Wagers Prohibited

Division 2. Wagering Information and Results

- Sec. 321.23. Wagering Explanations
- Sec. 321.25. Wagering Information
- Sec. 321.27. Posting of Race Results

Division 3. Mutuel Tickets and Vouchers

- Sec. 321.29. Mutuel Tickets
- Sec. 321.31. Vouchers
- Sec. 321.33. Expiration Date
- Sec. 321.34. Refusal to Cash
- Sec. 321.35. Claim for Payment
- Sec. 321.36. Unclaimed Outs and Vouchers
- Sec. 321.37. Cashed Tickets and Vouchers
- Sec. 321.39. Altering Cashed Tickets and Cashed Vouchers
- Sec. 321.43. Cancellation of Win Wagers
- Sec. 321.45. Teller's Records
- Sec. 321.46. Payment on No Ticket Issue

Subchapter B. Totalisator Requirements and Operating Environment

- Sec. 321.101 Totalisator Requirements and Operating Environment

Subchapter C. Regulation of Live Wagering

Division 1. General Provisions

- Sec. 321.201. Actions by Stewards or Racing Judges
- Sec. 321.203. Errors in Posted Payoff
- Sec. 321.205. Probable Odds

- Sec. 321.207. Betting Interests
- Sec. 321.209. Minimum Wager
- Sec. 321.211. Carryover Pools
- Sec. 321.213. Straight Wagers
- Sec. 321.215. Multiple Wagers
- Sec. 321.217. Stop Betting Command

Division 2. Distribution of Pari-Mutuel Pools

- Sec. 321.301. Distribution of Pools
- Sec. 321.302. Payoff on Minus Pools
- Sec. 321.303. Straight Pools
- Sec. 321.304. Win Pool
- Sec. 321.305. Place Pool
- Sec. 321.306. Show Pool
- Sec. 321.307. Daily Double
- Sec. 321.308. Quinella
- Sec. 321.309. Exacta
- Sec. 321.310. Trifecta
- Sec. 321.311. Twin Trifecta
- Sec. 321.312. Pick (n)
- Sec. 321.313. Select Three, Four, or Five
- Sec. 321.314. Superfecta
- Sec. 321.315. Tri-Superfecta
- Sec. 321.316. Odd-Even
- Sec. 321.317. Prevention of Start
- Sec. 321.318. Special Wager
- Sec. 321.320. Super Hi-Five
- Sec. 321.321. Fortune Pick (n)
- Sec. 321.322. Triple Trifecta

Subchapter D Simulcast Wagering

Division 1. General Provisions

- Sec. 321.401. Purpose
- Sec. 321.403. Simulcasting License
- Sec. 321.405. Approval Of Exporting Simulcast Races
- Sec. 321.407. Approval of Wagering on Simulcast Import Races
- Sec. 321.409. Simulcasting Contract
- Sec. 321.411. Public Address System
- Sec. 321.413. Duties Of Guest Racetrack
- Sec. 321.415. Duties Of Host Racetrack
- Sec. 321.417. Emergency Procedures
- Sec. 321.419. Simulcasting Officials
- Sec. 321.421. Stop Betting Command

Division 2. Common Pool Wagering

- Sec. 321.451. General Provisions
- Sec. 321.453. Formation Of Common Pool
- Sec. 321.455. Distribution Of Common Pool
- Sec. 321.457. Breakage
- Sec. 321.459. Manual Merge
- Sec. 321.461. Failure To Merge

Division 3. Simulcasting at Horse Racetracks

- Sec. 321.501. Negotiation With Horsemen
- Sec. 321.503. Purses
- Sec. 321.505. Allocation of Purses and Funds For Texas Bred Incentive Programs
- Sec. 321.507. Priority of Signals

Subchapter E. Ticketless Electronic Wagering

Division 1. Conduct of E-Wagering

- Sec. 321.601. Purpose
- Sec. 321.603. Authorization for E-Wagering
- Sec. 321.605. E-Wagering Plan
- Sec. 321.607. E-Wagering Account Restrictions
- Sec. 321.609. Testing E-Wagering

Division 2. Operational Requirements

- Sec. 321.621. Ticketless Electronic Wagering Hardware
- Sec. 321.623. Cancellation of E-Wagers
- Sec. 321.625. Discrepancy/Dispute Resolution
- Sec. 321.627. Suspension or Termination of E-Wagering

CHAPTER 323. DISCIPLINARY ACTION AND ENFORCEMENT

Subchapter A. General Provisions

- Sec. 323.1. Investigation and Disciplinary Action
- Sec. 323.2. Complaints
- Sec. 323.3. Notice to Violator
- Sec. 323.4. Action on Complaints
- Sec. 323.5. Complaints against Officials

Subchapter B. Civil Remedies

- Sec. 323.101. Administrative Penalties

Subchapter C. Criminal Enforcement

- Sec. 323.201. Reporting of Criminal Activity and Convictions
- Sec. 323.202. Notice to District Attorneys
- Sec. 323.203. Department of Public Safety Reports

PROPOSED RULE REVIEWS
CHAPTER 301, DEFINITIONS; CHAPTER 303, GENERAL PROVISIONS; CHAPTER
307, PROCEEDINGS BEFORE THE COMMISSION; AND CHAPTER 319,
VETERINARY PRACTICES AND DRUG TESTING

Texas Government Code 2001.039 directs each state agency to review, and consider for readoption, each of its rules every four years. During the review, the Commission must assess whether the reasons for adopting the rules continue to exist.

To formally initiate the rule review process, the Commission must vote at a public meeting to publish notice in the *Texas Register* of the Commission's intention to review specific rules. After the time for public comment has passed, the Commission will take one of the following actions in regard to the rules in Chapters 301, Definitions, 303, General Provisions; 307, Proceedings Before the Commission; and 319, Veterinary Practices and Drug Testing.

If the Commission readopts a rule (with no changes), notice of the readoption will appear in the *Texas Register* "Rule Review" section, but the text of the readopted rule will not be published.

Any proposed repeal of a rule or any proposed amendment to a rule will be published in the "Proposed Rules" section of the *Texas Register* and will be subject to additional 30-day comment period.

The tables of contents for these chapters are on the following pages.

Staff recommends that the Commission propose the review of these chapters.

CHAPTER 301. DEFINITIONS

Sec. 301.1. Definitions

CHAPTER 303. GENERAL PROVISIONS

Subchapter A. Organization of the Commission

Sec. 303.1. Purpose
Sec. 303.2. Commission Responsibilities
Sec. 303.3. Offices
Sec. 303.4. Meetings
Sec. 303.5. Quorum
Sec. 303.6. Commission Officers
Sec. 303.7. Employees
Sec. 303.8. Executive Secretary
Sec. 303.9. Records
Sec. 303.10. Investigatory Files
Sec. 303.11. Vacancies in the Commission
Sec. 303.12. Use of Commission Motor Vehicles
Sec. 303.13. Seal of the Commission
Sec. 303.14. Unofficial Statements
Sec. 303.15. Acts in the Commission's Name
Sec. 303.16. Historically Underutilized Businesses
Sec. 303.17. Vendor Protests

Subchapter B. Powers and Duties of the Commission

Sec. 303.31. Regulation of Racing
Sec. 303.32. Power of Entry
Sec. 303.33. Subpoenas
Sec. 303.34. Certified Documents
Sec. 303.35. Access to Commission Programs
Sec. 303.38. Cooperation with Peace Officers and other Enforcement Entities
Sec. 303.41. Allocation of Race Date
Sec. 303.42. Approval of Charity Race Days
Sec. 303.43. Allocation of Live Race Dates for Class 1 Racetracks
Sec. 303.44. Oversight of Use of Funds Generated by Pari-Mutuel Racing

Subchapter C. Powers and Duties of the Comptroller of Public Accounts

Sec. 303.61. Power of Entry
Sec. 303.62. Records
Sec. 303.63. Comptroller Rules

Subchapter D Texas Bred Incentive Programs

Division 1 General Provisions

Sec. 303.81. Texas-Bred Incentive Programs
Sec. 303.82. Bond Required
Sec. 303.83. Audits, Financial Statements, and Performance Measures

- Sec. 303.84. Report to the Commission
- Sec. 303.85. Background Investigations
- Sec. 303.86. Participation in Texas-Bred Programs

Division 2. Programs for Horses

- Sec. 303.92. Thoroughbred Rules
- Sec. 303.93. Quarter Horse Rules
- Sec. 303.94. Arabian Horse Rules
- Sec. 303.95. Races for Accredited Texas-Bred Horses
- Sec. 303.96. Paint Horse Rules
- Sec. 303.97. Dually Registered Horses
- Sec. 303.98. Stakes and Other Prepayment Races-Breed Registries

Division 3. Programs for Greyhounds

- Sec. 303.101. Greyhound Breed Registry
- Sec. 303.102. Greyhound Rules

Subchapter F. Licensing Persons with Criminal Backgrounds

- Sec. 303.201. General Authority
- Sec. 303.202. Guidelines
- Sec. 303.203. Evidence by Applicant

Subchapter G. Horse Industry Escrow Account

Division 1. General Provisions

- Sec. 303.301. Definitions
- Sec. 303.302. General Provisions

Division 2. Horse Racetrack Associations

- Sec. 303.311. Allocations to Horse Racetrack Associations
- Sec. 303.312. Limitations on Use of Funds by Racetrack Associations

CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION

Subchapter A. General Provisions

- Sec. 307.1. Applicability
- Sec. 307.2. Definitions
- Sec. 307.3. Types of Proceedings
- Sec. 307.4. Decision-Making Proceedings
- Sec. 307.5. Special Provisions Regarding Racetrack License Applications
- Sec. 307.6. Probation
- Sec. 307.7. Ejection and Exclusion
- Sec. 307.8. Negotiated Rulemaking and Alternative Dispute Resolution

Subchapter B. Contested Cases

- Sec. 307.31. Prehearing Procedures
- Sec. 307.32. Nonparty Participation

- Sec. 307.33. Hearing
- Sec. 307.34. Exceptions and Replies
- Sec. 307.35. Oral Argument
- Sec. 307.36. Consideration by Commission
- Sec. 307.37. Final Order
- Sec. 307.38. Rehearing
- Sec. 307.39. Judicial Review

Subchapter C. Proceedings by Stewards and Racing Judges

- Sec. 307.61. General Authority
- Sec. 307.62. Disciplinary Hearings
- Sec. 307.63. Ruling
- Sec. 307.64. Penalties
- Sec. 307.65. Reciprocity
- Sec. 307.66. Applicability of Rules and Rulings
- Sec. 307.67. Appeal to the Commission
- Sec. 307.68. Stay
- Sec. 307.69. Review by Executive Secretary

Subchapter D Rulemaking

- Sec. 307.101. Purpose
- Sec. 307.102. Rulemaking Procedure
- Sec. 307.103. Petition for Adoption of Rules
- Sec. 307.104. Saving Provisions
- Sec. 307.105. Severability

CHAPTER 319. VETERINARY PRACTICES AND DRUG TESTING

Subchapter A. General Provisions

- Sec. 319.1. Purpose and Definitions
- Sec. 319.2. Treatment Restricted
- Sec. 319.3. Medication Restricted
- Sec. 319.4. Veterinarians
- Sec. 319.5. Report of Treatment by Veterinarians
- Sec. 319.6. Access to Pre-race and Test Areas Restricted
- Sec. 319.7. Labeling Requirements
- Sec. 319.8. Submission Required
- Sec. 319.9. Witnesses Required
- Sec. 319.10. Devices and Substances Prohibited
- Sec. 319.11. Powers of Inspection, Examination, and Search and Seizure
- Sec. 319.12. Cooperation Required
- Sec. 319.13. Disposable Syringes
- Sec. 319.14. Possession of Certain Substances
- Sec. 319.15. Storage of Certain Medications
- Sec. 319.16. Postmortem Examination
- Sec. 319.17. Removal of a Race Animal

Subchapter B. Treatment of Horses

- Sec. 319.101. Pre-Race Examination
- Sec. 319.102. Veterinarian's List
- Sec. 319.104. Blocking of Legs
- Sec. 319.105. Bandages
- Sec. 319.106. Nerved Horses
- Sec. 319.107. Altering Sex of Horse
- Sec. 319.108. Extracorporeal Shock Wave Therapy
- Sec. 319.109. Destruction of Horses
- Sec. 319.110. Requirements to Enter Association Grounds
- Sec. 319.111. Bleeders and Furosemide Program
- Sec. 319.112. Unlicensed Veterinary Practices

Subchapter C. Treatment of Greyhounds

- Sec. 319.201. Pre-Race Examination
- Sec. 319.202. Veterinarian's List
- Sec. 319.203. Condition of Greyhounds and Inspection of Kennels
- Sec. 319.204. Vaccination Requirements

Subchapter D Drug Testing

Division 1. General Provisions

- Sec. 319.301. Testing Authorized
- Sec. 319.302. Reasonable Diligence Required
- Sec. 319.303. Tampering with Specimen
- Sec. 319.304. Penalties on Positive Test

Division 2. Testing Procedures

- Sec. 319.331. Equipment for Testing
- Sec. 319.332. Procedure for Obtaining Specimens
- Sec. 319.333. Specimen Identification
- Sec. 319.334. Delivery and Retention of Specimens
- Sec. 319.335. Approval of Testing Costs
- Sec. 319.336. Payment of Testing Costs
- Sec. 319.337. Interference with Testing Prohibited
- Sec. 319.338. Storage of Splits

Division 3. Provisions for Horses

- Sec. 319.361. Testing of Horses
- Sec. 319.362. Split Specimen
- Sec. 319.363. Testing for Total Carbon Dioxide
- Sec. 319.364. Testing for Androgenic-Anabolic Steroids (AAS)

Division 4. Provisions for Greyhounds

- Sec. 319.391. Testing of Greyhounds

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 and to approve modifications to approved events 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: _____

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



TEXAS RACING COMMISSION

1 of 3

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 Lone Star 870 Battle of the Breeds Claiming Championship

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

Total Amount Requested For this Event: \$55,000

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 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 Three-year-old and older race which includes trials and finals. Features the best Claiming Thoroughbreds, Quarter Horse, Paint Horse and Appaloosas running for a claiming price of \$7,500. This Claiming Championship will provide opportunity for new owners that will breed, raise and race Thoroughbred, Quarter Horse and Paint Horses 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 Lone Star 870 Battle of the Breeds Claiming Championship will be held at Lone Star Park Racetrack with \$5,000 to each trial (4) and \$35,000 to the Claiming Championship Finals making a total of \$55,000 to purse money. The purpose of this incentive is interest in the 870 Yard horse with the spirit of fun breed competition. Rarely do you see a race with Thoroughbred, Quarter Horse, Paint Horse and Appaloosas competing. All Quarter Horse, Paint Horse and Appaloosa horses running for a Claiming Price of \$7,500 which will provide additional interest because of the opportunity of new ownership.

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: 32 horses x 4 people per horse x \$230 (estimated money spent on hotels, food and fuel) x 3 days equals \$88,320. 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?

Karen Utecht, Treasurer TPHBA and Lex Smurthwaite, Executive Secretary TPHBA will be overseeing the activities of this event.

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	\$55,000.00
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	\$55,000.00

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 (\$55000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*
 \$35,000 to be added to the final purse and \$20,000 to trial races making the total added purse money \$55,000.

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

2 of 3

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 Lone Star 870 Battle of the Breeds Claiming Championship

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

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 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 Thoroughbred, Quarter Horse and Paint Horse 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 Thoroughbreds, Quarter Horses and Paint Horses in the Lone Star 870 Battle of the Breeds Claiming Championship. This race is for three-year-old and older horses running for a Claiming Price of \$7,500. The goal of the project is to increase the value of breeding, owning and racing of Accredited Texas-Bred 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

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 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) will be handled by the Lone Star Park bookkeeper, using the rules and guidelines provided by LSP. This \$15,000 supplement will be paid to 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 \$5,000 to each breed. With a payout of \$2,500, \$1,500 and \$1,000 to the top three fastest times.

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 Lone Star Paint Horse Claiming Derby

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

Total Amount Requested For this Event: \$50,000.00

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 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 Three-year-old race which includes trials and finals. Features the best Claiming \$7,500 Paint Horses running for a claiming price of \$7,500. A Claiming race will provide opportunity for new owners that we plan will breed, raise and race Paint 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 Lone Star Paint Horse Claiming Derby will be held at Lone Star Park Racetrack with \$5,000 to each trial (4) and \$30,000 to the Claiming Derby Finals making a total of \$50,000 to purse money.

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: 28 horses x 4 people per horse x \$230 (estimated money spent on hotels, food and fuel) x 3 days equals \$77,280. 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	\$50,000.00
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	\$50,000.00

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 (\$50000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.
 \$35,000 to be added to the final purse and \$15,000 to trial races making the total added purse money \$50,000.

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 Quarter Horse Association

Mailing Address: 14 N Main Street Street Address

Elgin TX 78621 78621 City State Zip Code County

Physical Address: same 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: Valerie Clark Mr. Ms. Dr. Other

Position Title: Executive Director

Email Address: vclark@tqha.com

Phone: (512) 458 - 5202 Ext. Alt #:() -

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

Full Name: Rob Werstler Mr. Ms. Dr. Other

Position Title: Director of Race

Email Address: rwerstler@tqha.com

Phone: (512-458-5202) - Ext. Alt #:() -

(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: _____
First Last Mr. Dr.
 Ms. Other _____

Position Title: _____

Email Address: _____

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

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	 Signature	 Date
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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

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNTPROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-1, General Information)**APPLICANT NAME:** Texas Quarter Horse 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): Retama Stakes Program**Event Date(s) or Approximate Date(s):** July 3- 29**Total Amount Requested For this Event:** \$445,000**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*
Immediate**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 Quarter Horse meet at Retama will be the first QH race meet this year. TQHA is providing opportunities to attract more horsemen and horses to the state by providing additional race days with increased purses with focus on the stakes program and an emphasis on Texas-bred horses. The increase stake purse structure will allow Retama to sell their simulcast signal to an increased number of outlets, which will increase handle.

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.

Improving stakes program with an emphasis on Texas-bred races through signature race days:
\$30,000 to the Selma Stakes
\$30,000 to the Towers of America Stakes
\$30,000 to the King William Stakes
\$50,000 to the Miss Retama Stakes
\$100,000 to the TQHA Sales Futurity

\$75,000 to the Sires” Cup Futurity
\$50,000 to the Sires” Cup Derby
\$40,000 to the Live Oak Stakes
\$40,000 to the San Marcos Stakes

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 primary driver of all events is to bring exposure to Texas racing. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle increases compared to 2019.

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?

Project oversight will be provided by Rob Werstler, Director of Racing.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

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	\$445,000.00
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	\$445,000.00

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 (\$445000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

- \$30,000 to the Selma Stakes
- \$30,000 to the Towers of America Stakes
- \$30,000 to the King William Stakes
- \$50,000 to the Miss Retama Stakes
- \$100,000 to the TQHA Sales Futurity
- \$75,000 to the Sires” Cup Futurity
- \$50,000 to the Sires” Cup Derby
- \$40,000 to the Live Oak Stakes
- \$40,000 to the San Marcos Stakes

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 ACCOUNTPROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)**APPLICANT NAME:** Texas Quarter Horse 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 Summer Showdown**Event Date(s) or Approximate Date(s):** July 24, 2020**Total Amount Requested For this Event:** 240,000**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*
Immediately**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 Accredited Texas-bred Quarter Horses is an incentive to breed, raise and race in Texas at the Texas Summer Showdown held at Retama Park.

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.

Texas Summer Showdown-One night of Stakes races showcasing Accredited Texas-bred's held at Retama Park. The goal of the project is to increase the value of breeding, owning and racing of Accredited Texas-Bred Quarter Horses while attracting new owners and breeders as well as breeding stallions & mares that left Texas for other states.

\$50,000 to the TQHA 250 Stakes

\$60,000 to the TQHA Classic

\$50,000 to the TQHA 550

\$50,000 to the Benny Pennington Memorial Stakes

\$30,000 to the Jones Bloodstock Stakes

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.

TQHA 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 surrounding states to return to race in Texas. The expected results will be measured by the number of starters compared to previous years and the direct and indirect costs of more horses and related agriculture businesses in the State.

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?

Project oversight will be provided by Rob Werstler, Director of Racing.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

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	\$240,000.00
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	\$240,000.00

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 (\$240000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

- \$50,000 to the TQHA 250 Stakes
- \$60,000 to the TQHA Classic
- \$50,000 to the TQHA 550
- \$50,000 to the Benny Pennington Memorial Stakes
- \$30,000 to the Jones Bloodstock Stakes

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 HIEA-1, General Information)****APPLICANT NAME:** Texas Quarter Horse 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): Sale Futurity Texas Bonus**Event Date(s) or Approximate Date(s):** July 25, 2020**Total Amount Requested For this Event:** \$30,000**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*
Immediate**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.

This bonus pays award money to the owner, breeder and stallion owner of the first three finishers in the TQHA Sale Futurity.

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 Quarter Horses at the TQHA Sale Futurity. The goal of the project is to increase the value of breeding, owning and racing of Accredited Texas Breds and to increase the number of stallions and mares breeding in Texas. This will also incentivize selling horses at Texas sales.

Owners = \$10,000 split 50% to 1st, 30% to 2nd, 20% to 3rd

Breeder = \$10,000 split 50% to 1st, 30% to 2nd, 20% to 3rd

Stallion Owner = \$10,000 split 50% to 1st, 30% to 2nd, 20% to 3rd

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.

By increasing awards to owners, breeders, and stallions of Accredited Texas Bred horses, Texas will be in a much better position to be able to compete with surrounding states where state bred awards are supplemented by Slot machine revenue.

The increased awards will attract new breeders to Texas as well as see the return of many breeders who left the state for larger purses. Texas will benefit from the direct and indirect costs related to participate in the Agriculture and Equine industry, in particular rural Texans. Funds will be put back into the Texas economy through such purchases as horse feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor, fuel etc.

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?

Project oversight will be provided by Rob Werstler, Director of Racing.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

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
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	\$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.

Owners = \$10,000 split 50% to 1st, 30% to 2nd, 20% to 3rd

Breeder = \$10,000 split 50% to 1st, 30% to 2nd, 20% to 3rd

Stallion Owner = \$10,000 split 50% to 1st, 30% to 2nd, 20% to 3rd

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

4 of 5

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNTPROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)**APPLICANT NAME:** Texas Quarter Horse 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): 2020 QH Meet @ Gillespie - Accredited Texas Bred (ATB) Owners, Breeders & Stallion Owner Awards**Event Date(s) or Approximate Date(s):** July 4-August 23 Gillespie County Fair Meet**Total Amount Requested For this Event:** 187,000**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*
September 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.

TQHA proposes increasing incentive money to the owners, breeders and stallion owners of accredited Texas-bred horses that finish first, second or third in a Texas pari-mutuel race during the 2020 Gillespie County Fair meet (July 4- August 23). These funds will supplement the current accredited Texas-bred incentive award payouts, mandated by the Texas Racing Act Sec. 2030.004.

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.

Texas- bred horses finishing within the top 3 places in a Texas pari-mutual race at Retama Park will be eligible for the following enrollment incentive breakdown:

\$182,000 ATB Awards:

40% Owner Award

40% Breeder Award

20% Stallion Owner Award

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.

By increasing Accredited Texas Bred awards to owners, breeders, and stallions of Accredited Texas Bred horses, Texas will be in a much better position to be able to compete with surrounding states.

The addition of the Accredited Texas Bred Owner, Breeder and Stallion Owner Awards will incentivize the increase of ATB horses over the next breeding cycle and beyond. The increased ATB awards will attract new breeders to Texas as well as see the return of many breeders who left the state for larger purses.

Texas will benefit from the direct and indirect costs related to participate in the Agriculture and Equine industry, in particular rural Texans. Funds will be put back into the Texas economy through such purchases as horse feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor, fuel etc.

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?

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association along with Rob Werstler, Director of Racing. TQHA will create and install new software enhancements for thorough reporting of the ATB award project that will be readily available for review.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

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	\$182,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$5,000.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$187,000
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$187,000

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 (\$182000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

- 40% Owner Award - \$72,800
- 40% Breeder Award - \$72,800
- 20% Stallion Owner Award - \$36,400

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 5,000 _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

\$5000 -Software Upgrade

Create software to accommodate calculating new funds separate from current simulcast funds

Create software for the TRC reporting that reflects this money as separate from current pay-out.

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 ACCOUNTPROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)**APPLICANT NAME:** Texas Quarter Horse 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): Lone Star Stakes Program**Event Date(s) or Approximate Date(s):** September 11 - November 28**Total Amount Requested For this Event:** \$ 575,000**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*
September 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.

TQHA is providing opportunities to attract more horsemen and horses to the state by providing additional race days with increased purses with focus on the stakes program and an emphasis on Texas-bred horses. The increased stake purse structure will allow Lone Star Park to sell their simulcast signal to an increased number of outlets, which will increase handle.

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.

Improving stakes program with an emphasis on Texas-bred races through signature race days:
\$200,000 to the Refrigerator Stakes – Premiere race for older horses
\$100,000 to the Nevill Stakes- Accredited Texas-bred
\$100,000 to the B.F Phillips, Jr. Stakes- Accredited Texas-bred
\$100,000 to the Yellow Rose of Texas Stakes- Accredited Texas-bred

Marketing and Advertising of these events:

\$35,000 to the TVG Incentive-Exposure on TVG is an integral part of handle growth. TVG reaches over 200,000 customers. This will increase awareness of the American Quarter Horse product and will increase interest from bettors nation-wide to wager on Lone Star Park races. \$40,000 for radio advertising. Lone Star has a growing Hispanic fan base. These radio ads will strengthen advertising to that crucial demographic.

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 primary driver of all events is to bring exposure to Texas racing. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle increases compared to 2019.

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?

Project oversight will be provided by Rob Werstler, Director of Racing.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

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	\$500,000.00
Advertising	\$75,000.00
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	\$575,000.00

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 (\$500000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Lone Star Stakes Program - \$ 500,000 allocated in the following manner:

\$200,000 to the Refrigerator Stakes – Premiere race for older horses

\$100,000 to the Nevill Stakes- Accredited Texas-bred

\$100,000 to the B.F Phillips, Jr. Stakes- Accredited Texas-bred

\$100,000 to the Yellow Rose of Texas Stakes- Accredited Texas-bred

Advertising (\$75000 total) Provide an explanation of advertising costs.

\$35,000 to the TVG Incentive-Exposure on TVG is an integral part of handle growth. TVG reaches over 200,000 customers. This will increase awareness of the American Quarter Horse product and will increase interest from bettors nation-wide to wager on Lone Star Park races. \$40,000 for radio advertising. Lone Star has a growing Hispanic fan base. These radio ads will strengthen advertising to that crucial demographic.

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 Thoroughbred Association

Mailing Address: 192 Cimarron Park Loop Suite A Street Address

Buda TX 78610 Hays City State Zip Code County

Physical Address: 192 Cimarron Park Loop Suite A Street Address

Buda TX 78610 Hays 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: Mary Ruyle Mr. Dr. Ms. Other

Position Title: Executive Director

Email Address: maryr@texasthoroughbred.com

Phone: (512) 458 - 6133 Ext. Alt #: (512) 695 - 4542

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

Full Name: Cheri Grant Mr. Dr. Ms. Other

Position Title: Accountant

Email Address: cherig@texasthoroughbred.com

Phone: (512) 458 - 6133 Ext. Alt #: () -

(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: Mary Ruyle Mr. Dr.
First Last Ms. Other _____

Position Title: Executive Director

Email Address: maryr@texasoroughbred.com

Phone: (512) 458 - 6133 Ext. _____ Alt #: (512) 695 - 4542

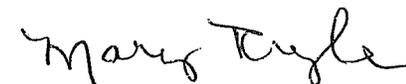
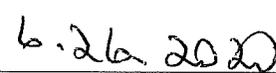
Section C. Certifications

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		
	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

1 of 1

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 Thoroughbred 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): Modification to Previously Approved 2020 Thoroughbred Meet at Lone Star Park

Event Date(s) or Approximate Date(s): May - August 2020

Total Amount Requested For this Event: Additional \$200,000

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

The 2020 Thoroughbred meet at Lone Star Park is an opportunity to build upon the early success of the Thoroughbred meet at Sam Houston Race Park before they were forced to close. With the decision by Retama Park to run only Quarter Horses in 2020, there is \$200,000 in previously approved unused purse funds targeted for stakes. Officials at Lone Star plan to offer 4 stakes on Texas Summer Classic Day, August 11 (closing day of the 2020 Thoroughbred meet) that would have been run at Retama Park. Two of these stakes are restricted to Accredited Texas-bred horses and two are for horses sired by Accredited Texas stallions.

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.

This request is a modification to an approved event using \$200,000 originally targeted for the 2020 Retama Park mixed meet.

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.

Texas horsemen will be supported by the track offering 4 of the stakes traditionally run at Retama Park, providing additional earning opportunities to horsemen. The Texas Horse Racing Hall of Fame and the Fiesta Mile each carry a purse of \$50,000. Both divisions in the second leg of the Texas Stallion Stakes Series will each have a purse of \$75,000. Additionally, this meet will provide opportunities to attract more horsemen and horses to the state who have reduced racing opportunities across the US. Increased purses with focus on the stakes program and an emphasis on Texas-bred horses will benefit Texas horsemen.

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?

TTA Executive Director Mary Ruyle will work directly with Lone Star Park operations manager Kent Slabotsky, racing secretary Tim Williams and director of racing Matt Vance to oversee all activities. Lone Star staff will provide reports to Ruyle as funds are expended and interim reports on the number of races conducted, field sizes and handle.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

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	\$200,000.00
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	\$200,000.00

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 (\$200000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

This \$200,000 (\$50,000 each) will be used to help fund the purses for the Texas Horse Racing Hall of Fame S., the Fiesta Mile S., and both divisions of the second leg of the Texas Stallion Stakes Series, all normally run at Retama Park.

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.

Devon Bijansky

From: Ed Wilson
Sent: Sunday, July 12, 2020 9:14 PM
To: Devon Bijansky
Subject: Texas Bred Awards Retama, Texas Bred Awards Lone Star

Retama Park purse funds were moved to Lone Star Park and the two meets have been combined as a single meet, therefore TABA ask for approval to combine the funds of the two Events: Texas Bred Awards Retama and Texas Bred Awards Lone Star and pay them as one meet. This will have no adverse affect and requires no new funds.

Thanks,

Ed Wilson
President
TABA
Sent from [Mail](#) for Windows 10

VI. PROCEEDINGS ON RACETRACKS

A. Updates from racetracks regarding current and upcoming race meets and simulcast operations and discussion and possible action thereon

B. Discussion and possible action to designate an application period for race dates under 16 TAC § 303.41

C. Discussion and possible action to approve modifications to Lone Star Park's 2020 thoroughbred race dates

D. Discussion and possible action to approve amendments to the totalisator contract between Gillespie County Fair and Festival Associations, Inc., and United Tote Company

**TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
HORSE RACETRACKS**

January 1, 2020 – December 31, 2020

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on June 20, 2020.

I. Schedule Requested

Name of Racetrack: _____ Lone Star Park _____

First Meet Opening Day: 05/22/2020 Closing Day: 08/12/2020

Meet Type: TB QH MX Total Number of Race Days 36

X Thoroughbred # of Races Per Day 9 or 10 Projected Purse Per Day \$240,000

Quarter Horse # of Races Per Day _____ Projected Purse Per Day \$ _____

Arabian # of Races Per Day _____ Projected Purse Per Day \$ _____

Paint Horse # of Races Per Day _____ Projected Purse Per Day \$ _____

Totals # of Races Per Day _____ Projected Purse Per Day \$ _____

Second Meet Opening Day: 09/04/2020 Closing Day: 11/21/2020

Meet Type: TB QH MX Total Number of Race Days 26

Thoroughbred # of Races Per Day _____ Projected Purse Per Day \$ _____

X Quarter Horse # of Races Per Day 12 Projected Purse Per Day \$225,000

X Arabian # of Races Per Day <1 Projected Purse Per Day \$ _____

X Paint Horse # of Races Per Day <1 Projected Purse Per Day \$ _____

Totals # of Races Per Day _____ Projected Purse Per Day \$ _____

Third Meet

Opening Day: ___/___/___

Closing Day: ___/___/___

Meet Type: TB QH MX

Total Number of Race Days _____

Thoroughbred # of Races Per Day _____

Projected Purse Per Day \$_____

Quarter Horse # of Races Per Day _____

Projected Purse Per Day \$_____

Arabian # of Races Per Day _____

Projected Purse Per Day \$_____

Paint Horse # of Races Per Day _____

Projected Purse Per Day \$_____

Totals # of Races Per Day _____

Projected Purse Per Day \$_____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2020 will be allocated among the various breeds:

Appaloosa	<u>0.5</u> %	Arabian	<u>1</u> %	Paint	<u>0.5</u> %
Quarter Horse	<u>31</u> %	Thoroughbred	<u>67</u> %		

Check all that apply:

Attached are letters from the affected breed registries that have agreed to this allocation.

The _____ breed registry(ies) has not agreed to this allocation, but negotiations with the breed registry(ies) occurred as described below:

Participants in Negotiations

_____/_____/_____

_____/_____/_____

_____/_____/_____

_____/_____/_____

_____/_____/_____

III. Dates Requested

Indicate on the attached calendar each live race date requested with a "T" (Thoroughbred), "QH" (Quarter Horse), or "M" (Mixed). Include standard post time in space provided on calendar. Any exceptions, such as holidays, should be noted.

IV. Charity Days

A Class 1 or Class 2 racetrack shall conduct at least two and not more than five charity race days each year. The association shall pay to the charity at least 2% of the total pari-mutuel handle generated at the racetrack on the charity race day. At least one of the charity days must be conducted for a charity that directly benefits the persons who work in the stable or kennel area of the racetrack. At least one of the charity days must be conducted for a charity that primarily benefits research into the health or safety of race animals.

Indicate which days are designated as charity days:

Day 1: 10/15/2020

Day 2: 11/12/2020

Day 3 (Optional): 10/30/2020

Day 4 (Optional): _____

Day 5 (Optional): _____

Identify the charities:

REQUIRED BY RULE

(1) A charity that directly benefits the persons who work on the backside:

Day 1 Charity: Race Track Chaplaincy of Texas
(Name of Charity)

(2) A charity that primarily benefits research into the health or safety of race animals:

Day 2 Charity: Texas A&M Equine
(Name of Charity)

OPTIONAL CHARITY DAYS

Day 3 Charity: Grand Prairie ISD Education Foundation
 (Name of Charity)

Day 4 Charity: _____
 (Name of Charity)

Day 5 Charity: _____
 (Name of Charity)

For each charity listed, attach the following information:

- 1. The name of the charity;**
- 2. the name and address of each individual who serves as an officer or director of the charity or who owns an interest in the charity of 5.0% or more;**
- 3. a brief description of the activities or purposes of the charity; and**
- 4. a copy of an Internal Revenue Service letter of determination that qualifies the charity as an exempt organization for purposes of federal income tax.**

V. Coordination of Request

To facilitate the Commission’s consideration of each association’s request, please indicate below the association’s coordination efforts and the letters of support as appropriate.

	Affected?		Letter of Support Attached?		
	Yes	No	Yes	No	N/A
<u>Racetrack</u>					
Gillespie County Fair & Festivals Association	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laredo Downs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lone Star Park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Manor Downs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Retama Park	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sam Houston Race Park	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Valle de los Tesoros	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Letter of Support Attached?		
	Yes	No	N/A
<u>Horsemen’s Organization</u>			
Texas Horsemen’s Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Requested Performances for 2020

January						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 New Year's Day	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20 Martin Luther King Jr. Day	21	22	23	24	25
26	27	28	29	30	31	

February						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14 Valentine's Day	15
16	17 President's Day	18	19	20	21	22
23	24	25	26	27	28	29

March						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

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April						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10 Mother's Day	11	12	13	14	15	16
17	18	19	20	21	22 T-3:05 PM	23 T-3:05 PM
24 T-3:05 PM	25 Memorial Day	26	27	28	29	30

June						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 T-1:35 PM	2 T-1:35 PM	3 T-1:35 PM	4	5	6
7	8 T-1:35 PM	9 T-1:35 PM	10 T-1:35 PM	11	12	13
14 T-3:05 PM	15 T-1:35 PM	16 T-1:35 PM	17 T-1:35 PM	18	19	20
21 Father's Day	22 T-1:35 PM	23 T-1:35 PM	24 T-1:35 PM	25	26	27 T-3:05 PM
28 T-3:05 PM	29 T-1:35 PM	30 T-1:35 PM				

July						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4 Independence Day
5 T-3:05 PM	6 T-1:35 PM	7 T-1:35 PM	8 T-1:35 PM	9	10	11
12 T-3:05 PM	13 T-1:35 PM	14 T-1:35 PM	15 T-1:35 PM	16	17	18
19 T-3:05 PM	20 T-1:35 PM	21 T-1:35 PM	22 T-1:35 PM	23	24	25
26 T-3:05 PM	27 T-1:35 PM	28 T-1:35 PM	29 T-1:35 PM	30	31	

August						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2 T-3:05 PM	3 T-1:35 PM	4 T-1:35 PM	5 T-1:35	6	7	8
9 T-3:05 PM	10 T-1:35 PM	11 T-1:35 PM	12 T-1:35	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4 Q-6:05 PM	5 Q-6:05 PM
6	7	8	9	10	11 Q-6:05 PM	12 Q-6:05 PM
13	14	15	16	17	18 Q-6:05 PM	19 Q-6:05 PM
20	21	22	23	24	25 Q-6:05 PM	26 Q-6:05 PM
27	28	29	30			

October						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2 Q-6:05 PM	3 Q-6:05 PM
4	5	6	7	8	9 Q-6:05 PM	10 Q-6:05 PM
11	12	13	14	15 Q-6:05 PM	16 Q-6:05 PM	17 Q-6:05 PM
18	19	20	21	22	23 Q-6:05 PM	24 Q-6:05 PM
25	26	27	28	29	30 Q-6:05 PM	31 Q-6:05 PM

November						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6 Q-6:05 PM	7 Q-6:05 PM
8	9	10	11	12 Q-6:05 PM	13 Q-6:05 PM	14 Q-6:05 PM
15	16	17	18	19	20 Q-6:05 PM	21 Q-6:05 PM
22	23	24	25	26	27	28
29	30					

December						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

2020 Requested Revision Horse Race Dates as July 15, 2020

January																														
W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31

Lone Star Park
Retama Park
Sam Houston Race Park

February																														
S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		

March																															
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

April																															
W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		

Lone Star Park
Retama Park
Sam Houston Race Park

May																															
F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

June																															
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		

July																															
W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

Lone Star Park
Retama Park
Sam Houston Race Park
Gillespie County Fair

August																															
S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

September																															
T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		

October																															
T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

Lone Star Park
Retama Park
Sam Houston Race Park

November																															
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

December																															
T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

	January			February			March			April			May			June			July			August			September			October			November			December			Total by Type			Total Days			
	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M	T	Q	M				
Lone Star Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	17	-	-	16	-	-	8	-	-	6	-	-	11	-	-	9	-	-	-	-	-	44	26	-	70
Retama Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	-	-	24
Sam Houston Race Park	11	-	-	13	-	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39	-	-	39	-	-	39
Laredo Downs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Manor Downs	-	-	-	-	-	-	-	-	-	-	-	-	-	-																													

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