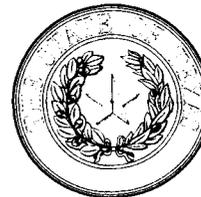


TEXAS RACING COMMISSION

P. O. Box 12080 ★ Austin, TX 78711-2080
8505 Cross Park ★ Austin, TX 78754-4552
(512) 833-6699 ★ Fax (512) 833-6907



COMMITTEE ON RULES

Tuesday, February 1, 2011
1:30 p.m.
Animal Health Commission
2105 Kramer Lane
Auditorium
Austin, Texas 78758

Agenda

The Committee will discuss the Rule Reviews of Chapters 307, Proceedings before the Commission, and Chapter 321, Pari-mutuel Wagering.

- The Chapter 307 discussion will focus on the proposed amendment to Commission Rule § 307.62, Disciplinary Hearings. The amendment was published for public comment in the December 24, 2010, edition of the Texas Register (35 TexReg 11460) and will be eligible for adoption at the February 15, 2011, Commission meeting.
- The Chapter 321 discussion will focus on proposed amendments to Rules §§ 321.15, 321.23, 321.211, 321.312, 321.313, 321.417, 321.503, 321.605, and proposed new Rules §§ 321.12, 321.46, 321.319, 321.320, and 321.321. The changes were published for public comment in the December 24, 2010, edition of the Texas Register (35 TexReg 11461) and will be eligible for adoption at the February 15, 2011, Commission meeting.

Staff will also provide a report on the progress of the proposed changes to Chapter 21, Subchapter B, Totalisator Requirements and Operating Environment.

Requests for Rule Changes

- Request by the Texas Greyhound Association to amend Rule § 309.355, Grading System, relating to kennel contracts and greyhound racetrack policies.

**COMMITTEE ON RULES
TEXAS RACING COMMISSION**



- Request by the Texas Greyhound Association to amend Rule § 311.103, Kennel Owners, to increase the required percentage of accredited Texas-bred greyhounds on each kennel's active list.
- Request by Lone Star Park to amend Rule § 313.110, Coupled Entries, to remove the requirement to couple any two horses that have common interests through training when the trainer also owns an interest in either horse.
- Request by the Texas Quarter Horse Association to amend Rule § 319.111, Bleeders and Furosemide Program, relating to horses that have been voluntarily admitted to the Bleeders and Furosemide program.
- Request by Commission staff to amend Rules §§ 321.1, Definitions and General Provisions, and 321.35, Claim for Payment, to allow claims for certain lost or destroyed pari-mutuel tickets or vouchers.

The public will be given an opportunity to address the Committee and identify any potential subjects that it would like placed on the agenda for discussion at a future committee meeting.

**TEXAS RULES OF RACING
CHAPTER 307
PROCEEDINGS BEFORE
THE COMMISSION**

Rule Review – Proposed Adoption

**Chapter 307, Subchapter C,
Proceedings by Stewards and Racing Judges
Section 307.62. Disciplinary Hearings
Texas Register Format**

1 **Sec. 307.62.Disciplinary Hearings.**

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

3 (d) Evidence.

4 (1)-(3) (No change.)

5 (4) The stewards and racing judges shall allow a full
6 presentation of evidence and are not bound by the technical
7 rules of evidence. However, the stewards and racing judges may
8 disallow evidence that is irrelevant or unduly repetitive of
9 other evidence. The stewards shall have the authority to
10 determine, in their sole discretion, the weight and credibility
11 of any evidence and/or testimony. The stewards and racing judges
12 may admit hearsay evidence if the stewards and racing judges
13 determine the evidence is of a type that is commonly relied on
14 by reasonably prudent people. The rules of privilege recognized
15 by state law apply in hearings before the stewards and racing
16 judges. Hearsay evidence that is not otherwise admissible under
17 the exceptions of the Texas Rules of Evidence is an insufficient
18 basis alone for a ruling.

19 (e) Burden of Proof. The burden of proof is on the person
20 bringing the complaint to show, by a preponderance of the
21 evidence, that the licensee has violated or is responsible for a
22 violation of the Act or a Commission rule.

23 (f) Continuances.

24 (1) Upon receipt of a notice, a person may request a
25 continuance of the hearing.

26 (2) For good cause shown, the stewards or racing judges may
27 grant a continuance of any hearing for a reasonable period of
28 time.

29 (3) The stewards or racing judges may at any time order a
30 continuance on their own motion.

1 (g) [~~(e)~~] Agreed Settlement. The person who is the subject of
2 the disciplinary hearing may waive the right to a hearing and
3 subsequent appeal and enter into an agreed settlement with the
4 stewards or racing judges.

5 (h) [~~(f)~~] Failure to Appear. The stewards or racing judges may
6 suspend the license of a person who fails to appear at a
7 disciplinary hearing after receiving written notice of the
8 hearing until the matter is adjudicated.

9 (i) [~~(g)~~] Summary Suspension. If the stewards or racing judges
10 determine that a licensee's actions constitute an immediate
11 danger to the public health, safety, or welfare, the stewards or
12 racing judges may enter a ruling summarily suspending the
13 license, without a prior hearing. A summary suspension takes
14 effect immediately on issuance of the ruling. If the stewards or
15 racing judges suspend a license under this subsection, the
16 licensee is entitled to a hearing on the suspension not later
17 than three calendar days after the day the license is suspended.
18 The licensee may waive his or her right to a hearing on the
19 summary suspension within the three-day period.

**TEXAS RULES OF RACING
CHAPTER 321
PARI-MUTUEL WAGERING**

Rule Review – Proposed Adoptions

**Chapter 321, Subchapters A, C, D, and E
Texas Register Format**

MEMO
TEXAS RACING COMMISSION

January 27, 2011

To: Mark Fenner

From: Carol Olewin



Subject: Proposed rules 321.313 Select Four or Five, and 321.319 Select Three.

Based on the comments we have received from the totalisator companies, we'd like to withdraw these two rules from consideration by the Texas Racing Commission.

RE: Pick 3 Pool

John Carey [John.Carey@unitedtote.com]

To 'Carol.Olewin@txrc.state.tx.us' [Carol.Olewin@txrc.state.tx.us]

Date Thu 1/13/2011 11:01 AM

I don't have any problems with the carry-over requirement. I already support a major/minor for a pick-3.

From: Carol Olewin [mailto:carolo@txrc.state.tx.us]

Sent: Thursday, January 13, 2011 7:29 AM

To: John Carey

Subject: RE: Pick 3 Pool

John, Thank you for catching that.

I take it by your comment, that you don't have any problem supporting this pool as a major/minor pool with a carry-over jackpot as described in that section (g)?

Carol Olewin
Texas Racing Commission
512-490-4024

From John Carey <John.Carey@unitedtote.com>

Sent Wed 1/12/2011 3:43 PM

To 'Carol.Olewin@txrc.state.tx.us' <Carol.Olewin@txrc.state.tx.us>

Subject RE: Pick 3 Pool

The only thing that seems strange to me is 2(b). In all the rest of the rule the carry forward always goes to the next Pick-3. However, 2(b) states "Carried forward to the next select three four or five pool offered".

From: Carol Olewin [mailto:carolo@txrc.state.tx.us]

Sent: Wednesday, January 12, 2011 12:51 PM

To: Bacha, Mark; Chris Emslie; Haslett, David; John Carey; Larry Brooks; MCACKOWSKI

Cc: Carter, Lena; Frank Hopf; Jackie Hart; McGee, Don; Melinda Tyler

Subject: Pick 3 Pool

Attached is the Pick 3 rule proposed at the Pari-mutuel Advisory Committee of the Texas Racing Commission.

The rule has been published in the Texas Registry for public comment. To date I have received only one comment from Sportech regarding this pool.

If you want to make a public comment regarding this rule, please provide it to me by Monday, January 17, otherwise the rule will be considered for adoption as written.

Carol Olewin
Texas Racing Commission
512-490-4024

have received this communication in error, please immediately notify the sender by return e-mail message and delete all copies of the original communication. Thank you for your cooperation.

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RE: Texas Racing Commission

Bacha, Mark [mark.bacha@sportech.net]

To Carol.Olewin@txrc.state.tx.us [Carol.Olewin@txrc.state.tx.us]**Cc** Curley L. Trahan [trahan@txrc.state.tx.us]; Haslett, David [david.haslett@sportech.net]; Skelton, Louis [louis.skelton@sportech.net]; Sanjanwala, Raj [raj.sanjanwala@sportech.net]; Ryan, Mike (GA) [Mike.Ryan@sportech.net]; Lato, Sam [Sam.Lato@sportech.net]; Steiger, Dennis [Dennis.Steiger@sportech.net]; Vieira, Dave [Dave.Vieira@sportech.net]**Date** Fri 1/7/2011 10:13 AM**Attachments** 2011-02-07 Proposed PK3 TxRC.docx

Carol,

Find included our comments on the proposed TxRC rule changes for the PK3. These changes are satisfied by our internal tote Rule 7 with the noted exception from subsection (f) point (5) in blue. When you open the document, you will find...

1. Green for Compliant or Supported
2. Red for Non-compliant or unsupported
3. Blue for Reasoning

If you have any further questions regarding this document, please contact us ASAP...

bacha

From: Carol Olewin [mailto:carolo@txrc.state.tx.us]**Sent:** Friday, December 17, 2010 1:46 PM**To:** Mark Bacha**Cc:** Curley L. Trahan**Subject:** Texas Racing Commission

Mark,

A change has been proposed to the Texas Pick 3 pool that changes the method for calculating the pay-outs when a runner is scratched. The proposed rule change is attached. See sections (h), (i), and (j) of the attached document for scratches. This is the language from the ARCI Model rule.

Does this address the issue we have with the pay-out on the Pick 3?

Carol Olewin

Texas Racing Commission

512-490-4024

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8

1 Sec. 321.319 Select Three Pool
2

3 (a) The select three is not a parlay and has no connection with or relation to the win, place, and show
4 pools shown on the tote board. **Compliant**

5 (b) A select three ticket is evidence of a binding contract between the holder of the ticket and the
6 association and the ticket constitutes an acceptance of this section. The association may select a
7 distinctive name for the select three with the prior approval of the executive secretary. **Compliant**

8 (c) The select three pari-mutuel pool consists of amounts contributed for a selection to win only on
9 each of three races designated by the association with the approval of the executive secretary. Each
10 person purchasing a select three ticket shall designate the winning animal in each of the races
11 comprising the select three. **Compliant**

12 (d) A coupled entry or mutuel field in a race that is part of the select three shall race as a single betting
13 interest for the purpose of the select three pari-mutuel pool calculations and payoffs to the public. If
14 any part of a coupled entry or mutuel field is a starter in a race, the entry or field selection remains as
15 the designated selection to win in that race for the select three calculation, and the selection may not
16 be deemed a scratch. **Compliant**

17 (e) The select three pari-mutuel pool may be a carryover pool or a non-carryover pool. The association,
18 with prior approval of the executive secretary, will decide if the select three pari-mutuel pool will be
19 offered as a carryover pool or a non-carryover pool. **Support NON-CARRYOVER pool – subsection (f);**
20 **Unsupported CARRYOVER pool subsection (g)**

21 (f) A non-carryover select three pari-mutuel pool shall be distributed in accordance with this subsection.
22 One hundred percent of the net amount in the pari-mutuel pool subject to distribution among winning
23 ticket holders shall be distributed among the holders of pari-mutuel tickets which:

24 (1) Correctly designate the official winner in each of the races comprising the select three. **Compliant**

25 (2) If no pari-mutuel ticket is sold combining the winners of all of the races comprising the select three,
26 100% of the net amount in the pari-mutuel pool shall be distributed among the holders of pari-mutuel
27 tickets which include the winners of the next highest number of winners of the races in the select three.
28 **Compliant**

29 (3) If no pari-mutuel ticket is sold that would require distribution of the select three pool under
30 paragraphs (1) or (2) of this subsection, the association shall carry over all money wagered in the select
31 three pool to the next consecutive select three pool. **Compliant**

32 (4) If the final day of a race meeting is canceled or the select three pool has not been distributed, the
33 pool shall be escrowed by the association, and the pool plus all accrued interest shall be carried over
34 and added to the select three pari-mutuel pool in the following race meeting on a date and
35 performance designated by the executive secretary. **Compliant**

36 (5) If one or two of the races comprising a select three is canceled the net amount of the pari-mutuel
37 pool shall be distributed as provided in paragraph (2) of this subsection. **Compliant if and only if leg 1 is**
38 **NOT scratched; NON-compliant if leg 1 is scratched; Internal Rule 7 : reasoning (1) Mutuel managers**
39 **believed that if you did not conduct leg 1 of a pool that the pool is scratched (2) subsection (h) can be**
40 **interpreted as all runners being scratched in the first leg and therefor constitute early refund for all**
41 **tickets**

42 (g) A carryover select three pari-mutuel pool shall be distributed in accordance with this subsection. The
43 net pool in the select three pool is divided into a major pool and a minor pool. The association shall
44 designate the major pool to consist of 75% of the net amount wagered on the select three pool. The
45 remaining 25% constitutes the minor pool.

46 (1) The major pool shall be distributed among holders of select three tickets, which correctly designate
47 the winner in each of the races comprising the select three.

1 (2) Except as otherwise provided by this section, the minor pool shall be distributed to those ticket
2 holders who failed to correctly designate the winner in each of the races comprising the select three ,
3 but who correctly selected the winners in the most, but not all of, the races comprising the select three .
4 If there are no such tickets, then the minor pool would be added to the major pool and:

5 (A) Paid out to holders of tickets who correctly designated the winner in each of the races comprising
6 the select three , but if there are no such tickets,

7 (B) Carried forward to the next select three four or five pool offered.

8 (3) If no ticket is sold that designates the winner in each of the races comprising the select three , the
9 major pool shall be carried forward to the next select three pool offered to be paid in the major pool.

10 (4) Except as otherwise provided by this section, the major pool shall be supplemented each
11 performance by the amount added to the pool from all previous performances' major pools that have
12 not been won in accordance with paragraph (1) of this subsection.

13 (5) If on the last performance of the race meeting or on a designated mandatory payout performance
14 the major pool is not distributable under paragraph (1) of this subsection, the major pool and all money
15 carried forward into that pool from previous performances shall be combined with the minor pool and
16 distributed to the holders of tickets correctly designating the most, but not all, of the races comprising
17 the select three .

18 (6) Except as otherwise provided by this subsection, if one or more of the races comprising a select
19 three is canceled or declared a "no race", the amount contributed to the major pool for that select
20 three shall be added to the minor pool for that same select three and distributed as an extra amount in
21 the minor pool to the holders of the tickets that designate the most winners in the remaining races. All
22 contributions to the major pool from prior select three pools shall remain in the major pool, to be
23 carried forward to the next select three pool to be paid in the major pool later on the race card or on
24 the next performance. Subsection (g) in it's entirety is unsupported as previously noted

25 (h) If the scratch (which herein after includes being declared a non-starter or a non-betting starter)
26 was made prior to the start of the first leg, all bets containing such scratched betting interest shall be
27 refunded to determine the gross pool an removed from further consideration in the pool; **Compliant**

28 (i) If the scratch was made in the second leg after the start of the first leg, a consolation payoff
29 shall be computed for those bets combining the winners of the first and third legs with the scratched
30 betting interest as follows: from the gross pool shall be deducted the statutory take-out and then the
31 amount represented by the bets on combinations involving betting interests scratched from the third
32 leg (reduced by the take-out thereon). The resulting remainder shall be divided by the amounts bet on
33 the combination of such first and third leg winners with all betting interests (less breaks) to determine
34 the consolation price per dollar payable to those bets combining winners of the first and third legs with
35 the betting interest scratched in the second leg. The break shall not be deducted from the pool.

36 **Compliant**

37 (j) If a betting interest is scratched in the third leg after the start of the first leg, a consolation
38 payoff shall be computed as for those bets combining the winners of the first and second legs with such
39 scratched betting interest as follows: from the gross pool shall be deducted the statutory take-out and
40 then the amount represented by bets on combinations involving betting interests scratched from the
41 second leg (reduced by the rate of the take-out thereon). The resulting remainder shall be divided by
42 the amount bet on the combination of such first and second leg winners with all betting interests in the
43 third leg (less breaks) to determine the consolation price per dollar payable to those bets combining
44 winners of the first and second legs with an betting interest scratched in the third leg. The breaks shall
45 not be deducted from the pool. **Compliant**

46 (k) If betting interests are scratched in both the second and third legs after the start of the first leg,
47 a consolation payoff shall be computed for those bets combining the winner of the first leg with the
48 betting interests scratched in both the second and third legs as follows: from the gross pool shall be

1 deducted the takeout and the remainder shall be divided by the amount bet on the winner of the first
2 leg combined with all other betting interests (less breaks) to determine the consolation price per dollar
3 payable to those tickets combining the winner of the first leg with the scratch betting interests from
4 both the second and third legs. **Compliant**
5 (l) If all of the races comprising the select three are canceled, the association shall refund the pari-
6 mutuel tickets sold on the select three on that day. The association shall carry over the remaining
7 amount in the select three pari-mutuel pool to the next consecutive select three pari-mutuel pool.
8 **Compliant**
9 (m) In the event of a dead heat for win between two or more animals:
10 (1) in a select three all the animals in the dead heat for win shall be considered as winning animals in
11 the race for the purpose of calculating the major or minor pools and the affected pool is calculated:
12 (A) As a profit split to those whose selections finished first in each of the three contests; but if there
13 are no such wagers, then **Compliant**
14 (B) As a single price pool to those who selected the first place finisher in any two of the three
15 contests; but if there are no such wagers, then **Complaint**
16 (C) As a single price pool to those who selected the first place finisher in any one of the three contests;
17 but if there were no such wagers, then in accordance with paragraph (f) of this section. **Complaint**
18 (n) A pari-mutuel ticket for the select three pool may not be sold, exchanged, or canceled after the time
19 wagering closes in the first of the races comprising the select three , except for refunds on select three
20 tickets as required by subsection (h) of this section. A person may not disclose the number of tickets
21 sold in the select three pool or the number or amount of tickets selecting winners of select three races
22 until the stewards or racing judges have determined the last race comprising the select three to be
23 official. **Compliant**

FW: RE: Pick 3 Pool

Carol Olewin [carolo@txrc.state.tx.us]

To Smith, Lila [lila@txrc.state.tx.us]; Curley L. Trahan [trahan@txrc.state.tx.us]; Sammy Jackson [sammy@txrc.state.tx.us]

Date Thu 1/13/2011 12:40 PM

Amtotes comments regarding the Pick 3 rule.

Carol Olewin
 Texas Racing Commission
 512-490-4024

From Mir, Vern <Vern_Mir@amtote.com>

Sent Thu 1/13/2011 12:25 PM

To Carol Olewin (carolo@txrc.state.tx.us) <carolo@txrc.state.tx.us>; Tyler, Melinda <Melinda.Tyler@lonestarpark.com>

Cc Brooks, Larry <Larry.Brooks@amtote.com>; Cackowski, Matthew <mcackowski@amtote.com>; Johnson, Keith <keith_Johnson@amtote.com>; Borleis, Jim <Jim_Borleis@amtote.com>; Cabana, Bill <Bill.Cabana@amtote.com>

Subject RE: Pick 3 Pool

Regarding the proposed Sec. 321.319 Select Three Pool:

A. The rule needs to say explicitly what to do in these cases, as was done in the original New York Harness rule "4011.24. WIN-3", from which the ARCI model rule came. The model rule has the same omissions.

1. Nothing is said about whether the consolation payoffs must be removed from the net pool before the adjusted net is considered in sections (f), non-carryover version, or (g) carryover version. Here is the extract from NY, italics added:

(c) Winning payoff price. From the gross pool is deducted the take-out *and consolation payoff amounts, if any*, and the resulting balance, divided by the amount wagered on the winning combination, less breaks, shall determine the payoff per dollar on winning bets.

Perhaps you could add "(less consolation payoffs)" after "net amount" here and there.

2. When determining the payoff for a 2-of-3 or 1-of-3 situation, some wagers will qualify for both that payoff and the consolation. The precedent from the NY rule is to pay the sum. Here is the extract from NY, italics added:

(2) Should there be no bets on any winning combination, then all bets combining two winners shall be considered winning bets and paid a price per dollar bet calculated as with dead heat winning combinations. *Consolation tickets combining such two winners shall be entitled to a winning payoff in addition to a consolation payoff.*

(3) Should there be no bets combining winners of two legs, then all bets selecting a winner shall be considered winning bets and paid a price per dollar bet calculated as with winning dead heat combinations. *Consolation tickets shall be entitled to a winning payoff in addition to a consolation payoff.*

Notice also in the NY rule the phrase "calculated as with winning dead heat combinations". NY pays a profit split

to these regardless of dead heats or consolations, but the model rule pays a single price. NY does not say "1/2/3 2-of-3 pays x.xx", they say "1/2/all pays x.xx, 1/all/3 pays y.yy, all/2/3 pays z.zz". The available Pick-3 software has that choice.

B. Section (g)(2)(B) says "select three four or five pool", so "four or five" should be deleted.

C. Section (n) seems to prohibit will-pay displays. Is that the intention?

D. There is a practical consideration regarding the carryover version. I do not recall anyone splitting a Pick-3 pool into both major and minor payoffs, possibly because the minor payoff could be trivially small. It could even cause a minus pool when there is still 75% of the net in the major pool. Furthermore, when there is no carryover the major payoff, at 75% of normal, may be unattractive to the patrons. The two alternative methods would be:

(1) Pay 100% to the 3-of-3 winner or else carry out 100%.

(2) Pay 100% to the 3-of-3 winner or else carry out X% and pay the rest as a minor pool.

Regards,

Vern Mir

From: Brooks, Larry

Sent: Wednesday, January 12, 2011 3:55 PM

To: Mir, Vern

Subject: FW: Pick 3 Pool

Comments?

From: Carol Olewin [mailto:carolo@txrc.state.tx.us]

Sent: Wednesday, January 12, 2011 3:51 PM

To: Bacha, Mark; Chris Emslie; Haslett, David; john.carey@unitedtote.com; Brooks, Larry; Cackowski, Matthew

Cc: Carter, Lena; Frank Hopf; Jackie Hart; McGee, Don; Melinda Tyler

Subject: Pick 3 Pool

Attached is the Pick 3 rule proposed at the Pari-mutuel Advisory Committee of the Texas Racing Commission.

The rule has been published in the Texas Registry for public comment. To date I have received only one comment from Sportech regarding this pool.

If you want to make a public comment regarding this rule, please provide it to me by Monday, January 17, otherwise the rule will be considered for adoption as written.

Carol Olewin

Texas Racing Commission

512-490-4024

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§321.319.Select Three.

(a) The select three is not a parlay and has no connection with or relation to the win, place, and show pools shown on the tote board.

(b) A select three ticket is evidence of a binding contract between the holder of the ticket and the association and the ticket constitutes an acceptance of this section. The association may select a distinctive name for the select three with the prior approval of the executive secretary.

(c) The select three pari-mutuel pool consists of amounts contributed for a selection to win only on each of three races designated by the association with the approval of the executive secretary. Each person purchasing a select three ticket shall designate the winning animal in each of the races comprising the select three pool.

(d) A coupled entry or mutuel field in a race that is part of the select three shall race as a single betting interest for the purpose of the select three pari-mutuel pool calculations and payoffs to the public. If any part of a coupled entry or mutuel field is a starter in a race, the entry or field selection remains as the designated selection to win in that race for the select three calculation, and the selection may not be deemed a scratch.

(e) The select three pari-mutuel pool may be a carryover pool or a non-carryover pool. The association, with prior approval of the executive secretary, will decide if the select three pari-mutuel pool will be offered as a carryover pool or a non-carryover pool.

(f) A non-carryover select three pari-mutuel pool shall be distributed in accordance with this subsection. One hundred percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of pari-mutuel tickets which:

(1) Correctly designate the official winner in each of the races comprising the select three.

(2) If no pari-mutuel ticket is sold combining the winners of all of the races comprising the select three, 100% of the net amount in the pari-mutuel pool shall be distributed among the holders of pari-mutuel tickets which include the winners of the next highest number of winners of the races in the select three pool.

(3) If no pari-mutuel ticket is sold that would require distribution of the select three pool under paragraphs (1) or (2) of this subsection, the association shall carry over all money wagered in the select three pool to the next consecutive select three pool.

(4) If the final day of a race meeting is canceled or the select three pool has not been distributed, the pool shall be deposited in an interest-bearing account approved by the executive secretary. The pool plus all accrued interest shall then be carried over and added to the select three pari-mutuel pool in the following race meeting on a date and performance designated by the executive secretary.

(5) If one or two of the races comprising a select three is canceled, the net amount of the pari-mutuel pool shall be distributed as provided in paragraph (2) of this subsection.

(g) A carryover select three pari-mutuel pool shall be distributed in accordance with this subsection. The net pool in the select three pool is divided into a major pool and a minor pool. The association shall designate the major pool to consist of 75% of the net amount wagered on the select three pool. The remaining 25% constitutes the minor pool.

(1) The major pool shall be distributed among holders of select three tickets, which correctly designate the winner in each of the races comprising the select three pool.

(2) Except as otherwise provided by this section, the minor pool shall be distributed to those ticket holders who failed to correctly designate the winner in each of the races comprising the select three, but who correctly selected the winners in the most, but not all of, the races comprising the select three. If there are no such tickets, then the minor pool would be added to the major pool and:

(A) Paid out to holders of tickets who correctly designated the winner in each of the races comprising the select three, but if there are no such tickets,

(B) Carried forward to the next select three pool offered.

(3) If no ticket is sold that designates the winner in each of the races comprising the select three, the major pool shall be carried forward to the next select three pool offered to be paid in the major pool.

(4) Except as otherwise provided by this section, the major pool shall be supplemented each performance by the amount added to the pool from all previous performances' major pools that have not been won in accordance with paragraph (1) of this subsection.

(5) If on the last performance of the race meeting or on a designated mandatory payout performance the major pool is not distributable under paragraph (1) of this subsection, the major pool and all money carried forward into that pool from previous performances shall be combined with the minor pool and distributed to the holders of tickets correctly designating the most, but not all, of the races comprising the select three.

(6) Except as otherwise provided by this subsection, if one or more of the races comprising a select three is canceled or declared a "no race", the amount contributed to the major pool for that select three shall be added to the minor pool for that same select three and distributed as an extra amount in the minor pool to the holders of the tickets that designate the most winners in the remaining races. All contributions to the major pool from prior select three pools shall remain in the major pool, to be carried forward to the next select three pool to be paid in the major pool later on the race card or on the next performance.

(h) When the condition of the turf course warrants a change of racing surface in any of the races open to select three wagering, and such change has not been made known to the betting public

prior to the close of wagering for the first select three race, the Stewards shall declare the changed races a "no contest" for select three wagering purposes and the pool shall be distributed in accordance with subsection (f) or (g) of this section. Following the designation of a race as a "no contest", no tickets shall be sold selecting a horse in such "no contest" race.

(i) If a scratch (which herein after includes being declared a non-starter or a non-betting starter) was made prior to the start of the first leg, all bets containing such scratched betting interest shall be refunded to determine the gross pool and removed from further consideration in the pool;

(j) If a scratch was made in the second leg after the start of the first leg, a consolation payoff shall be computed for those bets combining the winners of the first and third legs with the scratched betting interest as follows: from the gross pool shall be deducted the statutory take-out and then the amount represented by the bets on combinations involving betting interests scratched from the third leg (reduced by the take-out thereon). The resulting remainder shall be divided by the amounts bet on the combination of such first and third leg winners with all betting interests in the second leg (less breaks) to determine the consolation price per dollar payable to those bets combining winners of the first and third legs with the betting interest scratched in the second leg. The break shall not be deducted from the pool.

(k) If a betting interest is scratched in the third leg after the start of the first leg, a consolation payoff shall be computed as for those bets combining the winners of the first and second legs with such scratched betting interest as follows: from the gross pool shall be deducted the statutory take-out and then the amount represented by bets on combinations involving betting interests scratched from the second leg (reduced by the rate of the take-out thereon). The resulting remainder shall be divided by the amount bet on the combination of such first and second leg winners with all betting interests in the third leg (less breaks) to determine the consolation price per dollar payable to those bets combining winners of the first and second legs with a betting interest scratched in the third leg. The breaks shall not be deducted from the pool.

(l) If betting interests are scratched in both the second and third legs after the start of the first leg, a consolation payoff shall be computed for those bets combining the winner of the first leg with the betting interests scratched in both the second and third legs as follows: from the gross pool shall be deducted the takeout and the remainder shall be divided by the amount bet on the winner of the first leg combined with all other betting interests in the second and third legs (less breaks) to determine the consolation price per dollar payable to those tickets combining the winner of the first leg with the scratched betting interests from both the second and third legs.

(m) If all of the races comprising the select three are canceled, the association shall refund the pari-mutuel tickets sold on the select three on that day. The association shall carry over the remaining amount in the select three pari-mutuel pool to the next consecutive select three pari-mutuel pool.

(n) In the event of a dead heat all the animals in the dead heat for win shall be considered as winning animals in the race for the purpose of calculating the major or minor pools and the affected pool is calculated:

(1) As a profit split to those whose selections finished first in each of the three contests; but if there are no such wagers, then

(2) As a single price pool to those who selected the first place finisher in any two of the three contests; but if there are no such wagers, then

(3) As a single price pool to those who selected the first place finisher in any one of the three contests; but if there were no such wagers, then in accordance with subsections (f) or (g) of this section.

(o) A pari-mutuel ticket for the select three pool may not be sold, exchanged, or canceled after the time wagering closes in the first of the races comprising the select three, except for refunds on select three tickets as required by subsection (i) of this section. A person may not disclose the number of tickets sold in the select three pool or the number or amount of tickets selecting winners of select three races until the stewards or racing judges have determined the last race comprising the select three to be official.

§321.313. Select [~~Three,~~] Four[;] or Five.

(a) The select [~~three,~~] four[;] or five wager is not a parlay and has no connection with or relation to the win, place, and show pools shown on the tote board.

(b) A select [~~three,~~] four[;] or five ticket is evidence of a binding contract between the holder of the ticket and the association and the ticket constitutes an acceptance of this section. The association may select a distinctive name for the select [~~three,~~] four[;] or five, with the prior approval of the executive secretary.

(c) The select [~~three,~~] four[;] or five pari-mutuel pool consists of amounts contributed for a selection to win only on each of [~~three,~~] four[;] or five races designated by the association with the approval of the executive secretary. Each person purchasing a select [~~three,~~] four[;] or five ticket shall designate the winning animal in each of the races comprising the select [~~three,~~] four[;] or five.

(d) A coupled entry or mutuel field in a race that is part of the select [~~three,~~] four[;] or five shall race as a single betting interest for the purpose of the select [~~three,~~] four[;] or five pari-mutuel pool calculations and payoffs to the public. If any part of a coupled entry or mutuel field is a starter in a race, the entry or field selection remains as the designated selection to win in that race for the select [~~three,~~] four[;] or five calculation, and the selection may not be deemed a scratch.

(e) The select [~~three,~~] four[;] or five pari-mutuel pool may be a carryover pool or a non-carryover pool. The association, with prior approval of the executive secretary, will decide if the select [~~three,~~] four[;] or five pari-mutuel pool will be offered as a carryover pool or a non-carryover pool.

(f) A non-carryover select [~~three,~~] four[;] or five pari-mutuel pool shall be distributed in accordance with this subsection. One hundred percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of pari-mutuel tickets which:

(1) Correctly designate the official winner in each of the races comprising the select [~~three,~~] four[;] or five.

(2) If no pari-mutuel ticket is sold combining the winners of all of the races comprising the select [~~three,~~] four[;] or five, 100% of the net amount in the pari-mutuel pool shall be distributed among the holders of pari-mutuel tickets which include the winners of the next highest number of winners of the races in the select [~~three,~~] four[;] or five.

(3) If no pari-mutuel ticket is sold that would require distribution of the select [~~three,~~] four[;] or five pool under paragraphs (1) or (2) of this subsection, the association shall carry over all money wagered in the select [~~three,~~] four[;] or five pool to the next consecutive select [~~three,~~] four[;] or five pool.

(4) If the final day of a race meeting is canceled or the select [~~three,~~] four_; or five pool has not been distributed, the pool shall be deposited in an interest-bearing account approved by the executive secretary. The [~~escrowed by the association, and the~~] pool plus all accrued interest shall then be carried over and added to the select [~~three,~~] four_; or five pari-mutuel pool in the following race meeting on a date and performance designated by the executive secretary.

(5) If [~~one or two of the races comprising a select three is canceled,~~] two or three of the races comprising a select four are canceled, or three or four of the races comprising a select five are canceled, the net amount of the pari-mutuel pool shall be distributed as provided in paragraph (2) of this subsection.

(g) A carryover select [~~three,~~] four_; or five pari-mutuel pool shall be distributed in accordance with this subsection. The net pool in the select [~~three,~~] four_; or five pool is divided into a major pool and a minor pool. The association shall designate the major pool to consist of 75% of the net amount wagered on the select [~~three,~~] four_; or five pool. The remaining 25% constitutes the minor pool.

(1) The major pool shall be distributed among holders of select [~~three,~~] four_; or five tickets, which correctly designate the winner in each of the races comprising the select [~~three,~~] four_; or five.

(2) Except as otherwise provided by this section, the minor pool shall be distributed to those ticket holders who failed to correctly designate the winner in each of the races comprising the select [~~three,~~] four_; or five, but who correctly selected the winners in the most, but not all of, the races comprising the select [~~three,~~] four_; or five. If there are no such tickets, then the minor pool would be added to the major pool and:

(A) Paid out to holders of tickets who correctly designated the winner in each of the races comprising the select [~~three,~~] four_; or five, but if there are no such tickets,

(B) Carried forward to the next select [~~three,~~] four or five pool offered.

(3) If no ticket is sold that designates the winner in each of the races comprising the select [~~three,~~] four_; or five, the major pool shall be carried forward to the next select [~~three,~~] four or five pool offered to be paid in the major pool.

(4) Except as otherwise provided by this section, the major pool shall be supplemented each performance by the amount added to the pool from all previous performances' major pools that have not been won in accordance with paragraph (1) of this subsection.

(5) If on the last performance of the race meeting or on a designated mandatory payout performance the major pool is not distributable under paragraph (1) of this subsection, the major pool and all money carried forward into that pool from previous performances shall be combined with the minor pool and distributed to the holders of tickets correctly designating the most, but not all, of the races comprising the select [~~three,~~] four_; or five.

(6) Except as otherwise provided by this subsection, if one or more of the races comprising a select [~~three,~~ four[;] or five is canceled or declared a "no race", the amount contributed to the major pool for that select [~~three,~~ four[;] or five shall be added to the minor pool for that same select [~~three,~~ four[;] or five and distributed as an extra amount in the minor pool to the holders of the tickets that designate the most winners in the remaining races. All contributions to the major pool from prior select [~~three,~~ four[;] or five pools shall remain in the major pool, to be carried forward to the next select [~~three,~~ four[;] or five pool to be paid in the major pool later on the race card or on the next performance.

(h) If all of the races comprising the select [~~three,~~ four[;] or five are canceled, the association shall refund the pari-mutuel tickets sold on the select [~~three,~~ four[;] or five on that day. The association shall carry over the remaining amount in the select [~~three,~~ four[;] or five pari-mutuel pool to the next consecutive select [~~three,~~ four[;] or five pari-mutuel pool.

(i) When the condition of the turf course warrants a change of racing surface in any of the races open to select four or five wagering, and such change has not been made known to the betting public prior to the close of wagering for the first select four or five race, the Stewards shall declare the changed races a "no contest" select four or five for wagering purposes and the pool shall be distributed in accordance with subsection (g) of this section. Following the designation of a race as a "no contest", no tickets shall be sold selecting a horse in such "no contest" race.

(j) [(+) If a selection on a select [~~three,~~ four[;] or five ticket in one or more of the races is scratched or determined by the stewards or racing judges to be a nonstarter in the race, the actual favorite, as shown by the largest amount wagered in the win pool at the time of the start of the race, will be substituted for the non starting selection for all purposes, including pool calculations and payoffs. If there are two or more favorites in the win pool, both favorites will be substituted for the non-starting selection.

(k) [(+) In the event of a dead heat for win between two or more animals[;]

~~{(1) in a select three, all the animals in the dead heat for win shall be considered as winning animals in the race for the purpose of calculating the major or minor pools and the affected pool is calculated.}~~

~~{(A) As a profit split to those whose selections finished first in each of the three contests; but if there are no such wagers, then}~~

~~{(B) As a single price pool to those who selected the first place finisher in any two of the three contests; but if there are no such wagers, then}~~

~~{(C) As a single price pool to those who selected the first place finisher in any one of the three contests; but if there were no such wagers, then in accordance with paragraph (f) of this section.}~~

[(2)] in a select four or five race, all the animals in the dead heat for win shall be considered as winning animals in the race for the purpose of calculating the major or minor pools and the affected pool is calculated as a win pool.

(1) [(k)] A pari-mutuel ticket for the select [~~three,~~] four[;] or five pool may not be sold, exchanged, or canceled after the time wagering closes in the first of the races comprising the select [~~three,~~] four[;] or five, except for refunds on select [~~three,~~] four[;] or five tickets as required by subsection (h) of this section. A person may not disclose the number of tickets sold in the select [~~three,~~] four[;] or five pool or the number or amount of tickets selecting winners of select [~~three,~~] four[;] or five races until the stewards or racing judges have determined the last race comprising the select [~~three,~~] four[;] or five to be official.

1 **Sec. 321.12 Time Synchronization.**

2 (a) Display and verification of the accurate off time and start
3 of a race is critical. To ensure accurate verification of off
4 time with the close of betting on all races, the association
5 shall ensure:

6 (1) Tote times shall be synchronized to an atomic clock on a
7 start-of-day basis.

8 (2) Source video signal shall be synchronized with the atomic
9 clock.

10 (3) The time of day shall be displayed at the start of the
11 race in the HR:MN:SC format.

12 (b) Security system video, which monitors mutuel lines, shall be
13 synchronized with the atomic clock.

1 **Sec. 321.15. License to Provide Totalisator Services.**

2 (a) To provide totalisator services to an association in Texas,
3 a totalisator company must be licensed by the Commission as a
4 Totalisator Vendor [~~vender~~]. The license application must
5 include:

6 (1) a copy of a current written contract to provide a
7 totalisator system to an association;

8 (2) a list of all totalisator personnel assigned to work in
9 Texas, or on behalf of an association operating in Texas, as
10 described in §321.123 of this title (relating to Personnel
11 Requirements);

12 (3) an affidavit stating that the totalisator company and its
13 employees will comply with the Rules and the Comptroller's rules
14 regarding totalisator operations; and.

15 (4) information of sufficient detail for the Commission to
16 determine that the totalisator company is in compliance with
17 Subchapter B of this chapter.

18 (b) (No change.)

1 **Sec. 321.23. Wagering Explanations.**

2 (a) An association shall include the following information in
3 the official live programs and simulcast programs and post in [
4 ~~conspicuous~~] places easily viewed by patrons and licensees on
5 association grounds:

6 (1) - (2) (No change.)

7 (3) the expiration date of mutuel tickets and vouchers.

8 (b) (No change.)

1 **Sec. 321.46 Payment on No Ticket Issue.**

2 When a ticket issuing machine does not produce a paper ticket
3 due to a mechanical failure, the mutuel manager may validate the
4 wager through totalisator logs. If the transaction is a
5 winning wager and the mutuel manager pays the patron, then the
6 mutuel manager shall report the transaction to the commission on
7 a form prescribed by the commission.

1 **Sec. 321.211. Carryover Pools.**

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

3 (f) If the last performance is canceled, [~~the association shall~~
4 ~~place~~] the pool shall be deposited in an interest-bearing
5 account approved by the executive secretary. The [~~in escrow and~~
6 ~~the~~] pool and all accrued interest shall then be carried over
7 and included with the appropriate pool at the next succeeding
8 performance as an additional amount to be distributed.

1 **Sec. 321.312.Pick (n) [~~(N)~~].**

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

3 (n) When the condition of the turf course warrants a change of
4 racing surface in any of the races open to pick (n) wagering,
5 and such change has not been made known to the betting public
6 prior to the close of wagering for the first pick (n) race, the
7 Stewards shall declare the changed races a "no contest" for pick
8 (n) wagering purposes and the pool shall be distributed in
9 accordance with subsection (m) of this section. Following the
10 designation of a race as a "no contest", no tickets shall be
11 sold selecting a horse in such "no contest" race.

12 (o) [~~(n)~~] If on the last performance of the race meeting or on a
13 designated mandatory payout performance the major pool is not
14 distributable under subsection (h) of this section, the major
15 pool and all money carried forward into that pool from previous
16 performances shall be combined with the minor pool and
17 distributed to the holders of tickets correctly designating the
18 most, but not all, of the races comprising the pick (n) for that
19 performance.

20 (p) [~~(o)~~] If the final or designated mandatory payoff
21 performance is canceled or the major pool has not been
22 distributed, the major pool shall be deposited in an interest-
23 bearing account approved by the executive secretary. The
24 [~~escrowed by the association and the~~] major pool plus all
25 accrued interest shall then be carried over and included in a
26 major pool offered on one of the first five days of the next
27 subsequent race meeting or on the next performance after the
28 undistributed mandatory payout performance, as approved by the
29 executive secretary.

1 (q) [~~(p)~~] Except for refunds required by this section, a pick
2 (n) ticket may not be sold, exchanged, or canceled after the
3 close of wagering on the first of the pick (n) races.
4 (r) [~~(q)~~] A person may not disclose the number of tickets sold
5 in the pick (n) pool or the number or amount of tickets
6 selecting winners of the races comprising the pick (n) until the
7 results of the last race comprising the pick (n) are official.
8 The totalisator equipment shall be programmed or constructed to
9 suppress the publication or printing of any such information,
10 except the total number of dollars wagered in the pick (n),
11 until the results of the last race comprising the pick (n) are
12 official.

1 **Sec. 321.313.Select [~~Three~~] Four[7] or Five.**

2 (a) The select [~~three~~] four[7] or five wager is not a parlay
3 and has no connection with or relation to the win, place, and
4 show pools shown on the tote board.

5 (b) A select [~~three~~] four[7] or five ticket is evidence of a
6 binding contract between the holder of the ticket and the
7 association and the ticket constitutes an acceptance of this
8 section. The association may select a distinctive name for the
9 select [~~three~~] four[7] or five, with the prior approval of the
10 executive secretary.

11 (c) The select [~~three~~] four[7] or five pari-mutuel pool
12 consists of amounts contributed for a selection to win only on
13 each of [~~three~~] four[7] or five races designated by the
14 association with the approval of the executive secretary. Each
15 person purchasing a select [~~three~~] four[7] or five ticket
16 shall designate the winning animal in each of the races
17 comprising the select [~~three~~] four[7] or five.

18 (d) A coupled entry or mutuel field in a race that is part of
19 the select [~~three~~] four[7] or five shall race as a single
20 betting interest for the purpose of the select [~~three~~] four[7]
21 or five pari-mutuel pool calculations and payoffs to the public.
22 If any part of a coupled entry or mutuel field is a starter in a
23 race, the entry or field selection remains as the designated
24 selection to win in that race for the select [~~three~~] four[7]
25 or five calculation, and the selection may not be deemed a
26 scratch.

27 (e) The select [~~three~~] four[7] or five pari-mutuel pool may be
28 a carryover pool or a non-carryover pool. The association, with
29 prior approval of the executive secretary, will decide if the

1 select [~~three~~] four[~~7~~] or five pari-mutuel pool will be offered
2 as a carryover pool or a non-carryover pool.

3 (f) A non-carryover select [~~three~~] four[~~7~~] or five pari-mutuel
4 pool shall be distributed in accordance with this subsection.

5 One hundred percent of the net amount in the pari-mutuel pool
6 subject to distribution among winning ticket holders shall be
7 distributed among the holders of pari-mutuel tickets which:

8 (1) Correctly designate the official winner in each of the
9 races comprising the select [~~three~~] four[~~7~~] or five.

10 (2) If no pari-mutuel ticket is sold combining the winners of
11 all of the races comprising the select [~~three~~] four[~~7~~] or five,
12 100% of the net amount in the pari-mutuel pool shall be
13 distributed among the holders of pari-mutuel tickets which
14 include the winners of the next highest number of winners of the
15 races in the select [~~three~~] four[~~7~~] or five.

16 (3) If no pari-mutuel ticket is sold that would require
17 distribution of the select [~~three~~] four[~~7~~] or five pool under
18 paragraphs (1) or (2) of this subsection, the association shall
19 carry over all money wagered in the select [~~three~~] four[~~7~~] or
20 five pool to the next consecutive select [~~three~~] four[~~7~~] or
21 five pool.

22 (4) If the final day of a race meeting is canceled or the
23 select [~~three~~] four[~~7~~] or five pool has not been distributed,
24 the pool shall be deposited in an interest-bearing account
25 approved by the executive secretary. The [~~escrowed by the~~
26 ~~association, and the~~] pool plus all accrued interest shall then
27 be carried over and added to the select [~~three~~] four[~~7~~] or
28 five pari-mutuel pool in the following race meeting on a date
29 and performance designated by the executive secretary.

1 (5) If [~~one or two of the races comprising a select three is~~
2 ~~anceled,~~] two or three of the races comprising a select four
3 are canceled, or three or four of the races comprising a select
4 five are canceled, the net amount of the pari-mutuel pool shall
5 be distributed as provided in paragraph (2) of this subsection.

6 (g) A carryover select [~~three,~~] four[~~,~~] or five pari-mutuel pool
7 shall be distributed in accordance with this subsection. The net
8 pool in the select [~~three,~~] four[~~,~~] or five pool is divided into
9 a major pool and a minor pool. The association shall designate
10 the major pool to consist of 75% of the net amount wagered on
11 the select [~~three,~~] four[~~,~~] or five pool. The remaining 25%
12 constitutes the minor pool.

13 (1) The major pool shall be distributed among holders of
14 select [~~three,~~] four[~~,~~] or five tickets, which correctly
15 designate the winner in each of the races comprising the select
16 [~~three,~~] four[~~,~~] or five.

17 (2) Except as otherwise provided by this section, the minor
18 pool shall be distributed to those ticket holders who failed to
19 correctly designate the winner in each of the races comprising
20 the select [~~three,~~] four[~~,~~] or five, but who correctly selected
21 the winners in the most, but not all of, the races comprising
22 the select [~~three,~~] four[~~,~~] or five. If there are no such
23 tickets, then the minor pool would be added to the major pool
24 and:

25 (A) Paid out to holders of tickets who correctly designated
26 the winner in each of the races comprising the select [~~three,~~]
27 four[~~,~~] or five, but if there are no such tickets,

28 (B) Carried forward to the next select [~~three,~~] four or five
29 pool offered.

1 (3) If no ticket is sold that designates the winner in each of
2 the races comprising the select [~~three~~] four[7] or five, the
3 major pool shall be carried forward to the next select [~~three~~]
4 four or five pool offered to be paid in the major pool.

5 (4) Except as otherwise provided by this section, the major
6 pool shall be supplemented each performance by the amount added
7 to the pool from all previous performances' major pools that
8 have not been won in accordance with paragraph (1) of this
9 subsection.

10 (5) If on the last performance of the race meeting or on a
11 designated mandatory payout performance the major pool is not
12 distributable under paragraph (1) of this subsection, the major
13 pool and all money carried forward into that pool from previous
14 performances shall be combined with the minor pool and
15 distributed to the holders of tickets correctly designating the
16 most, but not all, of the races comprising the select [~~three~~]
17 four[7] or five.

18 (6) Except as otherwise provided by this subsection, if one or
19 more of the races comprising a select [~~three~~] four[7] or five
20 is canceled or declared a "no race", the amount contributed to
21 the major pool for that select [~~three~~] four[7] or five shall
22 be added to the minor pool for that same select [~~three~~] four[7
23] or five and distributed as an extra amount in the minor pool
24 to the holders of the tickets that designate the most winners in
25 the remaining races. All contributions to the major pool from
26 prior select [~~three~~] four[7] or five pools shall remain in the
27 major pool, to be carried forward to the next select [~~three~~]
28 four[7] or five pool to be paid in the major pool later on the
29 race card or on the next performance.

1 (h) If all of the races comprising the select [~~three~~₇] four[₇]
2 or five are canceled, the association shall refund the pari-
3 mutuel tickets sold on the select [~~three~~₇] four[₇] or five on
4 that day. The association shall carry over the remaining amount
5 in the select [~~three~~₇] four[₇] or five pari-mutuel pool to the
6 next consecutive select [~~three~~₇] four[₇] or five pari-mutuel
7 pool.

8 (i) When the condition of the turf course warrants a change of
9 racing surface in any of the races open to select four or five
10 wagering, and such change has not been made known to the betting
11 public prior to the close of wagering for the first select four
12 or five race, the Stewards shall declare the changed races a "no
13 contest" select four or five for wagering purposes and the pool
14 shall be distributed in accordance with subsection (g) of this
15 section. Following the designation of a race as a "no contest",
16 no tickets shall be sold selecting a horse in such "no contest"
17 race.

18 (j) [~~(i)~~] If a selection on a select [~~three~~₇] four[₇] or five
19 ticket in one or more of the races is scratched or determined by
20 the stewards or racing judges to be a nonstarter in the race,
21 the actual favorite, as shown by the largest amount wagered in
22 the win pool at the time of the start of the race, will be
23 substituted for the non starting selection for all purposes,
24 including pool calculations and payoffs. If there are two or
25 more favorites in the win pool, both favorites will be
26 substituted for the non-starting selection.

27 (k) [~~(j)~~] In the event of a dead heat for win between two or
28 more animals[₊]

1 ~~{(1) in a select three, all the animals in the dead heat for~~
2 ~~win shall be considered as winning animals in the race for the~~
3 ~~purpose of calculating the major or minor pools and the affected~~
4 ~~pool is calculated:}~~

5 ~~{(A) As a profit split to those whose selections finished~~
6 ~~first in each of the three contests; but if there are no such~~
7 ~~wagers, then}~~

8 ~~{(B) As a single price pool to those who selected the first~~
9 ~~place finisher in any two of the three contests; but if there~~
10 ~~are no such wagers, then}~~

11 ~~{(C) As a single price pool to those who selected the first~~
12 ~~place finisher in any one of the three contests; but if there~~
13 ~~were no such wagers, then in accordance with paragraph (f) of~~
14 ~~this section.}~~

15 [(2)] in a select four or five race, all the animals in the
16 dead heat for win shall be considered as winning animals in the
17 race for the purpose of calculating the major or minor pools and
18 the affected pool is calculated as a win pool.

19 (1) [(k)] A pari-mutuel ticket for the select [~~three~~₇] four₇
20 or five pool may not be sold, exchanged, or canceled after the
21 time wagering closes in the first of the races comprising the
22 select [~~three~~₇] four₇ or five, except for refunds on select [
23 ~~three~~₇] four₇] or five tickets as required by subsection (h)
24 of this section. A person may not disclose the number of tickets
25 sold in the select [~~three~~₇] four₇ or five pool or the number
26 or amount of tickets selecting winners of select [~~three~~₇
27 four₇] or five races until the stewards or racing judges have
28 determined the last race comprising the select [~~three~~₇] four₇
29 or five to be official.

1 **Sec. 321.319.Select Three.**

2 (a) The select three is not a parlay and has no connection with
3 or relation to the win, place, and show pools shown on the tote
4 board.

5 (b) A select three ticket is evidence of a binding contract
6 between the holder of the ticket and the association and the
7 ticket constitutes an acceptance of this section. The
8 association may select a distinctive name for the select three
9 with the prior approval of the executive secretary.

10 (c) The select three pari-mutuel pool consists of amounts
11 contributed for a selection to win only on each of three races
12 designated by the association with the approval of the executive
13 secretary. Each person purchasing a select three ticket shall
14 designate the winning animal in each of the races comprising the
15 select three pool.

16 (d) A coupled entry or mutuel field in a race that is part of
17 the select three shall race as a single betting interest for the
18 purpose of the select three pari-mutuel pool calculations and
19 payoffs to the public. If any part of a coupled entry or mutuel
20 field is a starter in a race, the entry or field selection
21 remains as the designated selection to win in that race for the
22 select three calculation, and the selection may not be deemed a
23 scratch.

24 (e) The select three pari-mutuel pool may be a carryover pool or
25 a non-carryover pool. The association, with prior approval of
26 the executive secretary, will decide if the select three pari-
27 mutuel pool will be offered as a carryover pool or a non-
28 carryover pool.

1 (f) A non-carryover select three pari-mutuel pool shall be
2 distributed in accordance with this subsection. One hundred
3 percent of the net amount in the pari-mutuel pool subject to
4 distribution among winning ticket holders shall be distributed
5 among the holders of pari-mutuel tickets which:

6 (1) Correctly designate the official winner in each of the
7 races comprising the select three.

8 (2) If no pari-mutuel ticket is sold combining the winners of
9 all of the races comprising the select three, 100% of the net
10 amount in the pari-mutuel pool shall be distributed among the
11 holders of pari-mutuel tickets which include the winners of the
12 next highest number of winners of the races in the select three
13 pool.

14 (3) If no pari-mutuel ticket is sold that would require
15 distribution of the select three pool under paragraphs (1) or
16 (2) of this subsection, the association shall carry over all
17 money wagered in the select three pool to the next consecutive
18 select three pool.

19 (4) If the final day of a race meeting is canceled or the
20 select three pool has not been distributed, the pool shall be
21 deposited in an interest-bearing account approved by the
22 executive secretary. The pool plus all accrued interest shall
23 then be carried over and added to the select three pari-mutuel
24 pool in the following race meeting on a date and performance
25 designated by the executive secretary.

26 (5) If one or two of the races comprising a select three is
27 canceled, the net amount of the pari-mutuel pool shall be
28 distributed as provided in paragraph (2) of this subsection.

1 (g) A carryover select three pari-mutuel pool shall be
2 distributed in accordance with this subsection. The net pool in
3 the select three pool is divided into a major pool and a minor
4 pool. The association shall designate the major pool to consist
5 of 75% of the net amount wagered on the select three pool. The
6 remaining 25% constitutes the minor pool.

7 (1) The major pool shall be distributed among holders of
8 select three tickets, which correctly designate the winner in
9 each of the races comprising the select three pool.

10 (2) Except as otherwise provided by this section, the minor
11 pool shall be distributed to those ticket holders who failed to
12 correctly designate the winner in each of the races comprising
13 the select three, but who correctly selected the winners in the
14 most, but not all of, the races comprising the select three. If
15 there are no such tickets, then the minor pool would be added to
16 the major pool and:

17 (A) Paid out to holders of tickets who correctly designated
18 the winner in each of the races comprising the select three, but
19 if there are no such tickets,

20 (B) Carried forward to the next select three pool offered.

21 (3) If no ticket is sold that designates the winner in each of
22 the races comprising the select three, the major pool shall be
23 carried forward to the next select three pool offered to be paid
24 in the major pool.

25 (4) Except as otherwise provided by this section, the major
26 pool shall be supplemented each performance by the amount added
27 to the pool from all previous performances' major pools that
28 have not been won in accordance with paragraph (1) of this
29 subsection.

1 (5) If on the last performance of the race meeting or on a
2 designated mandatory payout performance the major pool is not
3 distributable under paragraph (1) of this subsection, the major
4 pool and all money carried forward into that pool from previous
5 performances shall be combined with the minor pool and
6 distributed to the holders of tickets correctly designating the
7 most, but not all, of the races comprising the select three.

8 (6) Except as otherwise provided by this subsection, if one or
9 more of the races comprising a select three is canceled or
10 declared a "no race", the amount contributed to the major pool
11 for that select three shall be added to the minor pool for that
12 same select three and distributed as an extra amount in the
13 minor pool to the holders of the tickets that designate the most
14 winners in the remaining races. All contributions to the major
15 pool from prior select three pools shall remain in the major
16 pool, to be carried forward to the next select three pool to be
17 paid in the major pool later on the race card or on the next
18 performance.

19 (h) When the condition of the turf course warrants a change of
20 racing surface in any of the races open to select three
21 wagering, and such change has not been made known to the betting
22 public prior to the close of wagering for the first select three
23 race, the Stewards shall declare the changed races a "no
24 contest" for select three wagering purposes and the pool shall
25 be distributed in accordance with subsection (f) or (g) of this
26 section. Following the designation of a race as a "no contest",
27 no tickets shall be sold selecting a horse in such "no contest"
28 race.

1 (i) If a scratch (which herein after includes being declared a
2 non-starter or a non-betting starter) was made prior to the
3 start of the first leg, all bets containing such scratched
4 betting interest shall be refunded to determine the gross pool
5 and removed from further consideration in the pool;
6 (j) If a scratch was made in the second leg after the start of
7 the first leg, a consolation payoff shall be computed for those
8 bets combining the winners of the first and third legs with the
9 scratched betting interest as follows: from the gross pool shall
10 be deducted the statutory take-out and then the amount
11 represented by the bets on combinations involving betting
12 interests scratched from the third leg (reduced by the take-out
13 thereon). The resulting remainder shall be divided by the
14 amounts bet on the combination of such first and third leg
15 winners with all betting interests in the second leg (less
16 breaks) to determine the consolation price per dollar payable to
17 those bets combining winners of the first and third legs with
18 the betting interest scratched in the second leg. The break
19 shall not be deducted from the pool.
20 (k) If a betting interest is scratched in the third leg after
21 the start of the first leg, a consolation payoff shall be
22 computed as for those bets combining the winners of the first
23 and second legs with such scratched betting interest as follows:
24 from the gross pool shall be deducted the statutory take-out and
25 then the amount represented by bets on combinations involving
26 betting interests scratched from the second leg (reduced by the
27 rate of the take-out thereon). The resulting remainder shall be
28 divided by the amount bet on the combination of such first and
29 second leg winners with all betting interests in the third leg

1 (less breaks) to determine the consolation price per dollar
2 payable to those bets combining winners of the first and second
3 legs with a betting interest scratched in the third leg. The
4 breaks shall not be deducted from the pool.

5 (l) If betting interests are scratched in both the second and
6 third legs after the start of the first leg, a consolation
7 payoff shall be computed for those bets combining the winner of
8 the first leg with the betting interests scratched in both the
9 second and third legs as follows: from the gross pool shall be
10 deducted the takeout and the remainder shall be divided by the
11 amount bet on the winner of the first leg combined with all
12 other betting interests in the second and third legs (less
13 breaks) to determine the consolation price per dollar payable to
14 those tickets combining the winner of the first leg with the
15 scratched betting interests from both the second and third legs.

16 (m) If all of the races comprising the select three are
17 canceled, the association shall refund the pari-mutuel tickets
18 sold on the select three on that day. The association shall
19 carry over the remaining amount in the select three pari-mutuel
20 pool to the next consecutive select three pari-mutuel pool.

21 (n) In the event of a dead heat all the animals in the dead heat
22 for win shall be considered as winning animals in the race for
23 the purpose of calculating the major or minor pools and the
24 affected pool is calculated:

25 (1) As a profit split to those whose selections finished first
26 in each of the three contests; but if there are no such wagers,
27 then

1 (2) As a single price pool to those who selected the first
2 place finisher in any two of the three contests; but if there
3 are no such wagers, then

4 (3) As a single price pool to those who selected the first
5 place finisher in any one of the three contests; but if there
6 were no such wagers, then in accordance with subsections (f) or
7 (g) of this section.

8 (o) A pari-mutuel ticket for the select three pool may not be
9 sold, exchanged, or canceled after the time wagering closes in
10 the first of the races comprising the select three, except for
11 refunds on select three tickets as required by subsection (i) of
12 this section. A person may not disclose the number of tickets
13 sold in the select three pool or the number or amount of tickets
14 selecting winners of select three races until the stewards or
15 racing judges have determined the last race comprising the
16 select three to be official.

1 **Sec. 321.320 Super Hi-Five**

2 (a) The super hi-five is not a parlay and has no connection with
3 or relation to the win, place, and show pools shown on the tote
4 board. All tickets on the super hi-five shall be calculated as a
5 separate pool.

6 (b) A person purchasing a super hi-five ticket shall select the
7 five animals that will finish first, second, third, fourth, and
8 fifth in one race. The pool shall be distributed only to the
9 holders of tickets that select the same order of finish as
10 officially posted.

11 (c) If no super hi-five ticket is sold for the winning
12 combination, then the net pool shall be carried over and paid
13 out in the following manner:

14 (1) The entire pool shall be carried over and made available
15 on the next consecutive super hi-five pool, and is combined with
16 and added to the net pool for such qualifying pool, and made
17 available for payout, or

18 (2) An association can, at its option, announce a consolation
19 pool, 25% of the net pool, will be offered. The offering of a
20 consolation pool shall be announced at least 72 hours in advance
21 of the first day upon which a consolation pool will be offered,
22 and shall be publicized. Notice of the consolation pool may be
23 announced, by way of example, via press release, internet,
24 simulcast signal, and on-track announcements.

25 (3) If there are no ticket holders who selected first-place,
26 second-place, third-place, fourth-place, and fifth-place
27 finishers in order and a consolation pool is offered, then a
28 consolation pool shall be established. The consolation pool
29 shall be equal to 25% of the net pool and distributed as a

1 single price pool among those ticket holders and paid out as
2 follows:

3 (A) To those who selected first-place, second-place, third-
4 place, and fourth-place finishers in order. If there are no such
5 wagers, then

6 (B) To those who selected first-place, second-place, and
7 third-place finishers in order. If there are no such wagers,
8 then

9 (C) To those who selected first-place and second-place
10 finishers in order. If there are no such wagers, then

11 (D) To those who selected the first-place finishers.

12 (E) If the super hi-five pool cannot otherwise be
13 distributed in accordance with this section, the money in the
14 super hi-five consolation pool shall be carried forward to the
15 next consecutive super hi-five pool.

16 (d) The minimum number of wagering interests required to offer
17 super hi-five wagering shall be seven actual starters.

18 (e) Super hi-five wagers on races in which wagering has been
19 canceled or the race declared no contest shall be refunded. Any
20 carryover pool added to the net pool of a super hi-five race
21 which is canceled shall carry forward to be added to the next
22 consecutive super hi-five wagering pool.

23 (f) If less than five animals finish and the race is declared
24 official by the stewards or judges, then pay off shall be made
25 to ticket holders selecting the finishing animals in order of
26 finish as provided above.

27 (g) In the event of a dead heat in any finishing position, the
28 wagers be paid as follows:

1 (1) All wagers selecting either of the dead-heat positions
2 with the correct non-dead-heat position shall be winners and
3 share in the pool;

4 (2) Payouts will be calculated by splitting the pool equally
5 between each winning combination, then dividing split pools by
6 the number of winning tickets. A dead heat will produce separate
7 and distinct payouts respective to each winning combination.

8 (h) If the final day of a race meeting is canceled or the super
9 hi-five pool has not been distributed, the pool shall be
10 deposited in an interest-bearing account approved by the
11 executive secretary. The pool plus all accrued interest shall
12 then be carried over and added to the super hi-five pari-mutuel
13 pool in the following race meeting on a date and performance
14 designated by the executive secretary.

15 (i) If an animal is scratched or declared a nonstarter, no
16 further tickets may be issued designating such animal and all
17 super hi-five tickets previously issued designating such animal
18 shall be refunded and the money deducted from the gross super
19 hi-five pool.

20 (j) For purposes of statutory deductions and commissions, the
21 net amount does not include any amounts carried over from any
22 previous super hi-five pool.

1 **Section 321.321 Fortune Pick (n).**

2 (a) The fortune pick (n) wager is not a parlay and has no
3 connection with or relation to the win, place, and show pools
4 shown on the tote board. All tickets on the fortune pick (n)
5 shall be calculated as a separate pool.

6 (b) The fortune pick (n) pari-mutuel pool consists of amounts
7 contributed for a selection to win only in each of six, seven,
8 eight, nine, or 10 races designated by the association. After
9 designating the number of races comprising the fortune pick (n),
10 the association may not change the number during a race meeting
11 without prior written approval of the executive secretary.

12 (c) A person purchasing a fortune pick (n) ticket shall
13 designate the winning animal in each of the races comprising the
14 fortune pick (n). The association shall issue to the purchaser
15 of a fortune pick (n) ticket a ticket that reflects each of the
16 purchaser's selections.

17 (d) A fortune pick (n) ticket is a contract between the holder
18 of the ticket and the association and the ticket constitutes
19 acceptance of this section. The association, totalisator
20 company, and the State of Texas are not liable to a person for a
21 fortune pick (n) ticket that is not a winning ticket under this
22 section or for a fortune pick (n) ticket that is not delivered.

23 (e) A coupled entry or mutuel field in a race that is part of
24 the fortune pick (n) races shall race as a single betting
25 interest for the purpose of mutuel pool calculations and payoffs
26 to the public.

27 (f) The fortune pick (n) pool shall be distributed as provided
28 by this section. The net pool in the fortune pick (n) pool is
29 divided into a major pool and a minor pool. The association may

1 designate the major pool to consist of either 75% or 50% of the
2 net amount wagered on the fortune pick (n). The remaining
3 percentage constitutes the minor pool. The association shall
4 notify the executive secretary in writing before the beginning
5 of each race meeting of its designation regarding the division
6 between the major and minor pools. After designating the
7 division between the major and minor pools, an association may
8 not change the division during a race meeting without prior
9 written approval of the executive secretary.

10 (g) Fortune pick (n) with minor pool and carryover with unique
11 wager: the entire net fortune pick (n) pool and carryover, if
12 any, shall be distributed to the holder of a unique wager
13 selecting the first place finisher in each of the selected
14 fortune pick (n) contests, based upon the official order of
15 finish. If there is no unique wager selecting the first place
16 finisher in all fortune pick (n) contests, the minor share of
17 the net fortune pick (n) pool shall be distributed as a single
18 price pool to those who selected the first place finisher in the
19 greatest number of fortune pick (n) contests; and the major
20 share shall be added to the carryover.

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

26 (i) If there is a dead heat for first in any of the fortune pick
27 (n) contests involving:

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

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

8 (j) Should a betting interest in any of the fortune pick (n)
9 contests be scratched, excused, or determined to be a non-
10 starter, all tickets sold containing the scratched animal shall
11 be refunded. The money refunded will be deducted from the gross
12 pool.

13 (k) Except as otherwise provided by this subsection, if one or
14 more races in the fortune pick (n) are canceled or declared a
15 "no race", the amount contributed to the major pool for that
16 performance shall be added to the minor pool for that
17 performance and distributed as an extra amount in the minor pool
18 to the holders of the tickets that designate the most winners in
19 the remaining races. All contributions to the major pool from
20 prior performances shall remain in the major pool, to be carried
21 forward to the next performance to be paid in the major pool for
22 that performance. If the stewards or racing judges cancel or
23 declare as a "no race" three or more of the races comprising a
24 fortune pick six, seven, or eight, four or more of the races
25 comprising the pick nine, or five or more of the races
26 comprising the pick 10, the fortune pick (n) is canceled and the
27 association shall refund all pick (n) tickets. A person may not
28 win the major pool unless the person holds a fortune pick (n)
29 ticket that correctly designates the official winners of all the

1 scheduled races comprising the fortune pick (n) for that
2 performance. On the last performance of a race meeting or on a
3 designated mandatory payout performance, if one or two races
4 comprising the pick (l) are canceled or declared a "no race",
5 the major pool and the minor pool for that performance shall be
6 combined with the prior performance major pool and be paid to
7 those holders of tickets who correctly designated the most
8 winners of the remaining races of the fortune pick (n). If three
9 or more races comprising the fortune pick (n) are canceled or
10 declared a "no race", the association shall refund all fortune
11 pick (n) tickets and the prior performance major pool shall be
12 distributed in accordance with subsection (m) of this section.
13 (l) When the condition of the turf course warrants a change of
14 racing surface in any of the races open to fortune pick (n)
15 wagering, and such change has not been made known to the betting
16 public prior to the close of wagering for the first fortune pick
17 (n) race, the Stewards shall declare the changed races a "no
18 contest" for fortune pick (n) wagering purposes and the pool
19 shall be distributed in accordance with subsection (k) of this
20 section. Following the designation of a race as a "no contest",
21 no tickets shall be sold selecting a horse in such "no contest"
22 race.
23 (m) If on the last performance of the race meeting or on a
24 designated mandatory payout performance the major pool is not
25 distributable under subsection (g) of this section, the major
26 pool and all money carried forward into that pool from previous
27 performances shall be combined with the minor pool and
28 distributed to the holders of tickets correctly designating the

1 most, but not all, of the races comprising the fortune pick (n)
2 for that performance.
3 (n) If the final or designated mandatory payoff performance is
4 canceled or the major pool has not been distributed, the major
5 pool shall be deposited in an interest-bearing account approved
6 by the executive secretary. The major pool plus all accrued
7 interest shall then be carried over and included in a major pool
8 offered on one of the first five days of the next subsequent
9 race meeting or on the next performance after the undistributed
10 mandatory payout performance, as approved by the executive
11 secretary.
12 (o) Except for refunds required by this section, a fortune pick
13 (n) ticket may not be sold, exchanged, or canceled after the
14 close of wagering on the first of the fortune pick (n) races.
15 (p) A person may not disclose the number of tickets sold in the
16 fortune pick (n) pool or the number or amount of tickets
17 selecting winners of the races comprising the fortune pick (n)
18 until the results of the last race comprising the fortune pick
19 (n) are official. The totalisator equipment shall be programmed
20 or constructed to suppress the publication or printing of any
21 such information, except the total number of dollars wagered in
22 the fortune pick (n), until the results of the last race
23 comprising the fortune pick (n) are official.

1 **Sec. 321.417. Emergency Procedures.**

2 (a) If an association is unable to establish or to maintain the
3 audio or video signal from a host racetrack, the association
4 shall immediately notify the host racetrack of the lost signal
5 and may continue to accept wagers for four hours [~~30 minutes~~]
6 while attempting to establish the signal.

7 (b) If after four hours [~~30 minutes~~] the audio or video signal
8 cannot be established the association may continue to accept
9 wagers on the signal provided:

10 (1) the mutuel manager makes an announcement to the public
11 informing them that due to technical difficulties the audio or
12 video signal has been lost;

13 (2) the association transmits the odds on the affected race to
14 the video department to be displayed to the patrons; and

15 (3) the totalisator operator locks all wagering on the affected
16 race at zero minutes to post to ensure the integrity and
17 transfer of the wagering pools.

18 (c) (No change.)

1 **Sec. 321.503. Purses.**

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

5 (1) for a same species simulcast, as provided by the Act, \$6.08;

6 and

7 (2) for a cross-species simulcast, as provided in the contract
8 with the officially recognized horsemen's organization.

9 (b) An [~~To be approved by the executive secretary, an~~]
10 association's request for approval to export a simulcast must
11 allocate a minimum of 37.0% for purses from the simulcast fee
12 charged to the guest racetrack, unless otherwise approved by the
13 recognized horsemen's organization and the executive secretary.

14 (c) (No change.)

1 **Sec. 321.605. E-Wagering Plan.**

2 (a) To be approved to conduct E-wagering, an association must
3 submit a plan to the executive secretary. The plan must include:

4 (1) - (4) (No change.)

5 (5) the procedures for closing an account; [~~and~~]

6 (6) the procedures for suspending an account; and

7 (7) [~~+6~~] a description of the totalisator system and E-wagering
8 access system.

9 (b) (No change.)

Requests for Rule Changes

Request by the Texas Greyhound Association to Amend § 309.355, Grading System

D

iscussion of Possible Rule Change(s)

Changes to Chapter 309, Racetrack Licenses and Operations, Subchapter D, Greyhound Racetracks, Division 2, Operations. **Symbols in proposed rule text:** Proposed new language is indicated by underlined text. ~~[Square brackets and strikethrough]~~ indicate existing rule text that is proposed for deletion. "(No change)" indicates the existing rule text at this level is not being amended.

Proposed Rule Change to Chapter 309. Racetrack Licenses and Operations, Subchapter D, Greyhound Racetracks, Division 2, Operations Section 309.355. Grading System

Section 309.355. Grading System.

(a) The racing secretary for an association shall grade the greyhounds for the races in accordance with this section.

(b) Before the first day of a race meeting, the racing secretary shall classify the greyhounds and assign an appropriate grade. In assigning the grades, the secretary shall consider the greyhound's past performances.

(c) The racing secretary shall use seven grades of AA, A, B, C, J, D, and M. Grade M is for maidens of any age and Grade J is for winning maidens.

(d) The racing secretary shall lower a greyhound to the next lower grade, including lowering a grade J to a grade D, if the greyhound:

(1) fails to finish in the top three positions in three consecutive starts;

(2) fails to earn better than one third place finish in four consecutive starts; or

(3) fails, as a Grade J, to finish in the top four positions in four consecutive starts

(e) The racing secretary shall advance a greyhound that wins a race graded A, B, C, J, or D.

(f) The racing secretary shall advance a greyhound that wins a maiden race to Grade J. The racing secretary shall advance a greyhound that wins a Grade J race to Grade C. On request by a kennel owner or trainer, the racing secretary may regrade a greyhound that finishes second, third, or fourth in a maiden or a Grade J race to Grade D or C. For a greyhound regraded on request under this

subsection, an association shall place the letter "M" or "J" after the greyhound's name in the racing program.

(g) A greyhound that fails to finish in the top four positions in four consecutive starts in Grade D may requalify and, at the discretion of the racing secretary, be returned to the active list. If a greyhound fails to finish in the top four positions in four consecutive starts for a second time in the same race meeting, at the discretion of the racing secretary, that greyhound may requalify again; however, when the greyhound returns to the active list, that greyhound has two consecutive starts to finish in the top four positions. If the greyhound fails to do so, then that greyhound shall be dropped from further racing during the current race meeting.

(h) A greyhound that falls in a race is considered a starter in that race and shall comply with the conditions set forth in subsection (d) of this section, unless lowering the greyhound would require the greyhound to be dropped from further racing in that race meeting.

(i) For a greyhound that transfers to the racetrack from another racetrack during a race meeting, the racing secretary shall assign a grade that is appropriate for the greyhound's ability considering the competition at the racetrack and at the racetrack from which the greyhound transfers.

(j) The racing secretary may regrade a greyhound that has not raced for at least 30 days.

(k) During a greyhound's first three starts, the racing secretary may regrade the greyhound only once and only to a next higher or lower grade level.

(l) The racing secretary may schedule up to eight mixed grade races each week. A mixed grade race must be designated by the letter "T" in the racing program.

(m) A stake race must be designated by the letter "S" in the racing program.

(n) An association may not require a kennel owner to furnish a greyhound of a specific grade or for a specific distance, nor fail to release a greyhound to a kennel that is in compliance with its contracted active list requirement.

(o) If a maiden fails to finish in the top four positions in six consecutive starts, the maiden may not race again at the race meeting until it requalifies. If the maiden fails to finish in the top four positions in the two starts after requalifying, the maiden may not race again at the race meeting.

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of Request: June 28, 2010

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

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

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

Contact Information:

Name:	Diane Whiteley	Phone(s):	254-857-4377
E-mail address:	dwhiteley@texasgreyhoundassociation.com	Fax number:	254-857-4299
Mailing address:	PO Box 40 Lorena, Tx 76655		

Personal Submission *OR*

Submission on behalf of Texas Greyhound Association
(Name of Organization)

If known, Proposed Change to Chapter: 309; Subchapter D, Rule 309.355(n)

If known, Proposed Addition to Chapter:

Rule 309.351(a); 315.102(k);

If known, Other Rules Affected by Proposal:

315.111(a); 311.6(b)(2)(C)

A. Brief Description of the Issue

A track policy has been instituted by Gulf Greyhound Park that requires a greyhound to complete 25 starts at the Association before it and its registration papers can be removed from the kennel compound. The policy has exceptions for "poor performance"

and injury, both of which are subjective calls by the Association. An exception is also made for a greyhound that is sold.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the issue affect?*
- *What existing model rules relate to this issue?*
- *Provide relevant quantitative or statistical information if possible.*

A kennel owner contracts annually with an Association to furnish a minimum number of greyhounds (40) for the Association's use. At Gulf Greyhound Park, each kennel houses 62 crates to allow room for greyhounds not yet on the active list, and those that require rest or injury recovery. The contract is accompanied by a list of greyhounds available as of January 1, and the contract allows for the change of greyhounds with GGP's written permission. A copy of the 2010 contract with Gulf Greyhound Park is attached.

TxRC Rule 309.351(a) states "In contracting with a kennel owner, an association shall use a contract approved by the executive secretary. In approving the contracts, the executive secretary shall consider the degree to which the contract complies with applicable law, ensures the continuity of high quality racing, preserves property owned by the kennel owners and the association, and ensures the ability of the kennel owner and the association to have a profitable relationship through the contract. After receiving approval, an association shall deliver a copy of the approved contract form to the Texas Greyhound Association."

TxRC Rule 309.355 (n) states, "An Association may not require a kennel owner to furnish a greyhound of a specific grade or for a specific distance."

The clear intent of these rules is to enable a kennel to manage its own business within the terms of its kennel contract, while ensuring that the Association will have a minimum number of "active" greyhounds to draw for its programs.

A greyhound is typically placed by its owner at the highest paying track based on its competitive ability. Standard practice within the industry is the movement of greyhounds between tracks to maximize their earnings. Due to the industry "grading" system, greyhounds move up and down between grades based on their suitability for the track and innate ability. The kennel owner takes all of this into account when managing his/her kennel, and the system works. Without the ability to move greyhounds, the kennel owner will have a shortage of some grades and a glut of others. A shortage means missed racing opportunities, and a glut will cause a shortage of starts.

For example, if a kennel has no AA greyhounds, those racing opportunities are lost. If a kennel has 20 AA greyhounds, they all won't get a start in a given week, partly due to the number of AA races offered each week and partly due to restrictions on double entries under Section 315.102(k). If a greyhound does not start for 10 days, under Section 315.111(a) the greyhound has to be officially schooled, thus adding another week before it has the chance to earn purse money. In this case, it is difficult for a greyhound to move in grade without adequate starts, perpetuating the problem. The 10

days under Section 315.111(a) ensures that the greyhound will be properly conditioned so that should not be modified.

A kennel strives for balance in its active list. A mandated number of starts per greyhound interferes with the ability of a kennel to stay balanced and maintain a full active list. It also restricts a greyhound owner's property rights to take possession of the greyhound.

If kennels have shortages or gluts of specific grades, it also has an effect on the racing secretary to "draw in" races and provide a variety of grades, owners and kennels in its programs.

The exception for sales allowed by the Association creates an incentive for the use of deception in the ownership transfer of a greyhound. This is grounds for denial, suspension or revocation of an owner license under Section 311.6(b)(2)(C).

The TGA is not aware of any other greyhound track that has adopted a policy of this type.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

The optimum solution is for the racetrack to drop its 25 start policy. Any terms that affect the property rights of a greyhound owner should be reflected in a kennel/owner lease. Any terms that affect the profitability of the kennel should be reflected in the kennel/Association contract, not in a track policy.

The second solution, presented here, is the addition to language of Section 309.355(n) to prevent interference with the kennel to manage its business and to clarify the property rights of greyhound owners within the confines of a racetrack.

D. Support or Opposition

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

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

Gulf Greyhound Park management expressed its concern that it has received complaints from some patrons that they like to watch a greyhound advance in its racing

career and felt that this policy keeps the greyhound at the track longer. The policy has achieved that.

The TGA understands and appreciates this concern for customers. However, it is standard practice within the industry for greyhounds to change tracks due to racing ability or sales, and some leave the track permanently early in their career due to injuries. Greyhounds transferred to other tracks are readily available for wagering on simulcast performances. It is also the TGA's humble opinion that customers like seeing new greyhounds race instead of the same group each week.

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please ~~strikeout~~ the language to be deleted. Please show new language with underlined text.

Section 309.355(n) An association may not require a kennel owner to furnish a greyhound of a specific grade or for a specific distance, nor fail to release a greyhound to a kennel that is in compliance with its contracted active list requirement.

Requests for Rule Changes

**Request by the
Texas Greyhound Association
to Amend
§ 309.103, Kennel Owners**

D

iscussion of Possible Rule Change(s)

Changes to Chapter 311, Other Licenses, Subchapter B, Specific Licensees.

Symbols in proposed rule text: Proposed new language is indicated by underlined text. [Square brackets and strikethrough] indicate existing rule text that is proposed for deletion. "(No change)" indicates the existing rule text at this level is not being amended.

Proposed Rule Change to Chapter 311. Other Licenses, Subchapter B, Specific Licensees, Section 311.103. Kennel Owners

Section 311.103. Kennel Owners.

(a) Designation of Representative. If a kennel owner is not the trainer of the greyhounds in the kennel, the kennel owner must:

(1) designate a trainer to be responsible for greyhounds; and

(2) shall notify the racing judges of the designation.

(b) Kennel Employees.

(1) A kennel owner shall identify to the Commission licensing office all individuals employed by the kennel to work on association grounds. No later than 24 hours after a change in personnel occurs, the kennel owner shall notify the Commission licensing office of the change.

(2) An individual who is licensed to work for a kennel owner is not permitted in the kennel area on association grounds unless the licensee is employed by and doing work for a kennel owner on the association grounds. An individual in the kennel area who is not in the employ of and doing work for a kennel owner may be ejected from the kennel area.

(c) Owner Suspended. A kennel owner may not retain a greyhound in the kennel owner's care and custody if the Commission has suspended or revoked the license of the owner of the greyhound.

(d) Use of Texas-Bred Greyhounds.

(1) Except as otherwise provided by this section, a kennel owner shall ensure that at least 50% ~~20%~~ of the greyhounds on the active list of the kennel are accredited Texas-bred greyhounds.

(2) During the first year ~~two years~~ in which a kennel is under contract with an association, the kennel owner shall ensure that 35% ~~the following percentage~~ of the greyhounds on the active list are accredited Texas-bred greyhounds. ÷

(A) ~~for the first year, 5.0%; and~~

(B) ~~for the second year, 10%.~~

(3) The racing secretary of an association shall maintain the records necessary to enforce this section. If the racing secretary determines that a kennel owner is in violation of this section, the racing secretary shall notify the racing judges. The racing judges may take disciplinary action against the kennel owner, including requiring the kennel owner to take the necessary action to achieve the appropriate percentages.

(e) Restrictions on Placement in Kennels. A person who owns an interest in a kennel booked at one Texas racetrack may not:

(1) own an interest in another kennel booked at that racetrack; or

(2) own an interest in a greyhound that is racing out of another kennel booked at that racetrack.

(f) Breeding farm inspection reports. Upon request of the executive secretary, a kennel owner shall provide a copy of the report of the most recent inspection conducted by the National Greyhound Association for the breeding farm from which each greyhound was whelped.

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of
Request:

August 16,
2010

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

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

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

Contact Information:

Name:	Diane Whiteley	Phone(s):	254-857-4377
E-mail address:	dwhiteley@texasgreyhoundassociation.com	Fax number:	254-857-4299
Mailing address:	PO Box 40 Lorena, Tx 76655		

Personal Submission OR

Submission on behalf of Texas Greyhound Association

(Name of Organization)

If known, Proposed Change to Chapter: SubChapter B, Rule 311.103(d)(1)&(2)

If known, Proposed Addition to Chapter: _____

If known, Other Rules Affected by Proposal: _____

A. Brief Description of the Issue

Requirement for accredited Texas-bred greyhounds on each kennel's active list

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B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- What specific problems or concerns are involved in this issue?
- Who does the issue affect?
- What existing model rules relate to this issue?
- Provide relevant quantitative or statistical information if possible.

The current rule requires each kennel at a racetrack to maintain 20% of its active list as accredited Texas-breds, with a ramp-up from 5% in the first year and 10% in the second year that a kennel is contracted with a Texas racetrack.

The Texas Greyhound Association would like the required number of accredited Texas-breds raised to 35% in a kennel's first year of operation at a racetrack, then 50% for the second year and thereafter.

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C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- What solution does this proposal provide?
- How will the solution fix the problem?
- How will the change affect any entities or stakeholders?
- How will you or your organization be affected by the proposed change?
- What are the benefits of the proposed change?
- What are the possible drawbacks of the proposed change?
- Identify possible fiscal impact of the recommended change.

The TGA feels that this would further improve and support the breeding of racing greyhounds in Texas.

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Requests for Rule Changes

**Request by
Lone Star Park
to Amend
§ 313.110, Coupled Entries**

D

iscussion of Possible Rule Change(s)

Changes to Chapter 313, Officials and Rules of Horse Racing, Subchapter B, Entries and Allowances.

Symbols in proposed rule text: Proposed new language is indicated by underlined text. [Square brackets and ~~strikethrough~~] indicate existing rule text that is proposed for deletion. "(No change)" indicates the existing rule text at this level is not being amended.

Proposed Rule Change to Chapter 313. Officials and Rules of Horse Racing, Subchapter B, Entries, Scratches, and Allowances, Section 313.110. Coupled Entries

Section 313.110. Coupled Entries.

- (a) Not more than two horses that have common interests through ownership, training, or lease may be entered in an overnight race, unless the race is divided.
- (b) If two horses entered in a race are owned in whole or in part by the same individual or entity, ~~or if the trainer owns an interest in either horse~~, the entry shall be coupled as a single wagering interest.

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of Request: 6/19/2010

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

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

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

Contact Information:

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

Personal Submission *OR*

Submission on behalf of Lone Star Park

(Name of Organization)

If known, Proposed Change to Chapter: 313, Rule 110 (b)

If known, Proposed Addition to Chapter: _____

If known, Other Rules Affected by Proposal: _____

A. Brief Description of the Issue

We would like to revise the rule concerning coupling of entries in order to increase the number of betting interest available in some races.

B. Discussion of the Issue and Problem

68

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the issue affect?*
- *What existing model rules relate to this issue?*
- *Provide relevant quantitative or statistical information if possible.*

With the nationwide decrease in horse population it becomes ever more important to maximize the available horse population into the most betting interests as possible.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

This would increase betting interests in a race and therefore increase handle and therefore revenue to all parties.

D. Support or Opposition

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

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

The Texas Horsemen Partnership supports this proposed rule change.

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please ~~strikeout~~ the language to be deleted. Please show new language with underlined text.

We would propose the rule read like this:

If two horses entered in a race are owned in whole or in part by the same individual or entity, the entry shall be coupled as a single wagering interest.

We propose eliminating this phrase:

or if the trainer owns an interest in either horse,

Industry News | Posted 6/24/2010, 9:04 pm

NYRA approves uncoupling of entries

By David Grening

In a change that should give handle a significant boost, the New York State Racing and Wagering Board on Wednesday approved a rule that would uncouple same-trainer, different-owner entries in all races at state tracks.

The rule goes into effect on July 14, the date the next state registry is published. That should allow the New York Racing Association to uncouple entries as early as closing weekend of the Belmont meet. Certainly, the rule will be in place when Saratoga opens on July 23. Currently, multiple horses trained by the same trainer but owned by different parties must be coupled and run as one betting interest.

"Chairman John Sabini and board members Dan Hogan and Charles Diamond were eager to get this done," said Joe Mahoney, a spokesman for the racing and wagering board. "They think this will be a definite plus for the racing industry and they are particularly pleased to put this new rule on the books in advance of the Saratoga racing season. Chairman Sabini is very optimistic that this can help NYRA build handle during the upcoming meet."

NYRA first proposed the rule change in May 2006. NYRA officials estimate that from 2006 to 2009, an additional \$556,407,606 in total handle which would have resulted in \$20.7 million in net revenue to NYRA and \$18.7 million to purses was lost because of the coupled-entry rule. New York rules do not allow for superfecta wagering to be offered in races with coupled entries, which has led to 1,246 scratches from 2006 to 2009.

"I think that's going to help tremendously," said P.J. Campo, NYRA's vice-president/director of racing.

Rick Violette, the president of the New York Thoroughbred Horsemen's Association, said he thinks it will help some of the better allowance races fill.

"The two-other-thans, three-other-thans, where entries don't help the handle or make the race go may go from five to seven betting interests," Violette said. "Also, it brings us up to the standard of the rest of the country."

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Requests for Rule Changes

Request by the Texas Quarter Horse Association to Amend § 319.111, Bleeders and Furosemide Program

Discussion of Possible Rule Change(s)

Changes to Chapter 319, Veterinary Practices and Drug Testing, Subchapter B, Treatment of Horses.

Symbols in proposed rule text: Proposed new language is indicated by underlined text. [Square brackets and strikethrough] indicate existing rule text that is proposed for deletion. "(No change)" indicates the existing rule text at this level is not being amended.

Proposed Rule Change to Chapter 319. Veterinary Practices and Drug Testing, Subchapter B, Treatment of Horses, Section 319.111. Bleeders and Furosemide Program

Section 319.111 Bleeders and Furosemide Program

(a) Diagnosis of EIPH.

(1) A bleeder is a horse that experiences Exercise Induced Pulmonary Hemorrhage (EIPH). Except as otherwise provided by this subsection, the medical diagnosis of EIPH may be made only by a commission veterinarian or a veterinarian currently licensed by the Commission. If the first EIPH event experienced by a horse occurs in another pari-mutuel racing jurisdiction, certification of the horse as a bleeder by that foreign jurisdiction will also constitute a first report of a diagnosed EIPH event for purposes of this section. A veterinarian who diagnoses an EIPH event in a horse participating in pari-mutuel racing in this state shall report the event to the commission veterinarian in a format prescribed by the executive secretary. On receipt of the first report of a diagnosed EIPH event for a horse, the commission veterinarian shall certify the horse as a bleeder.

(2) A trainer may request that a commission veterinarian reconsider the commission veterinarian's diagnosis of an EIPH event by presenting the horse for re-examination within four hours of the initial diagnosis, or within one hour after a performance's last race, whichever occurs sooner. To receive reconsideration, the trainer must present the horse to the commission veterinarian for endoscopic examination as performed by a commission-licensed veterinarian.

(b) Admission to Furosemide Program.

(1) A trainer may admit a horse to the furosemide program by stating at time of entry that the horse will compete with furosemide.

(2) A horse that competed with furosemide in its most recent start out-of-state must compete on furosemide in Texas unless withdrawn from the furosemide program at time of entry.

CURRENT RULE

(3) An EIPH event experienced by a horse that is admitted to the furosemide program is deemed to be a second EIPH event for purposes of Subsection (g) of this section.

TQHA REQUEST

(3) An EIPH event experienced by a horse that is voluntarily admitted to the furosemide program is deemed to be the first ~~a second~~ EIPH event for purposes of Subsection (g) of this section.

ADAPTATION FROM MODEL RULE

(3) The voluntary administration of furosemide without an external bleeding incident shall not subject the horse to the initial period of ineligibility under ~~An EIPH event experienced by a horse that is admitted to the furosemide program is deemed to be a second EIPH event for purposes of~~ Subsection (g) of this section.

DELETION OF RULE

~~(3) An EIPH event experienced by a horse that is admitted to the furosemide program is deemed to be a second EIPH event for purposes of Subsection (g) of this section.~~

(c) Administration of Furosemide.

Furosemide shall be administered to a horse in the furosemide program not later than four hours before the published post time for the race the horse is entered to run. The furosemide must be administered intravenously by a veterinarian licensed by the Commission. The executive secretary shall periodically publish the permissible blood levels of furosemide in post-race specimens and shall post the levels at each licensed racetrack.

(d) Requirement to Use Furosemide. A horse in the furosemide program in Texas must compete with furosemide until withdrawn from the program.

(e) Withdrawal from Furosemide Program.

(1) To withdraw a horse from the furosemide program, the trainer must state his/her intention to race the horse without furosemide at the time of entry.

(2) A horse in the furosemide program that competes out-of-state without furosemide is considered to have been removed from the Texas furosemide program effective the date of its first race without furosemide.

(3) Withdrawal from the furosemide program does not prohibit a horse from subsequent readmission to the program in accordance with this section.

(f) Readmission to the Furosemide Program. A horse may be readmitted to the furosemide program if:

(1) at least 60 days have elapsed since the horse was withdrawn from the program;

(2) the horse is required to compete with furosemide pursuant to subsection (b)(2) of this section; or

(3) the commission veterinarian diagnoses the horse with another EIPH event.

(g) Bleeders List.

(1) The commission veterinarian shall maintain a list of horses that have been

certified as bleeders and a list of horses that have been admitted to the furosemide program.

(2) On receipt of a report of a diagnosed EIPH event, the commission veterinarian shall place the horse on the veterinarian's list and the horse shall be ineligible to race for the following time periods:

(A) First incident - 12 days;

(B) Second incident within 365 days of previous incident - 30 days;

(C) Third incident within 365 days of previous incident - 180 days;

(D) Fourth incident within 365 days of previous incident - lifetime ban from racing in this state.

(3) A horse with fewer than four EIPH events that has not had a diagnosed EIPH event for a period of 365 consecutive days is considered a non-bleeder for purposes of this subsection. The report of a diagnosed EIPH event from any pari-mutuel jurisdiction which officially records EIPH events will be recognized as an EIPH event by the Commission.

(4) Notwithstanding the foregoing, if after reviewing a report of a diagnosed EIPH event the commission veterinarian determines additional days on the veterinarian's list are essential to the health and safety of the horse, the commission veterinarian may extend the number of days the horse is on the veterinarian's list. The commission veterinarian shall record the medical reasons for the additional days.

(h) Report by Veterinarian. A veterinarian who administers furosemide to a horse that has been admitted to the furosemide program shall report the administration on a form prescribed by the Commission. A report made under this subsection must be filed with the test barn supervisor not later than one hour before post time for the first race of that day.

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of Request: 10/26/2010

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

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

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

Contact Information:

Name:	Rob Werstler	Phone(s):	512-458-5202
E-mail address:	rwerstler@tqha.com	Fax number:	512-458-1713
Mailing address:	1101 W. Anderson Lane, Austin, 78757		

Personal Submission OR

Submission on behalf of TQHA
(Name of Organization)

If known, Proposed Change to Chapter: 319.111, Rule (b)(3)

If known, Proposed Addition to Chapter: _____

If known, Other Rules Affected by Proposal: _____

A. Brief Description of the Issue

Per Section 319.111 Bleeders and Furosemide Program (b)(3) "An Exercise Induced Pulmonary Hemorrhage (EIPH) event experienced by a horse that is admitted to the furosemide program by a trainer is deemed to have suffered a second EIPH event." This, even if the horse was admitted to the program voluntarily by the trainer and with no EIPH incident.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the Issue affect?*
- *What existing model rules relate to this Issue?*
- *Provide relevant quantitative or statistical information if possible.*

Under the current rule, a horse competing and qualifying in trials that has been admitted voluntarily to the Bleeder Program and then suffers an EIPH event will not be eligible to run in the finals, as the horse is automatically put on the bleeders list and ineligible to race for 30 days. Most trials are only 14 days before the finals. This affects Quarter Horses who compete more regularly in trial races.

RCI Model Rule G. Bleeder List (4) states "The voluntary administration of furosemide without an external bleeding incident shall not subject the horse to the initial period of ineligibility as defined by this policy."

Texas currently has the most restrictive "bleeder" rule in the region- Oklahoma's rule is basically the same as the RCI rule where a trainer can admit a horse to the "Furosemide Program" and will not count as an EIPH incident. The first time the horse bleeds, if ever, will be deemed the first EIPH incident. In New Mexico, a horse can experience an EIPH incident every time it runs and there is no penalty. I will supply the committee with furosemide rules from Louisiana, New Mexico and Oklahoma at the October 26 meeting

A south African study in 2008 determined that EIPH incidence and severity was improved by pre-race administration of lasix. It has also been determined that furosemide is as effective as a preventative as it is as a treatment.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

Modify Section 319.111 Bleeders and Furosemide Program (b) Bleeders by incorporating the intent of the RCI language: The first Exercise Induced Pulmonary Hemorrhage (EIPH) event experienced by a horse that a trainer has admitted voluntarily to the furosemide program will be considered the horse's first EIPH event for purposes of determining the number of days the horse is ineligible to race under Section 319.111 (g).

There have been incidents where an owner was not allowed to enter a horse back in to a final of a grade I, million dollar futurity because of the current rule language. If this horse had run well in the final it would have increased the value of the animal significantly. Also, there have been owners that have left Texas taken their horses to compete in races in other jurisdictions where the furosemide program is not as restrictive.

D. Support or Opposition

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

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

I do not know of any groups opposed to this rule change.

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please strikeout the language to be deleted. Please show new language with underlined text.

Sec. 319.111 Bleeders and Furosemide Program (b)(1) A trainer may voluntarily admit a horse to the furosemide program by stating at time of entry that the horse will compete with furosemide.

Sec.319.111 Bleeders and Furosemide Program (b)(3) "An EIPH event experienced by a horse that is voluntarily admitted to the furosemide program is deemed to be the first EIPH event for purposes of Subsection(g) of this section.

Sec.319.111 Bleeders and Furosemide Program (g)(2) Bleeders List: On receipt of a diagnosed EIPH event, the commission veterinarian shall place the horse on the veterinarian's list and the horse shall be eligible to enter but ineligible to race for the following time periods:

Furosemide (Salix, Lasix)

■ SAFE Study:

- Double-blinded study using horses that have never received furosemide before in actual race conditions for purse money in South Africa
- Horses receiving saline instead of furosemide had increased severity of EIPH
- 67.5% of horses that bled when receiving saline had improved EIPH severity scores by at least one when receiving furosemide instead
- Conclusion...EIPH incidence and severity was improved by pre-race administration of furosemide

Requests for Rule Changes

**Request by
Staff to Amend**

**§ 321.1, Definitions and General Provisions
and**

§ 321.35, Claim for Payment

D

iscussion of Possible Rule Change(s)

Changes to Chapter 321, Pari-mutuel Wagering, Subchapter A, Mutuel Operations.

Symbols in proposed rule text: Proposed new language is indicated by underlined text. [Square brackets and strikethrough] indicate existing rule text that is proposed for deletion. "(No change)" indicates the existing rule text at this level is not being amended.

Proposed Rule Changes to Chapter 321. Pari-mutuel Wagering, Subchapter A, Mutuel Operations, Section 321.1. Definitions

Section 321.1. Definitions and General Provisions.

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

(1) ASCII formatted flat file--A data file containing structured data which is both record and field delimited containing only characters found in the American Standard Code for Information Interchange (ASCII) specification.

(2) Betting interest--a single race animal or a group of race animals coupled pursuant to the Rules which the totalisator system designates as an interest on which a patron may wager.

(3) Export simulcast--a race simulcast from a racetrack facility.

(4) Firmware--The system software permanently stored in a computer or ticket issuing machine's read-only memory or elsewhere in the circuitry that cannot be modified by the user.

(5) Guest racetrack--a racetrack facility at which a simulcast race is received and offered for wagering purposes; a receiving location, as defined in the Act, §1.03(64).

(6) Host racetrack--a racetrack facility at which a race is conducted and simulcast for wagering purposes; a sending track, as defined in the Act, §1.03(66).

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

(8) Intelligent Terminal--a terminal or peripheral device which contains code extending beyond that which is necessary to

allow the terminal to communicate with the central controlling device to which it is directly attached or to control the presentation of data on the display unit of the device.

(9) Log--an itemized list of each command, inquiry, or transaction given to a computer during operation.

(10) Major Revision--a specific release of a hardware or software product, including additional functionality, major user interface revisions, or other program changes that significantly alter the basic function of the application.

(11) Minor Revision--an incrementally improved version of hardware or software, usually representing an error (bug) fix, or a minor improvement in program performance which does not alter basic functionality.

(12) Multi-leg wager--a wagering pool that involves more than one race.

(13) Remote site--a racetrack or other location at which wagering is occurring that is linked via the totalisator system to a racetrack facility for pari-mutuel wagering purposes.

(14) Report--a summary of betting activity.

(15) Resultant--the profit-per-dollar wagered in a pari-mutuel pool computation.

(16) Ticketless Electronic Wagering (E-wagering)--a form of pari-mutuel wagering in which wagers are placed and cashed through an electronic ticketless account system operated through a licensed totalisator vendor in accordance with §11.04 of this Act. Wagers are automatically debited and credited to the account holder.

(17) TIM--ticket-issuing machine.

(18) TIM-to-Tote network--a wagering network consisting of a single central processing unit and the TIMs at any number of remote sites.

(19) Totalisator system--a computer system that registers and computes the wagering and payoffs in pari-mutuel wagering.

(20) Totalisator operator--the individual assigned to operate the totalisator system at a racetrack facility.

(21) Tote-to-tote network--a wagering network in which each wagering location has a central processing unit.

(22) User--a totalisator company employee authorized to use the totalisator system in the normal course of business.

(23) Player Tracking System – a system that provides detailed information about pari-mutuel player activity on patrons who

volunteer to participate. The system can be used to customize highly specific promotions and tailor rewards to encourage increased play by patrons. The system should be able to produce customized informational reports based on such parameters as type of wager, type of race, favorite race meet, or other parameters deemed helpful by the association in supporting the patron.

(b) A reference in this chapter to the mutuel manager includes the mutuel manager's designee, in accordance with §313.53 of this title (relating to Mutuel Manager) or §315.36 of this title (relating to Mutuel Manager.)

(c) A request required to be made in writing under this chapter may be transmitted via hand delivery, e-mail, facsimile, courier service, or U.S. mail.

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of Request: Oct. 7, 2010

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

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

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

Contact Information:

Name:	Sammy Jackson	Phone(s):	512-833-6699
E-mail address:	sammy@txrc.state.tx.us	Fax number:	512-833-6907
Mailing address:	8505 Cross Park Drive, Suite 110 Austin, Texas 78754		

Personal Submission *OR*

Submission on behalf of John Mule, Patron
(Name of Organization)

If known, Proposed Change to Chapter: 321, Rule 1, Definitions & General Provisions

If known, Proposed Addition to Chapter: _____

If known, Other Rules Affected by Proposal: 321.35 Claim for Payment

A. Brief Description of the Issue

No definition exist for player tracking system.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the issue affect?*
- *What existing model rules relate to this issue?*
- *Provide relevant quantitative or statistical information if possible.*

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Technological advances have been made in the pari-mutuel industry that provide the ability for the associations to better serve the pari-mutuel patrons attending the Texas racetracks to enjoy a day wagering on both a live or simulcast racing event. One of these technological advances is the use of a player tracking system that provides detailed information to the association about pari-mutuel player activity at their facility on patrons who volunteer to participate in the system. It has been identified that this detailed information would be helpful to a patron in establishing a legitimate claim to a lost or destroyed pari-mutuel ticket or voucher.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

The proposed solution is to define a "player tracking system" so that this technology can be used, if offered by the association, to help a patron establish a legitimate claim to a lost or destroyed pari-mutuel ticket or voucher.

D. Support or Opposition

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

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

Unkown

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please strikeout the language to be deleted. Please show new language with underlined text.

See attached revised draft of Commission Rule 321.1

D

iscussion of Possible Rule Change(s)

Changes to Chapter 321, Pari-mutuel Wagering, Subchapter A, Mutuel Operations.

Symbols in proposed rule text: Proposed new language is indicated by underlined text. [Square brackets and strikethrough] indicate existing rule text that is proposed for deletion. "(No change)" indicates the existing rule text at this level is not being amended.

Proposed Rule Changes to Chapter 321. Pari-mutuel Wagering, Subchapter A, Mutuel Operations, Section 321.35. Claim for Payment

Section 321.35. Claim for Payment.

(a) Claims on pari-mutuel tickets or vouchers presented for payment.

(1) An association shall accept a claim for payment if the association has withheld payment or has refused to cash a pari-mutuel ticket or a voucher presented for payment. The claim must be made on a form prescribed by the association and signed by the claimant. The original of the claim shall be promptly forwarded to the Commission.

(2) ~~(b)~~ If a claim is made for payment of a mutilated ticket that does not contain the information required under §321.29 of this title (relating to Mutuel Tickets), the association shall make a recommendation to accompany the claim forwarded to the Commission. The recommendation must state whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

(3) ~~(c)~~ If a claim is made for payment of a mutilated voucher that does not contain the information required under §321.31 of this title (relating to Vouchers), the association shall make a recommendation to accompany the claim forwarded to the Commission. The recommendation must state whether or not the mutilated voucher has sufficient elements to be positively identified as an outstanding voucher.

(4) ~~(d)~~ If a claim is made for the payment of a mutuel ticket or a voucher, the executive secretary shall investigate the claim and may:

(A) ~~(1)~~ order the association to pay the claim;

(B) ~~(2)~~ deny the claim; or

(C) ~~(3)~~ enter any other order the executive secretary determines appropriate.

(b) Claims on pari-mutuel tickets or vouchers that have been lost or destroyed.

(1) An association shall accept a claim for payment if the association has withheld payment or has refused to cash a pari-mutuel ticket or voucher that has been lost or destroyed if:

(A) the claimant can demonstrate, via the use of the claimant's unique and personally identifiable player tracking system account utilized at the association where the pari-mutuel ticket or voucher was issued, that the ticket or voucher being claimed was issued to the claimant, and

(B) the pari-mutuel ticket or voucher being claimed has not already been paid.

(2) The claim must be made on a form prescribed by the association and signed by the claimant.

(3) The association shall make a recommendation to accompany the claim. The association's recommendation should include justification for their recommendation, and explanations on timelines or processing requirements needed to fulfill their recommendation.

(4) The original of the claim and the recommendation by the association shall be promptly forwarded to the Commission.

(5) The executive secretary shall investigate the claim and may:

(A) order the association to pay the claim;

(B) deny the claim; or

(C) enter any other order the executive secretary determines appropriate.

(c) A claim may not be made for a lost or destroyed pari-mutuel ticket or voucher that cannot be validated in accordance with subsection (b) of this section.

~~(e) A claim may not be made for a lost or destroyed mutuel ticket or voucher.~~

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of Request: Oct. 7, 2010

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

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

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

Contact Information:

Name:	Sammy Jackson	Phone(s):	512-833-6699
E-mail address:	sammy@txrc.state.tx.us	Fax number:	512-833-6907
Mailing address:	8505 Cross Park Drive, Suite 110 Austin, Texas 78754		

Personal Submission *OR*

Submission on behalf of John Mule, Patron
(Name of Organization)

If known, Proposed Change to Chapter: 321, Rule 35. Claim for Payment.

If known, Proposed Addition to Chapter: _____
321.1 Definitions & General

If known, Other Rules Affected by Proposal: Provisions

A. Brief Description of the Issue

Commission Rule 321.35 Claim for Payment does not provide for a claim on a lost or destroyed pari-mutuel ticket or voucher. This is an older rule that was based upon the physical pari-mutuel ticket or voucher being a financial bearer instrument coupled with the fact that there were no tools available to identify a patron as the rightful owner of a pari-mutuel ticket or voucher without possession of the bearer instrument.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the issue affect?*
- *What existing model rules relate to this issue?*
- *Provide relevant quantitative or statistical information if possible.*

Specific problems or concerns involved with this issue:

1. Patrons who legitimately have lost or destroyed a pari-mutuel ticket are unable to be helped. This leaves the patron with a negative impression of the industry, and often times causes the patron to feel unappreciated.
2. Associations are unable to help a patron when they feel as though the patron needs to be assisted. To help lessen the patrons frustration, the association at times will pay the patron out of their bottom line or comp the patron a meal. However, some of the lost tickets or vouchers are valued at an amount the association is unable to comp to satisfy the patrons frustration.
3. Commission staff are unable to help patrons when they feel as though the patron needs to be assisted. Staff has considered changing the policy in the past. However, the fact that the lost or destroyed pari-mutuel ticket or voucher being claimed could be presented for payment by another patron and then a scenario is created whereby rightful ownership becomes the issue to be determined has caused staff to remain with the current policy.

This issue affects the Patron, the Association, and the Commission.

ARCI model rule relating to this issue reads as follows:

Claims for Payment from Pari-Mutuel Pool

At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by the APmWE in any case where the APmWE has withheld payment or has refused to cash a pari-mutuel wager. The claim shall be made on such form as approved by the commission. The original of such claim shall be forwarded to the Commission within 48 hours.

1. In the case of a claim made for payment of a mutilated pari-mutuel ticket which does not contain the total imprinted elements required in A. of this rule (Pari-mutuel Tickets), the APmWE shall make a recommendation to accompany the claim forwarded to the commission as to whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.
2. In the case of a claim made for payment on a pari-mutuel wager, the commission shall adjudicate the claim and may order payment thereon from the pari-mutuel pool or by the APmWE, or may deny the claim, or may make such other order as it may deem proper.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

The solution proposal is to amend Commission Rule 321.35 Claim for Payment to read as follows:

§321.35 Claim for Payment

a) Claims on pari-mutuel tickets or vouchers presented for payment.

(1) An association shall accept a claim for payment if the association has withheld payment or has refused to cash a pari-mutuel ticket or a voucher presented for payment. The claim must be made on a form prescribed by the association and signed by the claimant. The original of the claim shall be promptly forwarded to the Commission.

(2) If a claim is made for payment of a mutilated ticket that does not contain the information required under §321.29 of this title (relating to Mutuel Tickets), the association shall make a recommendation to accompany the claim forwarded to the Commission. The recommendation must state whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

(3) If a claim is made for payment of a mutilated voucher that does not contain the information required under §321.31 of this title (relating to Vouchers), the association shall make a recommendation to accompany the claim forwarded to the Commission. The recommendation must state whether or not the mutilated voucher has sufficient elements to be positively identified as an outstanding voucher.

(4) If a claim is made for the payment of a mutuel ticket or a voucher, the executive secretary shall investigate the claim and may:

- a. order the association to pay the claim;
- b. deny the claim; or
- c. enter any other order the executive secretary determines appropriate.

b) Claims on pari-mutuel tickets or vouchers that have been lost or destroyed.

(1) An association shall accept a claim for payment by a patron for a pari-mutuel ticket or voucher that has been lost or destroyed if:

- a. the claimant can demonstrate via the use of the claimants unique and personally identifiable player tracking account, utilized at the association via a player tracking system, that the ticket or voucher being claimed was issued to the claimant, and
- b. the ticket or voucher being claimed has not already been paid.

(2) The claim must be made on a form prescribed by the association and signed by the claimant.

(3) The association shall make a recommendation to accompany the claim. The association's recommendation should include a justification for their recommendation, and explanations on timelines or processing requirements needed to fulfill their recommendation.

(4) The original of the claim and the recommendation by the association shall be promptly forwarded to the Commission.

- (5) The executive secretary shall investigate the claim and may:
- a. order the association to pay the claim;
 - b. deny the claim; or
 - c. enter any other order the executive secretary determines appropriate.

The solution provided above will allow for a claim to be made on a lost or destroyed pari-mutuel ticket or voucher if the claimant can demonstrate, via the use of a unique and personally identifiable player tracking account, that the claimant is the individual to whom the pari-mutuel ticket or voucher was originally issued. This action allows for an establishment of ownership over a bearer instrument that has not been presented.

D. Support or Opposition

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

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

Support: Patrons, Commission Staff

Opposition:

Unknown: Associations, Industry Organizations

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please strikeout the language to be deleted. Please show new language with underlined text.

See attached documents:
321.1 and 321.35