



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

Texas Racing Commission
Tuesday, February 16, 2010
10:30 a.m.
Texas Department of Public Safety
6100 Guadalupe
Criminal Law Enforcement, Building E
First Floor Auditorium
Austin, Texas 78752

AGENDA

- I. CALL TO ORDER**
Roll Call
- II. PUBLIC COMMENT**
- III. GENERAL BUSINESS**
Discussion and consideration of the following matters:
 - A. Report on Racetrack Inspections
 - B. Report and Update by the Executive Director and Staff
 1. Report on Racetrack Meets
 2. Report on Safety and Medication
 3. Report on Bankruptcy Proceedings of Magna Entertainment Corporation and Auction of Lone Star Park
 - C. Budget and Finance Update
 - D. Recognition of the Texas Horsemen's Partnership as the Official Horsemen's Organization
 - E. Discussion of Process for Election of the Vice Chair

Discussion, consideration and possible action on the following matters:

- F. Approval of Memorandum of Understanding with the Texas Veterinary Medical Diagnostic Laboratory for FY 2010

IV. PROCEEDINGS ON RACETRACKS

Discussion, consideration, and possible action on the following matters:

- A. Request by Gulf Greyhound Park for Approval of Amendment to Totalisator Contract with United Tote Company for Gillespie County Fair and Festivals Association
- B. Request by Sam Houston Race Park to Amend its 2010 Live Racing Schedule
- C. Request by Laredo Race Park for an Amendment to its Order for Security for Compliance
- D. Request by Laredo Downs for Approval of Change of Ownership of Less than 1%
- E. Progress Reports by Inactive Racetrack Licenseholders on Preparations to Begin Live Racing
 - 1. Progress Report by Austin Jockey Club
 - 2. Progress Report by Saddle Brook Park
 - 3. Progress Report by Valle de los Tesoros
 - 4. Progress Report by Laredo Downs
 - 5. Progress Report by Laredo Race Park

V. PROCEEDINGS ON RULEMAKING

Discussion, consideration, and possible action on the following matters:

Rule Adoptions

- A. Adoption of Amendment to §313.49, Starter
- B. Adoption of Amendment to §313.59, Assistant Starters

VI. EXECUTIVE SESSION

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

- A. Under Government Code Sec. 551.071(1), the Commission may open an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Government Code Sec. 551.071(2), the Commission may open an executive session to discuss all matters identified in this agenda where the commission seeks the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and to discuss the Open Meetings Act and the Administrative Procedures Act.

VII. OLD/NEW BUSINESS

Schedule next Commission Meeting
(Tuesday, April 20, 2010)

VIII. ADJOURN

**Texas Racing Commission
Report on Racetrack Inspection Activities
February 16, 2010**

Date of Inspection	Track	Type of Inspection	Number of Unsatisfactory Items	Track Remediation	Unsatisfactory Items Remaining
December 18, 2009	Gillespie Race Barn	Pari-mutuel	0	-	-
January 22, 2010	Gulf Greyhound	Judges	6	6 items corrected on February 5, 2010 Follow-up	-
January 20, 2010	Gulf Greyhound	Veterinary	4	4 items corrected on February 7, 2010 Follow-up	-
November 19, 2009	Gulf Greyhound	Safety & Security	0	-	-
January 13, 2010	Gulf Coast (Corpus Christi)	Safety & Security	0	-	-
November 18, 2010	Lone Star Park	Stewards	1	To be resolved before next Live meet	1*
November 17, 2010	Sam Houston	Safety & Security	0	-	-
November 19, 2003	Sam Houston	Pari-mutuel	0	-	-
November 19, 2009	Sam Houston	Administrative	0	-	-
November 24, 2009	Sam Houston	Safety & Security	0	-	-
November 24, 2009	Sam Houston	Veterinary	0	-	-

H. A. I

Date of Inspection	Track	Type of Inspection	Number of Unsatisfactory Items	Track Remediation	Unsatisfactory Items Remaining
November 18, 2009	Valley	Safety & Security	0	-	-
December 10, 2009	Valley	Pari-mutuel	0	-	-
December 10, 2009	Valley	Administrative	0	-	-
January 20, 2010	Valley	Safety & Security	0	-	-
November 17, 2009	Delta Training Center	Training	1	Corrected January 20, 2010	-

Total Inspections: 16

H.A. 2

* Ongoing maintenance issues in stable area restrooms. Some plumbing fixtures need repair. Follow-up inspection will be conducted before live racing resumes in April 2010.

Texas Racing Commission

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ABS-4

Appropriated & Un-Appropriated Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2010 Annual Budget	FY 2010 Expended Thru 12/31/2009	FY 2010 Unexpended Bal 12/31/2009	With 33.33% of Year Lapsed % of Budget Expended
\$ (0)	FTE's = 75.50				
<i>Appropriated</i>	<u>Sum Of All Regulatory Programs</u>				
	1001 Salaries and Wages	\$ 3,846,595	\$ 1,031,688	\$ 2,814,908	26.82%
	1002 Other Personnel Cost	\$ 163,494	\$ 27,043	\$ 136,451	16.54%
	2001 Prof Fees and Services	\$ 204,720	\$ 13,017	\$ 191,703	6.36%
	2003 Consumables	\$ 31,000	\$ 5,748	\$ 25,252	18.54%
	2004 Utilities	\$ 30,500	\$ 8,335	\$ 22,165	27.33%
	2005 Travel	\$ 315,450	\$ 27,204	\$ 288,246	8.62%
	2006 Rent Building	\$ 108,014	\$ 43,507	\$ 64,507	40.28%
	2007 Rent Machine	\$ 14,500	\$ 3,990	\$ 10,510	27.52%
	2009 Other Operating Cost	\$ 308,980	\$ 64,312	\$ 244,668	20.81%
	CB Computer Equipment	\$ 32,538	\$ -	\$ 32,538	0.00%
\$ 5,055,791	Total Regulatory Program Appropriations	\$ 5,055,791	\$ 1,224,843	\$ 3,830,948	24.23%
\$ 5,092,611	FTE's = Total TX Bred Program Appropriations	\$ 5,092,611	\$ 1,143,895	\$ 3,948,716	22.46%
\$ 10,148,402	FTE's = 75.50 Total Agency Appropriations	\$ 10,148,402	\$ 2,368,738	\$ 7,779,664	23.34%
<i>Un-Appropriated</i>	<u>Un-Appropriated Cost of Programs</u>				
	OASI Match	\$ 295,111	78,694	\$ 216,417	26.67%
	Group Insurance	\$ 330,423	108,514	\$ 221,908	32.84%
	State Retirement	\$ 246,182	65,297	\$ 180,885	26.52%
	Benefit Replacement	\$ 40,389	8,595	\$ 31,794	21.28%
	ERS Retiree Insurance	\$ 70,000	27,141	\$ 42,859	38.77%
	SWCAP GR Reimburse	\$ 30,000	\$ -	\$ 30,000	0.00%
	Unemployment Cost	\$ 8,000	\$ -	\$ 8,000	0.00%
	Other	\$ -	\$ -	\$ -	n/a
\$ 1,020,105	Total Un-Appropriated Cost of Programs	\$ 1,020,105	\$ 288,242	\$ 731,863	28.26%
\$ 11,168,507	Agency Appropriated & Un-Appropriated Authority	\$ 11,168,507	\$ 2,656,980	\$ 8,511,526	23.79%

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Texas Racing Commission

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ABS-1

Appropriated & Un-Appropriated Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2010 Annual Budget	FY 2010 Expended Thru 12/31/2009	FY 2010 Unexpended Bal 12/31/2009	With 33.33% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	FTE's = 3.00 <u>Regulate Racetrack Owners</u>				
	1001 Salaries and Wages	216,641	60,180	156,461	27.78%
	1002 Other Personnel Cost	6,330	1,280	5,050	20.22%
	2001 Prof Fees and Services	5,000	-	5,000	0.00%
	2003 Consumables	500	-	500	0.00%
	2004 Utilities	-	-	-	
	2005 Travel	16,000	229	15,771	1.43%
0.71%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 252,046	2009 Other Operating Cost	9,375	9,965	(590)	106.29%
\$ 1,800	CB Computer Equipment	-	-	-	
\$ 253,846	Total Strategy A.1.1.	253,846	71,654	182,192	28.23%
<i>Appropriated</i> A.2.1.	FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	5,092,611	1,143,895	3,948,716	22.46%
\$ 5,092,611	Total Strategy A.2.1.	5,092,611	1,143,895	3,948,716	22.46%
<i>Appropriated</i> A.3.1.	FTE's = 14.00 <u>Supervise Racing and Licensees</u>				
	1001 Salaries and Wages	859,366	219,056	640,309	25.49%
	1002 Other Personnel Cost	26,752	4,783	21,969	17.88%
	2001 Prof Fees and Services	16,720	-	16,720	0.00%
	2003 Consumables	-	21	(21)	
	2004 Utilities	-	-	-	
	2005 Travel	90,450	3,730	86,720	4.12%
2.38%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 1,007,337	2009 Other Operating Cost	5,500	-	5,500	0.00%
\$ 23,989	CB Computer Equipment	32,538	-	32,538	0.00%
\$ 1,031,326	Total Strategy A.3.1.	1,031,326	227,590	803,736	22.07%
<i>Appropriated</i> A.3.2.	FTE's = 7.00 <u>Monitor Occupational Licensee Act.</u>				
	1001 Salaries and Wages	340,631	98,719	241,912	28.98%
	1002 Other Personnel Cost	16,760	3,340	13,420	19.93%
	2001 Prof Fees and Services	-	152	(152)	
	2003 Consumables	-	117	(117)	
	2004 Utilities	-	-	-	
	2005 Travel	30,200	3,439	26,761	11.39%
-9.65%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 434,187	2009 Other Operating Cost	4,700	-	4,700	0.00%
\$ (41,896)	CB Computer Equipment	-	-	-	
\$ 392,291	Total Strategy A.3.2.	392,291	105,767	286,524	26.96%
<i>Appropriated</i> A.4.1.	FTE's = 5.30 <u>Inspect and Provide Emerg. Care</u>				
	1001 Salaries and Wages	317,886	99,847	218,038	31.41%
	1002 Other Personnel Cost	15,280	2,140	13,140	14.01%
	2001 Prof Fees and Services	20,000	-	20,000	0.00%
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	33,600	7,122	26,478	21.20%
-14.25%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 461,548	2009 Other Operating Cost	9,000	748	8,252	8.31%
\$ (65,782)	CB Computer Equipment	-	-	-	
\$ 395,766	Total Strategy A.4.1.	395,766	109,857	285,909	27.76%

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Appropriated & Un-Appropriated Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2010 Annual Budget	FY 2010 Expended Thru 12/31/2009	FY 2010 Unexpended Bal 12/31/2009	With 33.33% of Year Lapsed % of Budget Expended
Appropriated A.4.2.	FTE's = 8.70 Administer Drug Testing				
	1001 Salaries and Wages	406,107	91,430	314,678	22.51%
	1002 Other Personnel Cost	16,172	1,740	14,432	10.76%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	22,200	1,088	21,112	4.90%
13.90%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 396,382	2009 Other Operating Cost	7,000	14	6,986	0.20%
\$ 55,097	CB Computer Equipment	-	-	-	
\$ 451,479	Total Strategy A.4.2.	451,479	94,272	357,208	20.88%
Appropriated B.1.1.	FTE's = 11.50 Occupational Licensing				
	1001 Salaries and Wages	360,276	90,449	269,827	25.11%
	1002 Other Personnel Cost	28,060	2,380	25,680	8.48%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	2,500	-	2,500	0.00%
	2004 Utilities	-	-	-	
	2005 Travel	27,500	1,792	25,708	6.52%
2.50%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	12,000	3,604	8,396	30.04%
\$ 453,764	2009 Other Operating Cost	34,750	11,242	23,508	32.35%
\$ 11,322	CB Computer Equipment	-	-	-	
\$ 465,086	Total Strategy B.1.1.	465,086	109,468	355,618	23.54%
Appropriated B.1.2.	FTE's = 0 Texas OnLine				
	1001 Salaries and Wages	-	-	-	
	1002 Other Personnel Cost	-	-	-	
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
0.00%	2006 Rent Building	-	-	-	
\$ 23,250	2007 Rent Machine	-	-	-	
\$ -	2009 Other Operating Cost	23,250	3,586	19,664	15.42%
\$ -	CB Computer Equipment	-	-	-	
\$ 23,250	Total Strategy B.1.2.	23,250	3,586	19,664	15.42%
Appropriated C.1.1.	FTE's = 9.00 Monitor Wagering and Audit				
	1001 Salaries and Wages	413,742	101,593	312,149	24.55%
	1002 Other Personnel Cost	10,080	3,360	6,720	33.33%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	0
	2004 Utilities	-	-	-	
	2005 Travel	35,000	3,640	31,360	10.40%
-0.15%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 479,610	2009 Other Operating Cost	20,060	1,986	18,074	9.90%
\$ (728)	CB Computer Equipment	-	-	-	
\$ 478,882	Total Strategy C.1.1.	478,882	110,580	368,303	23.09%
Appropriated C.1.2.	FTE's = 4.00 Wagering & Compliance Inspections				
	1001 Salaries and Wages	193,470	64,490	128,980	33.33%
	1002 Other Personnel Cost	9,060	2,000	7,060	22.08%
	2001 Prof Fees and Services	75,000	-	75,000	0.00%
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	25,000	1,985	23,015	7.94%
0.00%	2006 Rent Building	-	-	-	
\$ -	2007 Rent Machine	-	-	-	
\$ 307,330	2009 Other Operating Cost	4,800	-	4,800	0.00%
\$ 0	CB Computer Equipment	-	-	-	
\$ 307,330	Total Strategy C.1.2.	307,330	68,475	238,855	22.28%

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Appropriated & Un-Appropriated Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2010 Annual Budget	FY 2010 Expended Thru 12/31/2009	FY 2010 Unexpended Bal 12/31/2009	With 33.33% of Year Lapsed % of Budget Expended
<i>Appropriated</i> D.1.1.	FTE's = 8.00 <u>Central Administration</u>				
	1001 Salaries and Wages	447,521	127,595	319,926	28.51%
	1002 Other Personnel Cost	28,280	3,860	24,420	13.65%
	2001 Prof Fees and Services	27,000	-	27,000	0.00%
	2003 Consumables	25,000	4,164	20,836	16.65%
	2004 Utilities	30,500	8,290	22,210	27.18%
	2005 Travel	32,500	3,615	28,885	11.12%
2.06%	2006 Rent Building	105,314	43,507	61,807	41.31%
\$ -	2007 Rent Machine	2,500	386	2,114	15.43%
\$ 789,117	2009 Other Operating Cost	106,750	32,992	73,758	30.91%
\$ 16,248	CB Computer Equipment	-	-	-	
\$ 805,365	Total Strategy D.1.1.	805,365	224,408	580,957	27.86%
<i>Appropriated</i> D.2.1.	FTE's = 5.00 <u>Information Resources</u>				
	1001 Salaries and Wages	290,956	78,328	212,628	26.92%
	1002 Other Personnel Cost	6,720	2,160	4,560	32.14%
	2001 Prof Fees and Services	61,000	12,865	48,135	21.09%
	2003 Consumables	3,000	1,447	1,553	48.23%
	2004 Utilities	-	45	(45)	1.50%
	2005 Travel	3,000	563	2,437	18.78%
0.00%	2006 Rent Building	2,700	-	2,700	0.00%
\$ -	2007 Rent Machine	-	-	-	
\$ 451,170	2009 Other Operating Cost	83,795	3,779	80,016	4.51%
\$ 0	CB Computer Equipment	-	-	-	
\$ 451,170	Total Strategy D.1.2.	451,170	99,187	351,984	21.98%
<i>Appropriated</i> D.1.3.	FTE's = - <u>Other Support Services</u>				
	1001 Salaries and Wages	-	-	-	
	1002 Other Personnel Cost	-	-	-	
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
	2006 Rent Building	-	-	-	
	2007 Rent Machine	-	-	-	
\$ -	2009 Other Operating Cost	-	-	-	
\$ -	CB Computer Equipment	-	-	-	
\$ -	Total Strategy D.1.3.	-	-	-	
\$ -					
\$ 5,055,791	Regulatory Program Appropriations	5,055,791	1,224,843	2,928,698	24.23%
\$ 5,092,611	TX Bred Program Appropriations	5,092,611	1,143,895	3,948,716	22.46%
\$ 10,148,402	Total M.O.F. (TXRC Acct. 597 & GR)	10,148,402	2,368,738	6,877,413	23.34%
\$ 10,148,402	Total All Appropriations	10,148,402	2,368,738	6,877,413	23.34%

III. C. 4

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TEXAS RACING COMMISSION
AND
THE TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY**

Pursuant to Texas Racing Act, §3.07(d), V.T.C.S. Art. 179e (Act), the Drug Testing Laboratory of the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) is to perform drug testing services on race animals for the Texas Racing Commission (TxRC). TxRC and TVMDL enter into this Memorandum of Understanding to delineate the responsibilities of the Parties in administering TxRC's drug testing program for race animals.

**I.
DEFINITIONS**

Association – A pari-mutuel racetrack licensed by TxRC under the Act to conduct horse or greyhound racing with pari-mutuel wagering.

ELISA – Enzyme-linked immunosorbent assay.

Executive Director - the Executive Director for the TxRC or a designee of the Executive Director.

GC/MS – Gas Chromatography-Mass Spectrometry

HPLC - High Performance Liquid Chromatography

LC/MS - Liquid Chromatography-Mass Spectrometry

TLC - Thin layer chromatography.

**II.
LABORATORY COVENANTS**

TVMDL agrees to:

1. Provide sufficient security to control access to the TVMDL Drug Testing Lab and to ensure only authorized persons handle samples or gain access to TVMDL processes or to areas where records and samples are stored.
2. Supply, with Executive Director approval, all supplies for the collection and shipment of samples, including sample jars, blood tubes, seals, labels, vacutainer sleeves, collection needles, and shipping containers. TVMDL will bill the actual cost of supplies to the association at which the supplies are used. On request by the Executive Director, TVMDL shall provide documentation regarding the cost of supplies. TVMDL shall obtain Executive Director approval before changing supplies.

3. Inspect each shipment of samples on arrival at TVMDL for evidence of possible tampering. Any evidence of tampering shall be noted and reported to the Executive Director in writing.
4. Use chain-of-custody procedures to maintain control and accountability of samples at all stages of the testing process, from receipt to final disposition of the samples.
5. Provide secured, cooled storage of samples while at TVMDL.
6. Maintain and follow a Standard Operating Procedures Manual.
7. Provide TLC screening tests developed and validated through the Racing Commissioners International Quality Assurance Program, the Testing Integrity Program, Inc., TVMDL, or elsewhere on approximately 25% of the canine and equine urine samples (or on equine sera or plasma if urine was not collected). TVMDL will make every effort to ensure that this closely approximates 25% of all samples actually submitted from each racetrack throughout the year. TVMDL shall maintain records to substantiate compliance with this paragraph.
8. Perform an average of at least thirty-five ELISA tests on all equine urine samples, with an emphasis on drugs classified as Category I or II by the TxRC Equine Medication Classification. The tests will be selected from a rotating menu of at least fifty different immunoassays. The pooling of samples (not to exceed 4 samples per pool) may be used to decrease the sensitivity of therapeutic drug ELISAs or where the ELISA sensitivity is less than the limit of detection of either the GC/MS or LC/MS (not including LC/MS 3Q).
9. Except for samples containing medication requiring quantitation, perform confirmatory testing on each screened sample, whether urine, plasma or sera, where the screening test has identified that particular sample as possibly containing a foreign substance. The confirmatory test shall be gas chromatography/mass spectrometry or equivalent confirmatory procedures.
10. Provide phenylbutazone quantitation in equine sera or plasma by HPLC if phenylbutazone appears on routine urine screening procedures. Each sample containing more than 5 µg/ml shall be reported to TxRC.
11. Provide furosemide quantitation in equine sera or plasma by HPLC for the sample from each horse that received furosemide treatment, which has a urine specific gravity of 1.015 or less. Report as positive each sample in which the furosemide quantitation indicates at least 100 ng/ml of furosemide and a urine specific gravity of less than 1.010. Report as a letter of notification each sample in which the furosemide quantitation indicates at least 100 ng/ml of furosemide and a urine specific gravity of 1.010 – 1.012. Before reporting results to TxRC, the results must be confirmed by an independent laboratory.
12. Perform tests for total carbon dioxide on samples of equine sera or plasma as requested by the TxRC.

13. Perform tests for anabolic steroids in samples of equine urine by Liquid Chromatography-Mass Spectrometry (LC/MS) as requested by the TxRC.
14. Perform tests for anabolic steroids and other drugs in samples of equine sera or plasma by Liquid Chromatography-Mass Spectrometry (LC/MS) as requested by TxRC.
15. Perform tests on samples from horses that participated in graded stakes races for the substances required by the Thoroughbred Owners and Breeders Association.
16. Perform an average of at least ten ELISA tests on all canine urine samples, with an emphasis on drugs classified as Category I or II by the TxRC Greyhound Medication Classification.
17. Perform instrumental analysis LC/MS or GC/MS on 25% of the canine urine samples.
18. Performance of immunoassays is contingent on the availability of approved/industry-recognized tests. If the tests are not available or become unavailable, immunoassays mutually acceptable to TxRC and TVMDL will be substituted.
19. After testing is complete, store each sample in a secured, frozen environment (-10 degree C or less) until all legal proceedings concerning the sample are concluded.
20. Report the results of all negative tests to TxRC within 120 hours of sample receipt, if possible, by the method required by the Executive Director. Report results of the remaining tests to TxRC within three weeks of sample receipt. On request by the Executive Director, TVMDL shall make available to TxRC a copy of the analytical results of any test conducted pursuant to this Memorandum of Understanding.
21. Provide qualified professional personnel to testify in an administrative hearing or other legal proceeding involving a test performed pursuant to this Memorandum of Understanding and participate in and assist with pretrial matters in those proceedings, such as interrogatories and depositions.
22. Notify the TxRC in writing at least 30 days before implementing a change in analytical procedures for a substance classified as Category III, IV, or V in the TxRC Equine Medication Classification that makes the test for such a substance more sensitive.
23. Participate, through TxRC, in an industry-recognized quality assurance program.
24. Refrain from disclosing any information relating to a sample to any person other than one designated by TxRC to receive the information.

25. Maintain qualified staff with no financial interest in racehorses, racing greyhounds, or an association or any other conflict of interest within the racing industry. All laboratory personnel must be employees of the Texas Veterinary Medical Diagnostic Laboratory, a member of the Texas A&M University System, and at all times be subject to the rules and policies of the A&M System, as promulgated by the Board of Regents of the A&M System or the Executive Director of TVMDL.
26. Consent to background investigation conducted by the Texas Department of Public Safety, including fingerprinting, of all TVMDL staff involved in drug testing.
27. Allow access by TxRC to all records of TVMDL that pertain to drug testing services performed pursuant to this Memorandum of Understanding.
28. Make reasonable efforts to collect payment from each association and notify the Executive Director of any charges that are unpaid after 30 days of invoicing.
29. Notify the Executive Director, within 30 days of receipt, of all findings and recommendations made by the State Auditor, an internal auditor of the Texas A&M University System, or another auditor acting on behalf of or under contract with TVMDL or the Texas A&M University System regarding the fiscal operations of TVMDL or any operations of the Drug Testing Laboratory of TVMDL.

III. COMMISSION COVENANTS

TxRC agrees to:

1. Supervise the sample collection site at each association to ensure the site has the necessary personnel, supplies, equipment, facilities, and supervision to provide for the identification of animals and humans and to collect, identify, secure, store, and ship each sample to TVMDL.
2. Provide for testing approximately 5,100 equine urine and/or serum/plasma samples and approximately 7,000 canine urine samples. TxRC will make every effort to send for testing approximately 2.1 equine samples per race and 18 canine samples per full performance (up to 13 races) or 1.3 samples per race for abbreviated performances (fewer than 5 races). If the number of racing performances changes during the calendar year, the number of specimens may be adjusted accordingly, and the Executive Director will notify the Head of the Drug Testing Laboratory as soon as practicable.
3. Require each association to deliver all samples to TVMDL in a secure manner, at the association's expense, in accordance with a delivery schedule approved by TVMDL.
4. Apprise and update TVMDL of all drugs on the permitted list and all changes in medication rules, practices, or procedures.

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5. Participate in and fund an industry-recognized quality assurance program.
6. No later than 90 days before the anticipated opening of a racing facility, TxRC shall notify TVMDL in writing of the anticipated race dates for the facility and anticipated number of samples.
7. Employ enforcement measures necessary to ensure that the costs incurred by TVMDL for drug testing services pursuant to this Memorandum of Understanding are promptly paid by each association.

**IV.
COST OF SERVICES**

Except as otherwise provided by this paragraph, TVMDL agrees to charge, and TxRC approves a per-sample charge of \$86.00 for equine samples and \$36.50 for canine samples. For tests conducted pursuant to Article II, Section 12, TVMDL agrees to charge, and TxRC approves a per-sample charge of \$11.00. For tests conducted pursuant to Article II, Section 13, TVMDL agrees to charge, and TxRC approves a per-sample charge of \$26.00. For tests conducted pursuant to Article II, Section 14, TVMDL agrees to charge, and TxRC approves a per-sample charge of \$15.00. For tests conducted pursuant to Article II, Section 15, TVMDL agrees to charge, and TxRC approves a per-sample charge of \$300.00.

Pursuant to the Act, §3.07, the associations are responsible for payment of these charges.

**V.
EXECUTION**

The Parties agree to use due diligence in the exercise of their responsibilities as outlined in this Memorandum of Understanding. The term of this Memorandum of Understanding is commission approval to August 31, 2010. To ensure the continuity of the drug testing program in pari-mutuel racing, all terms of this Memorandum of Understanding continue in effect until a new Memorandum of Understanding is executed. If either Party determines that events have changed and significantly affect a material term of the Memorandum of Understanding, including but not limited to, the closing of a race track or a significant increase in the cost of drug-testing supplies, the Parties may renegotiate the terms of this Memorandum of Understanding.

For the faithful performance of this agreement, this agreement is executed by the undersigned persons in their capacities described below. This agreement takes effect on the date of approval by the commissioners of the Texas Racing Commission.

TEXAS RACING COMMISSION

TEXAS VETERINARY MEDICAL
DIAGNOSTIC LABORATORY

Charla Ann King
Executive Director

Tammy R. Beckham 1-31-2010

Tammy R. Beckham, DVM, PhD
Director

Approved as to form:

Mark Fenner
TxRC General Counsel



Sally B. Briggs
General Manager

January 19, 2010

Ms. Charla Ann King
Executive Director
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

Dear Ms. King:

Enclosed is the signed Amendment to Service Contract between Gillespie County Fair and Festivals Association, Inc. and United Tote Company. This Amendment is an addendum to the contract dated March 15, 2004 approved by the Texas Racing Commission and continues the service provided by United Tote Company for one (1) year.

Please place this request on the Agenda for the next Texas Racing Commission meeting.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Sally B. Briggs".

Sally B. Briggs
General Manager

Enclosure (1)



Memorandum

Date: January 26, 2009

To: Mark Fenner, General Counsel

From:  Sammy Jackson, Deputy Director

RE: Totalisator Contract between United Tote Company and Gillespie County Fair and Festival Association, Inc.

Attached to this memorandum is the amendment to the tote contract between Gillespie County Fair and Festival Association, Inc. and United Tote Company that has been requested to be placed on the February 16, 2010 Commission Agenda for consideration. The amendment submitted for consideration would continue services as outlined within the original contract approved by the Commission on March 15, 2004. Staff has completed a review of the original contract approved by the Commission in 2004 and the amendment attached to this memorandum that has been submitted for consideration. Staff finds all documents to be in compliance with the Texas Racing Act and the Texas Rules of Racing.

If you have any questions, please feel free to contact Carol Olewin or me.

Cc: Carol Olewin, Compliance Audit Administrator
Gulf Greyhound Park File
Gillespie County Fair Association File



Via E-Mail and U.S. Mail

January 26, 2010

Ms. Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Ms. King:

On behalf of Sam Houston Race Park, I ask that the Texas Racing Commission please modify our 2010 Thoroughbred racing calendar by allowing us to add four Mondays during the month of March. Specifically, we request that the Commission allow us to add live racing on March 8, 15, 22 and 29.

As you are aware, Sam Houston Race Park was forced to cancel live racing on January 9 and January 10 of this year due to freezing weather conditions. The addition of these dates are intended to compensate for the two dates that were lost in January as well as allow us to take advantage of limited outbound signals now available on Mondays. It is our hope that the addition of these dates will allow us to maximize handle potential while also providing additional opportunities for Texas horsemen to race.

Attached are letters of support from the Texas Thoroughbred Association and the Texas Horseman's Partnership endorsing our request. We thank you for your time and consideration.

Sincerely,



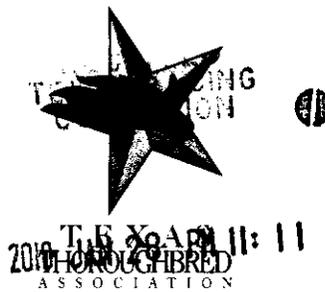
Andrea B. Young
President

CC: David Hooper, TTA
Marsha Rountree, THP
Terry Blanton, TTHBPA
Eric Johnston, SHRP
David Jackson, SHRP

SAM HOUSTON RACE PARK LTD.

7575 North Sam Houston Parkway West, Houston, TX, 77064 • 281.807.8700 • shrp.com

IV.B.1



January 25, 2010

Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Charla Ann:

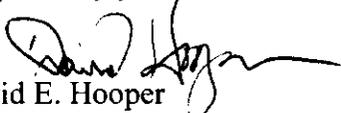
The Texas Thoroughbred Association has been contacted by officials of Sam Houston Race Park advising of their interest in adding four live Thoroughbred racing dates on the following Monday afternoons, March 8, 15, 22 and 29th, during the current meet, in part to make up for the January 8 and 9th cancelled dates.

TTA supports this request for the following reasons:

- 1) The two cancelled dates will be made up and the two additional days of racing will provide Texas horsemen with more opportunities to race;
- 2) Racing on Monday afternoons should have a very positive effect on handle on SHRP's live export simulcast signal since there will be a limited number of outbound signals those afternoons, and none from tracks in major racing states;
- 3) Since this is being viewed as an experiment, TTA awaits the results with interest and wants to commend SHRP officials for thinking out of the box and requesting something different than has been done in the past.

Thank you for the opportunity to express TTA's position.

Respectfully yours,


David E. Hooper
Executive Director

CC: Andrea Young, SHRP
David Jackson, SHRP
Eric Johnston, SHRP
Marsha Rountree, THP



January 22, 2010

Charla Ann King
 Executive Director
 Texas Racing Commission
 P.O. Box 12080
 Austin, TX 78711

Dear Charla Ann:

As you are aware, extreme weather conditions forced Sam Houston Race Park to cancel two days of racing in early January. The loss of racing opportunities is always detrimental to our members regardless of the circumstances.

The Texas Thoroughbred HBPA was contacted by SHRP staff with a proposal to make up these cancelled opportunities. In addition to the two lost days, SHRP requested our support in adding an additional two days of racing to the current thoroughbred meet.

All four requested days are Mondays, which should prove to be beneficial to our horsemen since the outbound signal from SHRP will have very little competition on Monday.

Therefore, Texas Thoroughbred HBPA and Texas Horsemen's Partnership support the request of Sam Houston Race Park to add the following days to its current race meet: March 8, 15, 22 and 29th.

In addition, we would like to thank SHRP for their innovative thinking and for the additional racing opportunities for our thoroughbred members.

Sincerely,

A handwritten signature in cursive script that reads 'Marsha Rountree'.

Marsha Rountree
 Interim Executive Director
 Texas Horsemen's Partnership, LLP

cc: Andrea Young, SHRP
 David Jackson, SHRP
 David Hooper, TTA
 Terry Blanton, TTHBPA

MOLTZ MORTON O'TOOLE
2010 JAN 15 PM 1:10 LLP

William J. Moltz
(512) 439-2171
wmoltz@mmotlaw.com

The Littlefield Building
106 East 6th Street, Suite 700
Austin, TX 78701
(512) 439-2170
Facsimile (512) 439-2165

January 14, 2010

Charla Ann King, Executive Secretary
Texas Racing Commission
8505 Cross Park Dr., Suite #110
Austin, Texas 78754

Via Fax and Regular Mail

RE: Approval of Ownership Change for Licensee LRP Group, Ltd.

Dear Ms. King:

Pursuant to Texas Rule of Racing 309.151, LRP Group, Ltd. ("LRP Group") requests the approval of the Texas Racing Commission ("TRC") for a minor ownership change related to its Class 2 horse racetrack license for Webb County, Texas.

As the TRC is well aware, LRP Group's Partnership Agreement calls for periodic cash calls as necessary for Partnership expenses. As the result of such a cash call, the ownership total interest of Ted Abrams in LRP Group, Ltd. and LRP GP, LLC combined will change from the currently approved 1.5357% to 1.4927%, a decrease in ownership of 0.043%. Pursuant to the Partnership Agreement, that 0.043% ownership interest will be transferred to another current partner, Muy Buena Suerte, Ltd.. Accordingly, the total ownership interest of Muy Buena Suerte, Ltd. in LRP Group, Ltd. and LRP GP, LLC combined will increase by 0.043% to 50.9815%. The change will take place immediately upon TRC approval. For convenience, attached is a chart showing the amount of total ownership interest of all partners following the approval of this requested change.

The TRC has previously been provided the personal identifying information required by Rule 309.151(b)(1) and (2) for each of the partners of Muy Buena Suerte, Ltd.. Although we do not believe it is necessary, LRP Group will provide that information again if requested by the TRC.

We have also enclosed a check in the amount of \$75.00 pursuant to Racing Commission Rule 309.11 for the processing fee (\$25) and investigation fee (\$50) associated with this request.

Finally, we also request that this request be placed on the Agenda for consideration at the upcoming February, 2010 Commissioner's meeting.

MOLTZ MORTON O'TOOLE
LLP

Charla Ann King, Commission Secretary
January 14, 2010
Page 2

If we can be of further assistance, please feel free to contact me.

Sincerely,



William J. Moltz
Counsel for LRP Group, Ltd.

WJM/pjp

Attachments

cc: Mark Fenner (w/attachments)

LAREDO DOWNS

TOTAL OWNERSHIP INTERESTS

(LRP Group, Ltd. plus LRP GP, LLC.)

January 12, 2010

<u>REQUESTED OWNERSHIP PERCENT</u>			
<u>OWNER</u>	<u>Total Percent Ownership</u> (Licensee plus General Partner)	<u>LRP Group, Ltd.</u> (License Holder)	<u>LRP GP, LLC</u> (General Partner of LRP Group, Ltd.)
Muy Buena Suerte, Ltd.	50.9815	50.4718	50.9815
Ted G. Abrams	1.4927	1.4777	1.4927
Straus 2003 Irrevocable Trust (no change)	9.8330	9.7346	9.8330
Silver Creek Racing, Ltd. (no change)	5.1048	5.0538	5.1048
Nick Serafy Jr. (no change)	5.0548	5.0043	5.0548
Charles W. Graham, DVM (no change)	4.9500	4.9005	4.9500
Sam M. Phelps (no change)	4.9000	4.8510	4.9000
Paul W. Bryant, Jr. (no change)	4.9000	4.8510	4.9000
Phillip Adams (no change)	4.0000	3.9600	4.000
Robert Johnson (no change)	3.2956	3.2627	3.2956
George A. Wolff (no change)	3.0951	3.0641	3.0951
Tyler Graham (no change)	2.1184	2.0972	2.1184
Gary Wolff ¹ (no change)	0.2741	0.2713	0.2741
LRP GP, LLC	N/A	1.0000	N/A
Total	100.00 %	100.00%	100.00%

¹ In a prior ownership interest summary provided to the Commission as part of the Commission's September 2009 public meeting, Mr. Wolff's ownership percent was shown as 0.2740. The 0.0001 difference between that prior summary and the percent reported here is attributable to a clerical rounding issue and does not reflect an actual transfer of any ownership interest.

R.D.W



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

February 4, 2010

To: Charla Ann King
Executive Director

From: Michael Gougler
 Director of Investigation

RE: Ownership Changes Laredo Downs

On January 14, 2010, the commission received a written request from Laredo Downs to approve a change of 0.043% ownership from Ted Abrams, who currently owns 1.5357%, to Muy Buena Suerte, Ltd., who currently owns 50.9386%.

Mr. Abrams last underwent a background check before the license was granted in 2007. DPS refreshed its background information on Muy Buena Suerte principals in April 2009. At this time, no further background review is necessary.

It is recommended that the application for ownership transfer, as indicated above, be approved.

Texas Racing Commission
Title 16, Part VIII
Chapter 313. Officials and Rules of Horse Racing
Subchapter A. Officials
Division 3. Duties of Other Officials

1 **Sec. 313.49. Starter.**

2 (a)-(c) (No change.)

3 (d) The starter shall assign the stall positions to the
4 assistant starters at random. The starter may not notify the
5 assistant starters of their respective stall positions for a
6 race more than 10 minutes before post time for the race. With
7 the approval of the stewards, the starter may make exceptions to
8 this subsection if necessary to ensure the safety of the race
9 participants and the integrity of racing.

10 (e) (No change.)

Texas Racing Commission
Title 16, Part VIII
Chapter 313. Officials and Rules of Horse Racing
Subchapter A. Officials
Division 3. Duties of Other Officials

1 **Sec. 313.59. Assistant Starter.**

2 (a) The assistant starters shall be supervised by the starter.

3 The assistant starters shall load the horses into the starting
4 gate and, when required, head the horses in the starting gate.

5 (b) With respect to an official race, the assistant starters
6 shall not:

7 (1) handle or take charge of any horse in the starting gate
8 without the expressed permission of the starter;

9 (2) impede the start of a race;

10 (3) apply a whip or other device, with the exception of
11 steward-approved twitches, to assist in loading a horse into the
12 starting gate;

13 (4) slap, boot, or otherwise dispatch a horse from the
14 starting gate; or

15 (5) strike or use abusive language to a jockey.