



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

Texas Racing Commission  
Tuesday, February 19, 2013  
10:30 a.m.  
Texas Animal Health Commission  
2105 Kramer Lane  
Austin, Texas 78758

## **AGENDA**

**I. CALL TO ORDER**  
Roll Call

**II. PUBLIC COMMENT**

**III. GENERAL BUSINESS**

Discussion and consideration of the following matters:

Reports by the Executive Director and Staff regarding Administrative Matters

- A. Budget and Finance Update
- B. Report on Racetrack Inspections
- C. Report on Wagering Statistics
- D. Enforcement Report
- E. Report on Status of Legislative Proposals by the 82<sup>nd</sup> Texas Legislature, Regular Session

#### **IV. PROCEEDINGS ON RACETRACKS**

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

- A. Request by Pinnacle Retama Partners, LLC, for Approval of Change in Management Committee
- B. Request by Pinnacle Retama Partners, LLC, for approval of a Concession Contract with PNK (SAZ), LLC

#### **V. PROCEEDINGS ON RULEMAKING**

Discussion and consideration of the following matter:

- A. Report by the Committee on Rules

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

Rule Proposals

- B. Proposal for New Rule 307.8, Negotiated Rulemaking and Alternative Dispute Resolution
- C. Proposal for New Rule 309.53, Ownership and Management Review of Active Racetrack Licenses

These proposals for new rules or rule amendments relate to the prohibition of live lures in the training of greyhounds.

- D. Proposal to Amend Rule 309.359, Live Lures
- E. Proposal to Amend Rule 311.6, Denial, Suspension, and Revocation of Licenses
- F. Proposal to Amend Rule 311.102, Greyhound Owners
- G. Proposal to Amend Rule 311.104, Trainers
- H. Proposal for New Rule 311.217, Greyhound Training
- I. Proposal for New Rule 315.112, Ineligibility Due to Improper Greyhound Training

Rule Adoptions

- J. Adoption of Amendment to Rule 309.1, Racetrack Licenses

**VI. EXECUTIVE SESSION**

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

- A. Under Government Code Sec. 551.071(1), the Commission may open an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Government Code Sec. 551.071(2), the Commission may open an executive session to discuss all matters identified in this agenda where the commission seeks the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and to discuss the Open Meetings Act and the Administrative Procedures Act.
- C. Under Texas Racing Act, Tex. Rev. Civ. Stat. Ann. art. 179e, Sec. 6.03, the Commission may open an executive session to review security plans and management, concession, and totalisator contracts.

**VII. OLD/NEW BUSINESS**

Schedule next Commission Meeting

**VIII. ADJOURN**



**Fiscal Year 2013  
Operational Budget**

Updated: January 23, 2013

Thru: December 31, 2012

**Summary of Operating Revenue**

By Revenue Type:	Budget	Collected	Suspended	Uncollected	
				Balance	%
Account 597 - Racing Commission - GRD	\$ 10,063,650	\$ 4,487,062	\$ 75,000	\$ 3,692,785	37%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL - ALL REVENUES</b>	<b>\$ 10,063,650</b>	<b>\$ 4,487,062</b>	<b>\$ 75,000</b>	<b>\$ 3,692,785</b>	<b>37%</b>

**Summary of Appropriated Operating Expenses**

	Budget	Expended	Encumbered	Unexpended	
				Balance	%
1001 - Salaries and Wages:	\$ 2,838,364	\$ 884,567	\$ -	\$ 1,953,797	69%
1002 - Other Personnel Cost:	\$ 190,829	\$ 34,603	\$ -	\$ 156,227	82%
2001 - Professional Fees and Services:	\$ 240,500	\$ 36,750	\$ -	\$ 203,750	85%
2003 - Consumable Supplies:	\$ 38,500	\$ 3,678	\$ -	\$ 34,822	90%
2004 - Utilities:	\$ 60,000	\$ 13,384	\$ -	\$ 46,616	78%
2005 - Travel:	\$ 177,789	\$ 25,915	\$ -	\$ 151,874	85%
2006 - Rent Building:	\$ 87,979	\$ 35,241	\$ -	\$ 52,738	60%
2007 - Rent Machine and Other:	\$ 14,500	\$ 3,699	\$ -	\$ 10,801	74%
2009 - Other Operating Expense:	\$ 575,098	\$ 65,269	\$ -	\$ 509,829	89%
4000 - Grants	\$ 4,125,000	\$ 957,284	\$ -	\$ 3,167,716	77%
5000 - Capital Expenditures:	\$ -	\$ 274	\$ -	\$ (274)	n/a
<b>TOTAL - ALL APPROPRIATED EXPENDITURES</b>	<b>\$ 8,348,559</b>	<b>\$ 2,060,664</b>	<b>\$ -</b>	<b>\$ 6,287,895</b>	<b>75%</b>

**Unappropriated Operating Expenses**

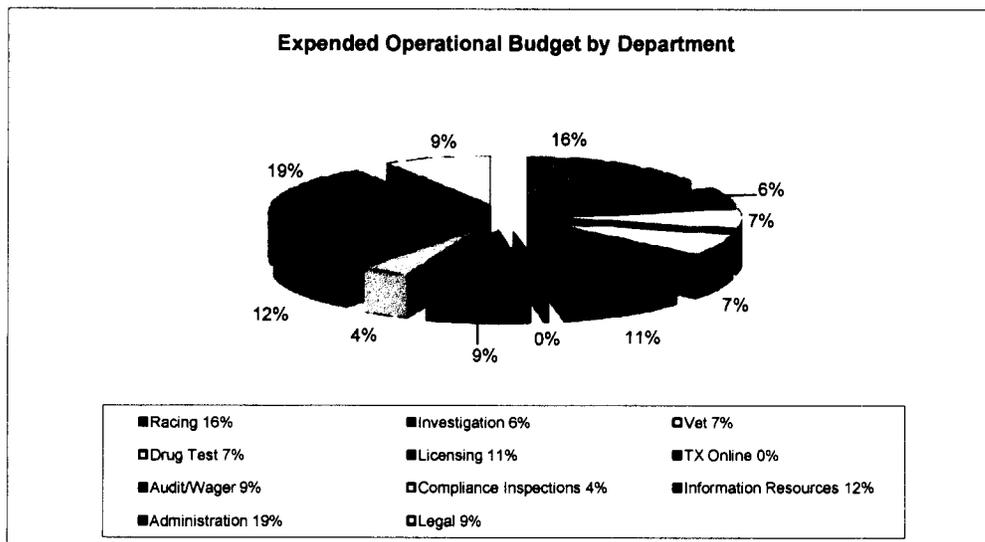
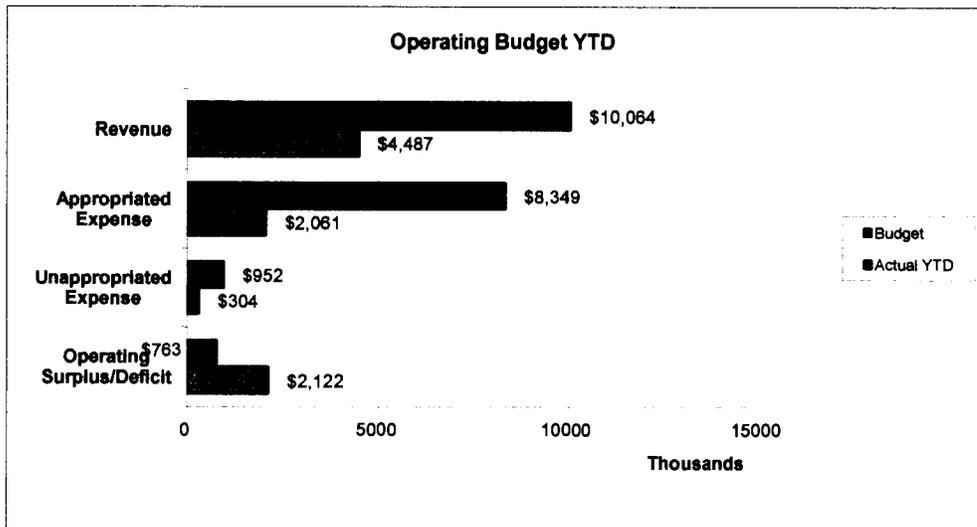
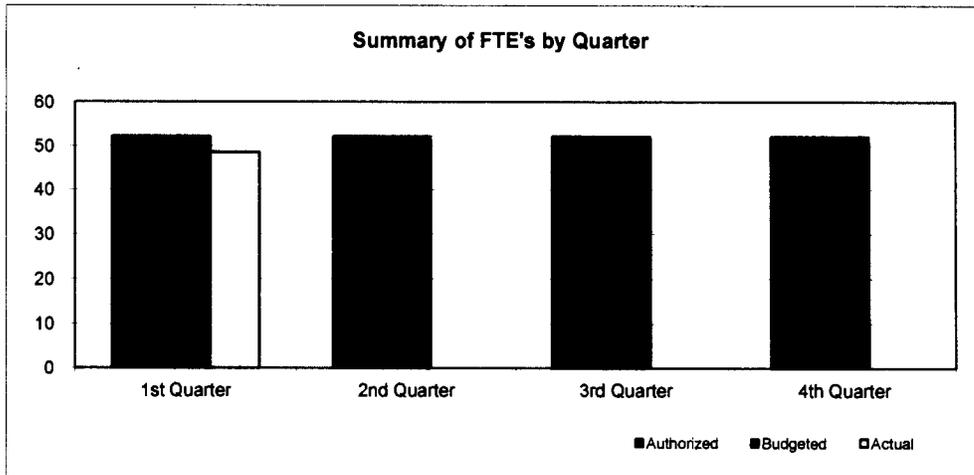
Type:	Budget	Expended	Encumbered	Unexpended	
				Balance	%
<b>TOTAL - ALL UNAPPROPRIATED EXPENDITURES</b>	<b>\$ 952,248</b>	<b>\$ 304,466</b>	<b>\$ -</b>	<b>\$ 647,782</b>	<b>68%</b>
<b>TOTAL - ALL EXPENDITURES</b>	<b>\$ 9,300,807</b>	<b>\$ 2,365,130</b>	<b>\$ -</b>	<b>\$ 6,935,678</b>	<b>75%</b>

**OPERATING SURPLUS / (DEFICIT)**

**\$ 762,843 \$ 2,121,932**

**Summary of FTE's**

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Budgeted FTE's	52.10	52.10	52.10	52.10
Actual FTE's	48.56	0.00	0.00	0.00
<b>Actual FTE's Over / (Under) Budget</b>	<b>(3.54)</b>			
<b>Actual FTE's Over / (Under) Authorization</b>	<b>(3.54)</b>			



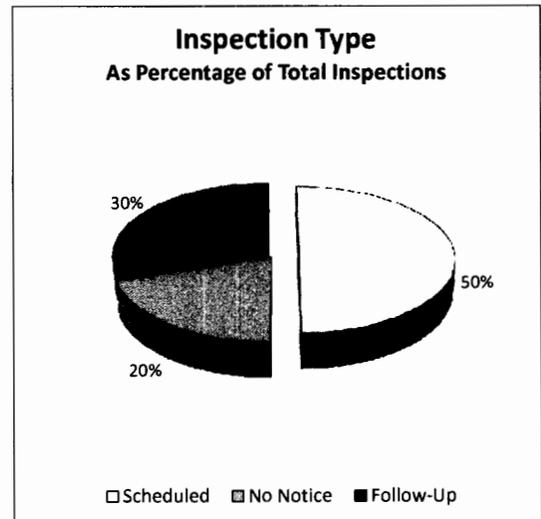
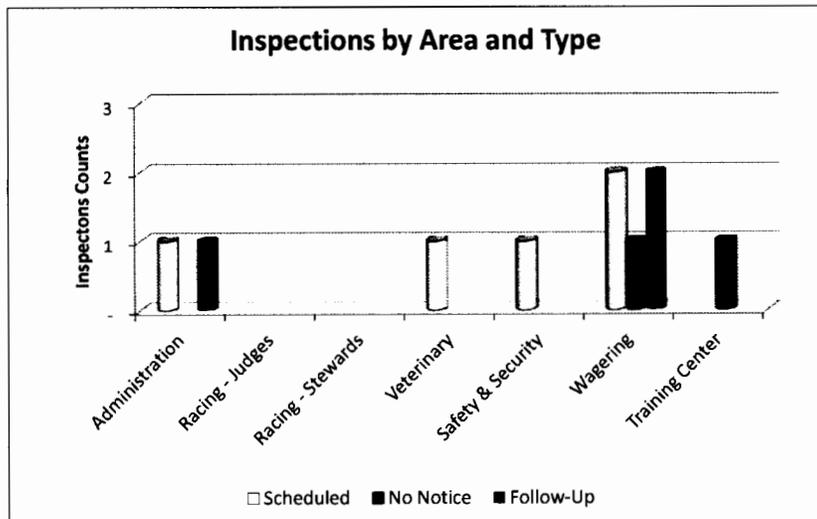
**Texas Racing Commission**  
 Report on Racetrack Inspection Activities  
 February 19, 2013

Summary of Inspections Performed For The Period of December 1, 2012 thru February 1, 2013					
Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Valley Race Park	Wagering	12/12/2012	0		
Saddle Brook Park	Wagering	12/14/2012	2	2	0
	Administration	12/14/2012	2	2	0
Sam Houston Race Park	Safety & Security	1/9/2013	0		
	Veterinary	1/11/2013	0		
	Wagering	1/11/2013	2	2	0
Diamond D Ranch	Safety & Security	1/18/2013	0		

Inspection Counts by Area and Type				
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administration	1		1	2
Racing - Judges				
Racing - Stewards				
Veterinary	1			1
Safety & Security	1			1
Wagering	2	1	2	5
Training Center		1		1
<b>TOTAL INSPECTIONS</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>10</b>

**Important Notes Regarding Inspections at Racetracks:**

- 1) Scheduled inspections typically occur before the beginning of each race meet. No Notice inspections typically are planned to occur during the middle of a meet, but may occur at any time.
- 2) Follow-Up inspections are performed when a Scheduled or No Notice inspection identifies an unsatisfactory item. The Follow-Up inspection is performed after the association has had an opportunity to remedy any unsatisfactory item initially reported.





**Texas Pari-Mutuel Racetracks Wagering Statistics  
Comparison Report on Total Wagers Placed  
in Texas & on Texas Races**

For the Period: 01/01/12 -02/10/12 to 01/01/13 -02/10/13

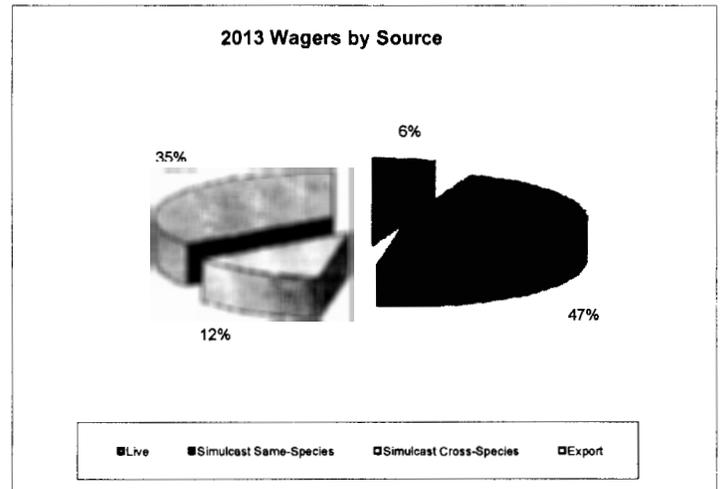
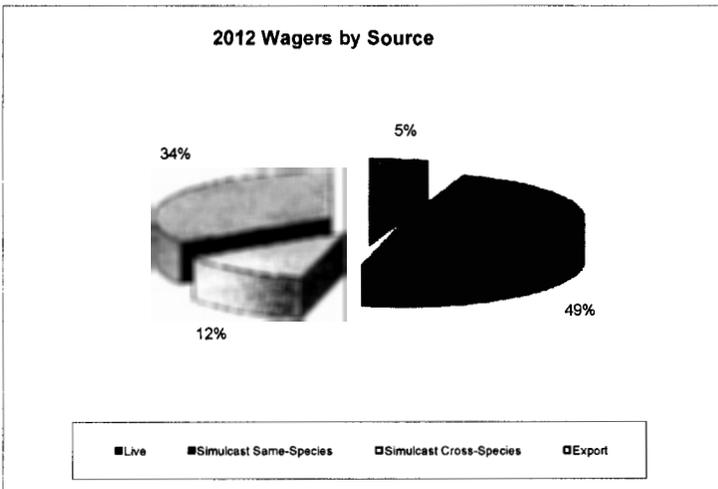
Sources of Wagers	Year 2012 01/01 - 02/10				Year 2013 01/01 -02/10				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers		
<b>Greyhound Racetracks</b>										
Live	27	\$ 924,227.8	\$ 34,231	29	\$ 937,862.2	\$ 32,340	1.48%	-5.52%		
Simulcast Same-Species	105	\$ 3,122,491.3	\$ 29,738	106	\$ 3,020,296.3	\$ 28,493	-3.27%	-4.19%		
Simulcast Cross-Species	105	\$ 2,093,394.6	\$ 19,937	106	\$ 2,222,706.6	\$ 20,969	6.18%	5.18%		
Export	27	\$ 1,324,141.4	\$ 49,042	29	\$ 1,372,922.4	\$ 47,342	3.68%	-3.47%		
<b>Total Wagers</b>		\$ 7,464,255.1	N/A		\$ 7,553,787.5	N/A	1.20%	N/A		

Sources of Wagers										
<b>Horse Racetracks</b>										
Live	12	\$ 1,614,396.3	\$ 134,533	14	\$ 1,925,577.0	\$ 137,541	19.28%	2.24%		
Simulcast Same-Species	146	\$ 20,383,846.1	\$ 139,615	176	\$ 20,333,443.5	\$ 115,531	-0.25%	-17.25%		
Simulcast Cross-Species	146	\$ 3,801,547.9	\$ 26,038	147	\$ 3,936,977.8	\$ 26,782	3.56%	2.86%		
Export	12	\$ 15,061,321.7	\$ 1,255,110	14	\$ 15,978,718.4	\$ 1,141,337	6.09%	-9.06%		
<b>Total Wagers</b>		\$ 40,861,111.9	N/A		\$ 42,174,716.7	N/A	3.21%	N/A		

Sources of Wagers										
<b>All Texas Racetracks</b>										
Live	39	\$ 2,538,624.1	\$ 65,093	43	\$ 2,863,439.2	\$ 66,592	12.79%	2.30%		
Simulcast Same-Species	251	\$ 23,506,337.4	\$ 93,651	282	\$ 23,353,739.8	\$ 82,815	-0.65%	-11.57%		
Simulcast Cross-Species	251	\$ 5,894,942.5	\$ 23,486	253	\$ 6,159,684.4	\$ 24,347	4.49%	3.66%		
Export	39	\$ 16,385,463.1	\$ 420,140	43	\$ 17,351,640.8	\$ 403,527	5.90%	-3.95%		
<b>Total Wagers</b>		\$ 48,325,367.0	N/A		\$ 49,728,504.2	N/A	2.90%	N/A		

<b>Total Wagers Placed in Texas</b>	\$	31,939,904.0	N/A	\$	32,376,863.4	N/A	1.37%	N/A
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<b>Total Wagers Placed on Texas Races</b>	\$	18,924,087.2	N/A	\$	20,215,080.0	N/A	6.82%	N/A
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### Greyhound Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races

For the Period: 01/01/12 -02/10/12 to 01/01/13 -02/10/13

Sources of Wagers	Year 2012 01/01 - 02/10			Year 2013 01/01 -02/10			Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager
<b>Gulf Coast Racing</b>								
Live	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
Simulcast Same-Species	29	\$ 856,684.2	\$ 29,541	30	\$ 808,875.4	\$ 26,963	-5.58%	-8.73%
Simulcast Cross-Species	29	\$ 379,925.8	\$ 13,101	30	\$ 435,024.7	\$ 14,501	14.50%	10.69%
Export	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
<b>Total Wagers</b>		<b>\$ 1,236,610.0</b>	<b>N/A</b>		<b>\$ 1,243,900.1</b>	<b>N/A</b>	<b>0.59%</b>	<b>N/A</b>

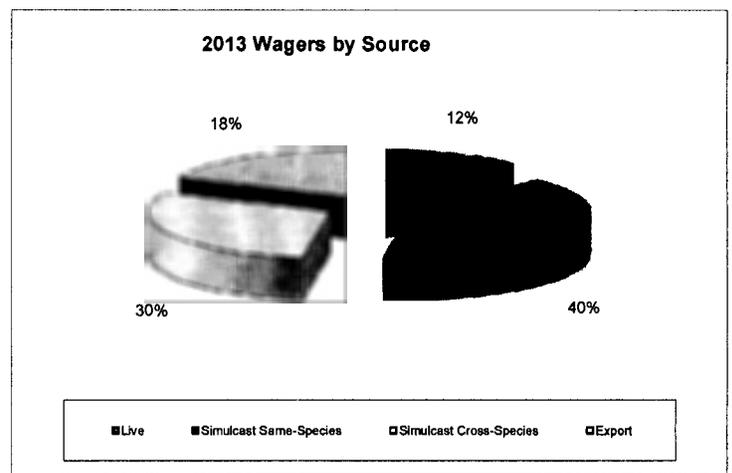
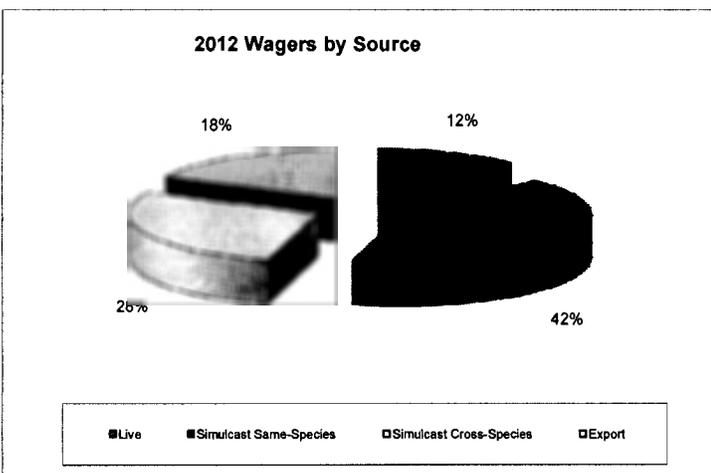
<b>Sources of Wagers Gulf Greyhound Park</b>								
Live	27	\$ 924,227.8	\$ 34,231	29	\$ 937,862.2	\$ 32,340	1.48%	-5.52%
Simulcast Same-Species	41	\$ 1,444,126.5	\$ 35,223	41	\$ 1,450,897.7	\$ 35,388	0.47%	0.47%
Simulcast Cross-Species	41	\$ 1,089,905.0	\$ 26,583	41	\$ 1,140,930.7	\$ 27,828	4.68%	4.68%
Export	27	\$ 1,324,141.4	\$ 49,042	29	\$ 1,372,922.4	\$ 47,342	3.68%	-3.47%
<b>Total Wagers</b>		<b>\$ 4,782,400.7</b>	<b>N/A</b>		<b>\$ 4,902,613.0</b>	<b>N/A</b>	<b>2.51%</b>	<b>N/A</b>

<b>Sources of Wagers Valley Race Park</b>								
Live	0	\$ -	N/A	0	\$ -	\$ -	N/A	N/A
Simulcast Same-Species	35	\$ 821,680.6	\$ 23,477	35	\$ 760,523.2	\$ 21,729	-7.44%	-7.44%
Simulcast Cross-Species	35	\$ 623,563.8	\$ 17,816	35	\$ 646,751.2	\$ 18,479	3.72%	3.72%
Export	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
<b>Total Wagers</b>		<b>\$ 1,445,244.4</b>	<b>N/A</b>		<b>\$ 1,407,274.4</b>	<b>N/A</b>	<b>-2.63%</b>	<b>N/A</b>

<b>Sources of Wagers All Greyhound Racetracks</b>								
Live	27	\$ 924,227.8	\$ 34,231	29	\$ 937,862.2	\$ 32,340	1.48%	-5.52%
Simulcast Same-Species	105	\$ 3,122,491.3	\$ 29,738	106	\$ 3,020,296.3	\$ 28,493	-3.27%	-4.19%
Simulcast Cross-Species	105	\$ 2,093,394.6	\$ 19,937	106	\$ 2,222,706.6	\$ 20,969	6.18%	5.18%
Export	27	\$ 1,324,141.4	\$ 49,042	29	\$ 1,372,922.4	\$ 47,342	3.68%	-3.47%
<b>Total Wagers</b>		<b>\$ 7,464,255.1</b>	<b>N/A</b>		<b>\$ 7,553,787.5</b>	<b>N/A</b>	<b>1.20%</b>	<b>N/A</b>

<b>Total Wagers Placed in Texas</b>	<b>\$ 6,140,113.7</b>	<b>N/A</b>	<b>\$ 6,180,865.1</b>	<b>N/A</b>	<b>0.66%</b>	<b>N/A</b>
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<b>Total Wagers Placed on Texas Races</b>	<b>\$ 2,248,369.2</b>	<b>N/A</b>	<b>\$ 2,310,784.6</b>	<b>N/A</b>	<b>2.78%</b>	<b>N/A</b>
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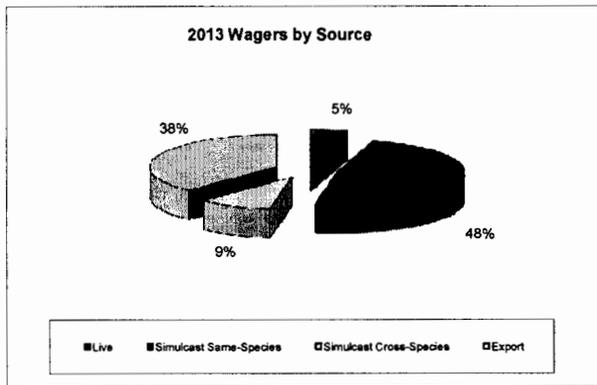
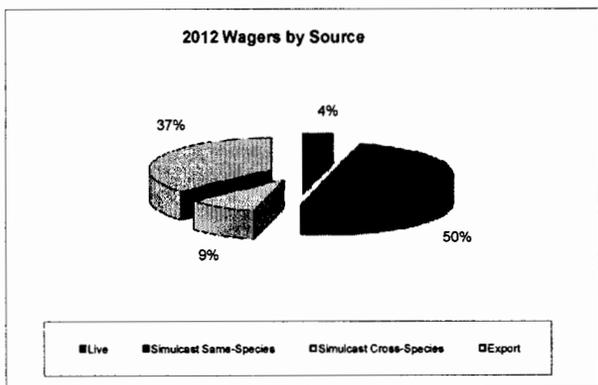




**Horse Racetrack Wagering Statistics  
Comparison Report on Total Wagers Placed  
in Texas & on Texas Races**

For the Period: 01/01/12 -02/10/12 to 01/01/13 -02/10/13

Sources of Wagers	Year 2012 01/01 - 02/10			Year 2013 01/01 -02/10			Percentage Change in	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager
<b>Gillespie County Fair</b>								
Live	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
Simulcast Same-Species	23	\$ 264,086.2	\$ 11,482	24	\$ 293,273.9	\$ 12,220	11.05%	6.43%
Simulcast Cross-Species	23	\$ 37,877.4	\$ 1,647	24	\$ 45,458.3	\$ 1,894	20.01%	15.01%
Export	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
<b>Total Wagers</b>		<b>\$ 301,963.6</b>	<b>N/A</b>		<b>\$ 338,732.2</b>	<b>N/A</b>	<b>12.18%</b>	<b>N/A</b>
<b>Lone Star Park</b>								
Live	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
Simulcast Same-Species	41	\$ 9,654,575.5	\$ 235,477	41	\$ 9,537,411.0	\$ 232,620	-1.21%	-1.21%
Simulcast Cross-Species	41	\$ 628,678.6	\$ 15,334	41	\$ 764,926.3	\$ 18,657	21.67%	21.67%
Export	0	\$ -	N/A	0	\$ -	N/A	N/A	N/A
<b>Total Wagers</b>		<b>\$ 10,283,254.1</b>	<b>N/A</b>		<b>\$ 10,302,337.3</b>	<b>N/A</b>	<b>0.19%</b>	<b>N/A</b>
<b>Retama Park</b>								
Live	0	\$ -	\$ -	0	\$ -	N/A	N/A	N/A
Simulcast Same-Species	41	\$ 3,920,498.7	\$ 95,622	41	\$ 3,951,945.3	\$ 96,389	0.80%	0.80%
Simulcast Cross-Species	41	\$ 872,344.7	\$ 21,277	41	\$ 922,123.2	\$ 22,491	5.71%	5.71%
Export	0	\$ -	\$ -	0	\$ -	N/A	N/A	N/A
<b>Total Wagers</b>		<b>\$ 4,792,843.4</b>	<b>N/A</b>		<b>\$ 4,874,068.5</b>	<b>N/A</b>	<b>1.69%</b>	<b>N/A</b>
<b>Saddle Brook Park</b>								
Live	0	\$ -	\$ -	0	\$ -	\$ -		
Simulcast Same-Species	0	\$ -	\$ -	29	\$ 404,927.0	\$ 13,963	100.00%	100.00%
Simulcast Cross-Species	0	\$ -	\$ -	0	\$ -	\$ -		
Export	0	\$ -	\$ -	0	\$ -	\$ -	N/A	N/A
<b>Total Wagers</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ 404,927.0</b>	<b>N/A</b>	<b>100.00%</b>	<b>N/A</b>
<b>Sam Houston Race Park</b>								
Live	12	\$ 1,614,396.3	\$ 134,533	14	\$ 1,925,577.0	\$ 137,541	19.28%	2.24%
Simulcast Same-Species	41	\$ 6,544,685.7	\$ 159,626	41	\$ 6,145,886.3	\$ 149,900	-6.09%	-6.09%
Simulcast Cross-Species	41	\$ 2,262,647.2	\$ 55,187	41	\$ 2,204,470.0	\$ 53,768	-2.57%	-2.57%
Export	12	\$ 15,061,321.7	\$ 1,255,110	14	\$ 15,978,718.4	\$ 1,141,337	6.09%	-9.06%
<b>Total Wagers</b>		<b>\$ 25,483,050.8</b>	<b>N/A</b>		<b>\$ 26,254,651.7</b>	<b>N/A</b>	<b>3.03%</b>	<b>N/A</b>
<b>All Horse Racetracks</b>								
Live	12	\$ 1,614,396.3	\$ 134,533	14	\$ 1,925,577.0	\$ 137,541	19.28%	2.24%
Simulcast Same-Species	146	\$ 20,383,846.1	\$ 139,615	176	\$ 20,333,443.5	\$ 115,531	-0.25%	-17.25%
Simulcast Cross-Species	146	\$ 3,801,547.9	\$ 26,038	147	\$ 3,936,977.8	\$ 26,782	3.56%	2.86%
Export	12	\$ 15,061,321.7	\$ 1,255,110	14	\$ 15,978,718.4	\$ 1,141,337	6.09%	-9.06%
<b>Total Wagers</b>		<b>\$ 40,861,111.9</b>	<b>N/A</b>		<b>\$ 42,174,716.7</b>	<b>N/A</b>	<b>3.21%</b>	<b>N/A</b>
<b>Total Wagers Placed in Texas</b>		<b>\$ 25,799,790.3</b>	<b>N/A</b>		<b>\$ 26,195,998.3</b>	<b>N/A</b>	<b>1.54%</b>	<b>N/A</b>
<b>Total Wagers Placed on Texas Races</b>		<b>\$ 16,675,718.0</b>	<b>N/A</b>		<b>\$ 17,904,295.4</b>	<b>N/A</b>	<b>7.37%</b>	<b>N/A</b>



**Texas Racing Commission  
Enforcement Report  
Selected Regulatory Statistics  
January 1, 2012 – December 31, 2012**

	GREYHOUND	HORSE	NOTES
# of Live Race Performances/Days	271	193	
# of Live Races	3,313	1,887	
# of Animals Inspected	28,564	16,287	
# of Samples	4,025	3,938	
# of Animal Drug Positives	3	47	No notable drug positives since last report to Commission.
% of Samples Testing Positive	.07%	1.19%	
# of Simulcast Days	939	1,317	
# of Simulcast Races	291,808	436,176	
# of Import and Export Requests	419	1,316	
# of New Licenses Issued	2,260		
# of Licenses Renewed	4,818		
# of Gate, Barn, and Kennel Searches	70		
# of Administrative Investigations	143		
# of Rulings	22	273	
# of Suspensions	0	93	
# of Revocations	0	0	
# of Animals DQ'ed for Drug Positive – Purse Redistributed	1	20	
# of Rulings with Fines	20	200	
Total Fines Assessed	\$1,300.00	\$63,200.00	

CLASSIFICATION OF DRUG POSITVES: Drugs are classified by their effect on the animals. Class 1 is the most serious for greyhounds and horses. The least serious violations are class 6 for greyhounds and class 5 for horses.



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

February 1, 2013

To: Chuck Trout  
Executive Director

From: Jim Blodgett   
Director of Investigations

Re: Change in Management Committee of Pinnacle Retama Partners, LLC

On January 24, 2013, the Commission received a request from Pinnacle Entertainment, Inc. (Pinnacle), for approval to substitute Keith W. Henson for Geno lafrate as one of PNK (SA)'s three members on PRLLC's management committee. PNK (SA) is a wholly-owned subsidiary of Pinnacle.

Mr. Henson previously submitted fingerprints and was reviewed by the Department of Public Safety as part of the Pinnacle background report of December 4, 2012. At this time, no further background review is necessary.

The requirements of Commission Rule 309.151 having been met, I recommend that Pinnacle's request be considered by the Commission for approval.

January 24, 2013

2013 JAN 24 PM 4:25  
Via Email & Overnight UPS

RECEIVED  
TEXAS RACING  
COMMISSION

Mr. Chuck Trout  
Executive Director  
Texas Racing Commission  
8505 Cross Park Drive, #110  
Austin, TX 78754

Dear Director Trout:

With reference to the Commission's approval of the Request by Retama Partners, Ltd., PNK (SA), LLC and PNK (SAM), LLC for a change of Pecuniary Interest in a Horse Association and Ancillary Transactions related to Retama Park granted on December 18, 2012, the following change is requested.

Among other things, the Commission approved the conversion of the Retama Partners Ltd. into a Limited Liability Company to be known as Pinnacle Retama Partners, LLC ("PRLLC").

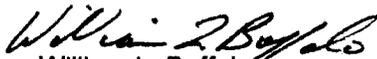
Geno lafrate, who was approved as a member of the Management Committee for PRLLC, will be resigning that post upon the Commission's approval of Keith W. Henson to become a member of PRLLC's Management Committee.

Mr. Henson is currently and will remain Executive Vice President and General Manager of Pinnacle's L'Auberge Lake Charles in Lake Charles, Louisiana, and filed a Personal Information Disclosure Form with the Commission as part of the prior consideration of Pinnacle Entertainment, Inc. and its subsidiaries. His review was prompted due to his position as member of the Board of Managers and an officer of PNK (SA), LLC which is one of the two Members of PRLLC and of PNK (SAM), LLC, which will have a management Agreement with Retama Development Corporation.

Please let me know if there are any other filings required of PNK (SA), LLC or Mr. Henson in order for this request to be brought forward for the Commission's consideration.

Thank you very much for your consideration of this matter.

Best regards,

  
William L. Buffalo  
Vice President & Legal Counsel

WLB/dpw

cc: Mark Fenner



8918 Spanish Ridge Avenue, Las Vegas, Nevada 89148  
T 702.541.7777 www.pnkinc.com



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

Date: February 11, 2013

To: Chuck Trout, Executive Director

From: Mark Fenner, General Counsel

A handwritten signature in black ink, appearing to be "Mark Fenner", is written over the "From:" line.

Re: Request by Pinnacle Retama Partners, LLC, for approval of a Concession Contract with PNK (SAZ), LLC

---

Pinnacle Retama Partners, LLC, has submitted a request for Commission approval to enter into a concession agreement with PNK (SAZ) LLC for the exclusive right to sell and dispense alcoholic beverages at Retama Park. PNK (SAZ) and its parent company, PNK (SA), are wholly-owned and controlled subsidiaries of Pinnacle Entertainment, Inc. (Pinnacle). Pinnacle underwent a Department of Public Safety background check in connection with its recent acquisition of a majority ownership interest in Retama Park. Staff has reviewed the agreement and found it to be in compliance with the Texas Racing Act and the Rules of Racing.

PNK (SAZ) currently has an application for the relevant permits and licenses pending before the Texas Alcoholic Beverage Commission (TABC). The request, if approved by the Commission, will only take effect upon PNK (SAZ)'s approval and licensure by TABC. Until that time, alcoholic beverages will continue to be sold and dispensed by the currently authorized vendor, Breckenridge Entertainment Corporation.

Please let me know if you have any questions.

January 30, 2013

Via Email & Overnight UPS

Mr. Chuck Trout  
Executive Director  
Texas Racing Commission  
8505 Cross Park Drive, #110  
Austin, TX 78754

Dear Director Trout:

With reference to the Texas Racing Commission's, ("TRC") approval of the Request by Retama Partners, Ltd., PNK (SA), LLC and PNK (SAM), LLC for a change of Pecuniary Interest in a Horse Association and Ancillary Transactions related to Retama Park granted on December 18, 2012, the following is requested.

PNK (SAZ), LLC, "SAZ" a Texas Chartered limited liability Company whose sole owner is Pinnacle Entertainment, Inc. has entered into a Alcoholic Beverage Concession And Operating Agreement, (the Agreement") with Retama Development Corporation for the exclusive right to sell and dispense alcoholic beverages at Retama Park racetrack. The Agreement will not be operative until SAZ receives the required permits/approvals from the Texas Alcoholic Beverage Commission, (TABC") and the TRC approves the Agreement. SAZ's application for permits is pending with the TABC.

Attached is a copy of the executed Agreement and a copy of the executed termination agreement dealing with the current approved concessionaire Breckenridge Entertainment Corporation. In order to provide for an orderly transition, the termination agreement becomes effective upon SAZ's receipt of all regulatory approvals.

To that end SAZ is requesting the TRC approve SAZ as the concessionaire and the Agreement pursuant the Rules of the TRC.

Please let me know if there are any other filings required of PNK (SA), LLC or Mr. Henson in order for this request to be bought forward for the Commission's consideration.

Thank you very much for your consideration of this matter.

Best regards,



William L. Buffalo  
Vice President & Legal Counsel

WLB/dpw

cc: Mark Fenner



8918 Spanish Ridge Avenue, Las Vegas, Nevada 89148  
T 702.541.7777 www.pnkinc.com

2013 JAN 31 AM 10:33  
RECEIVED  
TEXAS RACING  
COMMISSION

**TEXAS RACING COMMISSION  
COMMITTEE ON RULES**

Date of Request: 11/21/12  
Amended  
1/23/13

***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 secretary *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](mailto:info@txrc.state.tx.us)

**Contact Information:**

Name:	TxRC staff	Phone(s):	512-833-6699
E-mail address:		Fax number:	
Mailing address:			

Check appropriate box(s)

Personal Submission *OR*

Submission on behalf of Texas Racing Commission  
(Name of Organization)

If known, Proposed Change to Chapter: Chapter: 307 Rule: 307.8

If known, Proposed Addition to Chapter: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

If known, Other Rules Affected by Proposal: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

### **A. Brief Description of the Issue**

The Sunset Advisory Commission, during the 82<sup>nd</sup> Legislative Session (2011), required that the Texas Racing Commission (TxRC) implement a "Negotiated Rulemaking and Alternative Dispute Resolution Procedures" policy. See TRA § 2.25, which provides:

Sec. 2.25. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

(a) The commission shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008, Government Code, for the adoption of commission rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the commission's jurisdiction.

(b) The commission's procedures relating to alternative dispute resolution shall conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The commission shall:

(1) coordinate the implementation of the policy adopted under Subsection (a) of this section;

(2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

### **B. Discussion of the Issue and Problem**

The traditional notice-and-comment rulemaking provided in the Administrative Procedure Act (APA) requires an agency planning to adopt a rule on a particular subject to publish a proposed rule in the *Texas Register* and to offer the public an opportunity to comment. The APA does not specify who is to draft the proposed rule nor any particular procedure to govern the drafting process. Ordinarily, agency staff performs this function, with discretion to determine how much opportunity is allowed for public input. At some agencies, there is little opportunity for interchange of views among potentially affected parties, even where an agency chooses to conduct a hearing. At the Texas Racing Commission, however, parties are typically given extensive opportunity to provide comment and feedback at Committee meetings before a proposed rule is published for public comment.

Regarding Alternative Dispute Resolution, Commission Rule provides 307.31(b) already provides the executive secretary with the authority to settle any contested case proceeding. If the contested case involves a racetrack license, such settlements are subject to the Commission's approval. If the contested case involves an occupational license, the executive secretary may issue a ruling superceding the decision of the judges or stewards.

**C. Possible Solutions and Impact**

The proposed language conforms to the requirements of the Act. Since the Commission already engages in extensive discussions with the industry prior to the adoption of any rules, and the executive secretary already has the authority to settle contested cases, the proposed rule is unlikely to cause any major changes in rule-making or contested case proceedings. However, its adoption will provide additional tools to the Commission and staff when confronted by particularly difficult rules or cases.

**D. Support or Opposition**

N/A since the adoption of a policy is required by the Act.

**E. Proposal**

See Attached.

**CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION**  
**SUBCHAPTER A. GENERAL PROVISIONS**

**NEW RULE**

**Sec. 307.8. Negotiated Rulemaking and Alternative Dispute Resolution.**

(a) Policy. It is the Commission's policy to encourage the use of negotiated rulemaking and alternative dispute resolution procedures in appropriate situations.

(b) Negotiated Rulemaking. When the Commission finds that a rule to be proposed is likely to be complex, controversial, or affect disparate groups, the Commission may propose to engage in negotiated rulemaking in accordance with Government Code, Chapter 2008.

(1) When negotiated rulemaking is considered, the Commission's general counsel, or designee, shall be the Commission's negotiated rulemaking convener.

(A) The convener shall assist in identifying persons who are likely to be affected by a proposed rule, including those who oppose issuance of a rule. The convener shall discuss with those persons or their representatives the factors provided in Government Code §2008.052(c).

(B) The convener shall then recommend to the Commission whether negotiated rulemaking is a feasible method to develop the proposed rule and shall report to the agency on the relevant considerations, including those listed in Government Code §2008.052(d).

(2) Upon the convener's recommendation to proceed, the Commission may initiate negotiated rulemaking according to the provisions of Government Code, Chapter 2008, including the appointment of the negotiated rulemaking committee's members under Government Code § 2008.054.

(3) The executive secretary shall appoint the negotiated rulemaking committee's facilitator, subject to the requirements of Government Code § 2008.055.

(c) Alternative Dispute Resolution. The Commission encourages the fair and expeditious resolution of disputes through alternative dispute resolution (ADR) procedures.

**CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION**  
**SUBCHAPTER A. GENERAL PROVISIONS**

(1) ADR procedures include any procedure or combination of procedures described by Civil Practice and Remedies Code, Chapter 154. ADR procedures are intended to supplement and not limit other dispute resolution procedures available for use by the Commission.

(2) Any ADR procedure used to resolve disputes with the Commission shall conform with Government Code, Chapter 2009, and, to the extent possible, the model guidelines for the use of ADR issued by the State Office of Administrative Hearings (SOAH).

(3) Upon receipt of notice of a dispute, the Commission's executive secretary, in consultation with the Commission's general counsel, shall determine whether use of an ADR procedure is an appropriate method for resolving the dispute.

(4) If an ADR procedure is determined to be appropriate, the Commission's executive secretary shall recommend to the opposing party the use of ADR to resolve the dispute. The Commission's general counsel will collaborate with the opposing party to select an appropriate procedure for dispute resolution and implement the agreed upon procedure consistent with SOAH's model guidelines.

(5) ADR for Breach of Contract Claims. Resolution of breach of certain contract claims brought by a contractor against the Commission shall conform to the requirements of Government Code, Chapter 2260. The Commission adopts by reference the Office of the Attorney General's rules regarding the negotiation and mediation of certain contract disputes (1 Texas Administrative Code Part 3, Chapter 68).

(6) The requirements of Government Code, Chapter 2260, and the Office of the Attorney General's model rules are required prerequisites to a contractor filing suit in accordance with Civil Practices and Remedies Code, Chapter 107.

(d) The Commission's general counsel, or designee, shall coordinate the implementation of the policy set out in subsection (a) of this section in accordance with state law and provide necessary training. The Commission's general counsel, or designee, is designated as the coordinator to implement the Commission's policy under this rule,

**CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION**  
**SUBCHAPTER A. GENERAL PROVISIONS**

provide necessary training, and collect data concerning the effectiveness of the implemented procedures.

**TEXAS RACING COMMISSION  
COMMITTEE ON RULES**

Date of Request: \_\_\_\_\_

***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](mailto:info@txrc.state.tx.us)

**Contact Information:**

Name:	TXRC Staff	Phone(s):	512/833-6699
E-mail address:		Fax number:	512/833-6907
Mailing address:			

Check appropriate box(s)

Personal Submission *OR*

Submission on behalf of TXRC Staff  
(Name of Organization)

If known, Proposed Change to Chapter: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

If known, Proposed Addition to Chapter: Chapter: 309 Rule: 309.53

If known, Other Rules Affected by Proposal: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

**A. Brief Description of the Issue**

Texas Racing Act § 6.06(k) requires the Commission to review the ownership and management of active racetrack licenses every five years, beginning on the fifth anniversary of the issuance of the license.

Section 28 of the Commission’s Sunset Bill, HB 2271, requires the Commission to establish by rule a staggered schedule and the procedure for the review of licenses under § 6.06(k).

New Rule 309.53 is proposed to address these requirements.

**B. Discussion of the Issue and Problem**

The agency has materials readily available from which to produce a management report for the Commission’s review. These include audited annual financial statements provided to the Commission under Rule 309.152 and routine facility inspections conducted by the agency under Rule 309.104.

The agency also has materials on which to base an ownership report. Specifically, the Commission approves all racetrack ownership changes, plus the agency requires each association to provide an updated list of all owners by June 15 of each year. However, while these lists identify a racetrack’s owners, they do not provide any current information about each owner’s background.

Regarding the scheduling of ownership and management reviews, the Commission has designated nine racetracks’ licenses as either Active-Operating or Active-Other. Of these racetracks, five have undergone ownership and management reviews within the past five years in connection with Commission-approved changes in their controlling interests. The remaining four have not undergone significant reviews in at least five years. Specifically, the last ownership and management reviews of Active racetracks took place as following:

<u>Racetrack</u>	<u>Status</u>	<u>Date</u>	<u>Type of Review</u>
Retama Park	Active-Operating	December 18, 2012	Ownership Change
Lone Star Park	Active-Operating	June 21, 2011	Ownership Change
Sam Houston Race Park	Active-Operating	April 1, 2011	Ownership Change
Valley Race Park	Active-Operating	April 1, 2011	Ownership Change
Gulf Coast Racing	Active-Other	April 4, 2009	Ownership Change
Valle de los Tesoros	Active-Other	March 20, 2007	Original Licensure
Saddle Brook Park	Active-Other	August 9, 2001	Ownership Change
Gulf Greyhound Park	Active-Operating	December 18, 1990	Original Licensure
Gillespie County Fair	Active-Operating	December 11, 1989	Original Licensure

**C. Possible Solutions and Impact**

The attached rule proposal incorporates the elements that were discussed at the Rules Committee meeting on December 4, 2012.

Based on the draft rule, active racetracks would be reviewed on the following schedule:

- 2013 – Gillespie County Fair, Gulf Greyhound Park, Saddle Brook Park,  
Valle de los Tesoros
- 2014 – Gulf Coast Racing
- 2015 – None
- 2016 – Valley Race Park, Sam Houston Race Park, Lone Star Park
- 2017 – Retama Park

**D. Support or Opposition**

Staff has not identified any opposition to the approach described above.

**E. Proposal**

See Attached.

**CHAPTER 309. RACETRACK LICENSES AND OPERATIONS**  
**SUBCHAPTER A. RACETRACK LICENSES**  
**DIVISION 1. GENERAL PROVISIONS**

**NEW RULE**

**309.53. Ownership and Management Review of Active Racetrack Licenses**

(a) Scheduling of review.

(1) Except as otherwise provided in this subsection, an association holding a racetrack license designated as "Active-Operating" or "Active-Other" shall be subject to an ownership and management review in calendar year 2013.

(2) An association that undergoes or has undergone an ownership and management review in connection with a change of controlling interest during 2008 or any subsequent year shall be subject to review under this section in the year beginning five years after the Commission approved the change in controlling interest.

(3) An association which receives its original license during or after calendar 2013 shall be subject to review under this section in the year beginning five years after its date of original licensure.

(4) On its own motion or at the request of an association, the Commission may adjust the schedule of ownership and management reviews so that the interval between an association's reviews is shorter than five years.

(b) Submission requirements. Not later than June 30 of the year in which an association is subject to review, the association shall submit to the Commission:

(1) copies of its current management, concession, and totalisator contracts;

(2) a copy of its current security plan;

(3) for each person owning an interest of at least five percent of the association and for each officer, director, or management committee member who is not currently licensed as an Association Officer or Director by the Commission:

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

(B) a set of fingerprints on a form prescribed by the Department of Public Safety, or if the person already has a set of fingerprints classified and on file with the Department of

**CHAPTER 309. RACETRACK LICENSES AND OPERATIONS**  
**SUBCHAPTER A. RACETRACK LICENSES**  
**DIVISION 1. GENERAL PROVISIONS**

Public Safety, authorization to resubmit those fingerprints to the Federal Bureau of Investigation and the Department of Public Safety for investigation;

(4) a review fee of \$5,000, to be held by the Commission in the state treasury in a suspense account until the review is complete or transferred to the Texas Racing Commission Fund as costs are incurred; and

(5) any other information required by the Commission.

(c) Commission Review.

(1) The executive secretary shall prepare a report for the Commission's review summarizing:

(A) the information provided by the association under this section or under Section 309.152 of this Chapter;

(B) the Commission's inspection reports from the prior five years;

(C) the results of any inspections or investigations conducted by the Commission as part of the review; and

(D) any other information relevant to the ownership or management of the association.

(2) The executive secretary will separately provide to the Commission the results of any background investigations conducted by the Department of Public Safety.

(3) At the conclusion of each review, the Commission:

(A) may take any action authorized under the Act or the Rules; and

(B) shall schedule the next ownership and management review of the association's license. The Commission may require an association to undergo the next review in less than five years.

(d) Reconciliation of costs. Upon completion of the review, the Commission shall determine its total cost of processing the review, including its administrative costs and any investigative costs that are reimbursable to the Department of Public Safety.

(1) If the actual cost to the Commission of processing the review exceeds the amount of the review fee paid by the association, the Commission shall bill the association for any additional amount, to be

**CHAPTER 309. RACETRACK LICENSES AND OPERATIONS**  
**SUBCHAPTER A. RACETRACK LICENSES**  
**DIVISION 1. GENERAL PROVISIONS**

paid not later than 30 days after receipt of a bill from the Commission.

(2) If the actual cost to the Commission of processing the review are less than the amount of the review fee paid by the association, the Commission shall refund the excess not later than 30 business days after the Commission's decision on the review becomes final.

# TEXAS RACING COMMISSION

## COMMITTEE ON RULES

Date of Request: August 1, 2011  
Amended  
1/23/13

### ***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](mailto:info@txrc.state.tx.us)

#### Contact Information:

Name:	TxRC Staff	Phone(s):	512-833-6699
E-mail address:		Fax number:	512-833-6907
Mailing address:			

Personal Submission *OR*

Submission on behalf of TxRC Staff

(Name of Organization)

Amend Rule 309.359, Live Lures

Amend Rule 311.6, Denial, Suspension, and Revocation of Licenses

Amend Rule 311.102, Greyhound Owners

Amend Rule 311.104, Trainers

New Rule 311.217, Greyhound Training

New Rule 315.112, Ineligibility Due to Improper Greyhound Training

## **A. Brief Description of the Issue**

The Commission learned of and took disciplinary action against a licensee who trained greyhounds using live animals as a lure. This practice, once thought to be obsolete, is not only against greyhound racing rules, it is also a felony for animal cruelty under Chapter 42 of the Texas Penal Code. Following a hearing before a panel of three Commission judges, the individual agreed to surrender his Owner/Trainer license for revocation and waived all appeal rights.

According to the American Greyhound Council and the Greyhound Racing Association of America, the practice of using live lures in greyhound training and racing is outlawed by every jurisdiction. Both of these organizations have the following statement under the Frequently Asked Questions on their websites:

### **FAQ's**

#### **Does the industry use live lures?**

*No, the industry has banned the use of live lures in training and racing. In all states, state laws and/or racing rules prohibit the use of live lures in training or racing. Industry members who violate this practice may be expelled from the sport for life.*

Most states, like Texas, also ban this practice under their state's animal cruelty laws.

## **TEXAS PENAL CODE**

### **CHAPTER 42**

#### **§ 42.092. Cruelty to Nonlivestock Animals**

**(b) A person commits an offense if the person intentionally, knowingly, or recklessly:**

**(8) uses a live animal as a lure in dog race training or in dog coursing on a racetrack;**

(c) An offense under Subsection (b)(3), (4), (5), (6), or (9) is a Class A misdemeanor, except that the offense is a state jail felony if the person has previously been convicted two times under this section, two times under Section 42.09, or one time under this section and one time under Section 42.09. **An offense under Subsection (b)(1), (2), (7), or (8) is a state jail felony, except that the offense is a felony of the third degree if the person has previously been convicted two times under this section, two times under Section 42.09, or one time under this section and one time under Section 42.09.**

## **B. Discussion of the Issue and Problem**

This topic has been discussed at several committee meetings. Industry representatives expressed concern that the prohibition could be extended to certain commercially available lures that are made in part from animal pelts or hides.

### **C. Possible Solutions and Impact**

Amend the present rule and add additional rules to ensure that the training of any greyhound by using any animal or fowl, living or dead, in this state or out of this state is a violation of the Texas Racing Commission's rules and is grounds for license revocation. Additionally, any greyhound that was trained using this method shall be banned for life from participating in pari-mutuel racing in Texas. Any greyhound whelped or trained at a specific facility or by a specific person that has been found to have used a live or dead animal or fowl shall also be banned for life. The Racing Commission will notify all greyhound racing jurisdictions and the National Greyhound Association of any banned greyhounds. Clarify the proposal to specify that the prohibition does not apply to commercially available lures that are made from animal pelts or hides.

### **D. Support or Opposition**

As this practice is banned by both regulators and the national associations for greyhounds, there should be no opposition to strengthening the rules to ensure compliance. To prevent animal cruelty while training greyhounds and to ensure each greyhound is competing with similar training practices, the Texas Rules of Racing should explicitly ban this practice. These changes will protect the animals, the industry, and the wagering public.

### **E. Proposals**

See Attached.

CHAPTER 309. RACETRACK LICENSES AND OPERATIONS  
SUBCHAPTER D. GREYHOUND RACETRACKS  
DIVISION 2. OPERATIONS

Sec. 309.359. Use of Lures in Training or Racing. ~~Live Lures~~

(a) An association may not permit the use of a live or dead animal or fowl for training or racing purposes ~~lure~~ on association grounds. This subsection does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public.

(b) An association may not permit a greyhound to be kenneled or to race on association grounds if the association knows or can reasonably be expected to know that the greyhound was trained in a state that by statute or rule does not prohibit the knowing use of live lures.

(c) An association may not permit a greyhound to be kenneled or to race on association grounds if the association knows or can reasonably be expected to know that the greyhound has been banned from pari-mutuel racing by any racing jurisdiction.



CHAPTER 311. OTHER LICENSES  
SUBCHAPTER B. SPECIFIC LICENSES

Sec. 311.102. Greyhound Owners.

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

(d) Restriction on Racing. An owner may not enter a greyhound or cause a greyhound to be entered in a race at a racetrack if:

(1) the owner knows or can reasonably be expected to know that the greyhound was trained using a live or dead animal or fowl as a lure in this state or out of this state. This paragraph does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public;

(2) the owner or trainer is employed by the racetrack association in a management or supervisory position that is capable of affecting the conduct of races or pari-mutuel wagering at the racetrack; or

(3)~~(2)~~ the owner or trainer is involved in any way with the sale or publication of tip sheets on association grounds.

CHAPTER 311. OTHER LICENSES  
SUBCHAPTER B. SPECIFIC LICENSES

Sec. 311.104. Trainers.

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

(f) Restriction on Racing. A trainer may not enter a race animal or cause a race animal to be entered in a race at a racetrack if:

(1) the trainer knows or can reasonably be expected to know that the greyhound was trained using a live or dead animal or fowl as a lure in this state or out of this state. This paragraph does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public;

(2) the owner or trainer is employed by the racetrack association in a management or supervisory position that is capable of affecting the conduct of races or pari-mutuel wagering at the racetrack;

(3) ~~(2)~~ the owner or trainer is involved in any way with the sale or publication of tip sheets on association grounds.

CHAPTER 311. OTHER LICENSES  
SUBCHAPTER C. RESPONSIBILITIES OF INDIVIDUALS

**Sec. 311.217. Greyhound Training.**

(a) A person may not use a live or dead animal or fowl to train a greyhound, or send a greyhound to a facility located in this state or out of state for the purpose of being trained using a live or dead animal or fowl. Such activities and practices are detrimental to the best interests of a racing animal and the racing industry.

(b) This section does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public.

CHAPTER 315. OFFICIALS AND RULES FOR GREYHOUND RACING  
SUBCHAPTER B. ENTRIES AND PRE-RACE PROCEDURES

Sec. 315.112. Ineligibility due to Improper Greyhound Training

(a) The board of racing judges may ban a greyhound for life from being kenneled or participating in racing on association grounds if it finds that the greyhound has been trained at any facility that has engaged in any detrimental practice related to the training of greyhounds using a live or dead animal or fowl.

(b) This section does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public.



# GREY2K USA

## Directors

Christine A. Dorchak, Esq.  
*President and Treasurer*

Eric Jackson  
*Vice President  
Greyhound Companions  
of New Mexico*

Valarie L. Wolf  
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*Stop Predatory Gambling*

Kathy Pelton

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*Galgo Rescue  
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## Directors Emeritus

Dr. Jill Hopfenbeck, DVM

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*Kansas City REtired  
Greyhounds as Pets*

Michael Trombley, CPA

Carey M. Theil  
*Executive Director*

*Organization Listing is  
for Identification  
Purposes Only*

*Via Facsimile and First Class Mail*

January 30, 2013

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

RE: Amendments to Rules 309.359, 311.6, 311.102, 311.04  
New Rules: 311.217 and 315.112

Dear Mr. Director,

I am writing to express our strong support of enhanced regulations intended to further punish and prevent the practice known as "live lure training" of racing greyhounds. Notably the extension of the live lure training prohibition to both dead and live bait animals is meaningful, as is the clarification that the live lure training of greyhounds *out of the state* disqualifies them for racing *in the state of Texas*.

As is known, these improvements come following the 2011 license surrender of Timothy Norbert Titsworth of Titsworth Kennels, who was recorded on video using live rabbits to train dogs on his farm. We applaud the Commission for its continued efforts to protect greyhounds and other animals involved in the racing industry.

Respectfully,

Christine A. Dorchak, Esq.

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## PROTECTING GREYHOUNDS NATIONWIDE

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CHAPTER 309. RACETRACK LICENSES AND OPERATIONS  
SUBCHAPTER A. RACETRACK LICENSES  
DIVISION 1. GENERAL PROVISIONS

Sec. 309.1. Racetrack Licenses.

(a) (No change.)

(b) Duration of License. ~~A racetrack license is perpetual.~~ The Commission may suspend, ~~or~~ revoke or change the designation of a license in accordance with the Act and these rules. By agreement with the Commission, an association may voluntarily surrender a racetrack license for suspension or revocation.

(c)-(d) (No change.)