



TEXAS RACING COMMISSION

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

Texas Racing Commission
Friday, August 29, 2014
10:30 a.m.
John H. Reagan Building, Room JHR 120
105 W. 15th Street
Austin, Texas 78701

AGENDA

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

Discussion and consideration of the following matters:

A. Reports by the Executive Director and Staff regarding Administrative Matters

- 1) Budget and Finance Update
- 2) Report on Wagering Statistics
- 3) Report on Racetrack Inspections
- 4) Enforcement Report

Discussion, consideration and possible action on the following matter:

B. Approval of the Commission's Legislative Appropriations Request for FY 2016-2017 and Operating Budget for FY 2015

IV. PROCEEDINGS ON RACETRACKS

Discussion, consideration and possible action on the following matter:

- A. Allocation of Live Race Dates for Horse Racetracks under Commission Rule 303.41 for the Period beginning January 1, 2015, and ending August 31, 2016
- B. Allocation of Live Race Dates for Greyhound Racetracks under Commission Rule 303.41 for the Period beginning January 1, 2015, and ending August 31, 2016
- C. Request by Saddle Brook Park to Designate an Application Period for Race Dates under Rule 303.41
- D. Review and Renewal of Inactive Racetrack Licenses under Commission Rule 309.52
 - 1) Laredo Downs
 - 2) Laredo Race Park
 - 3) Longhorn Downs
 - 4) Manor Downs
- E. Ownership and Management Review of Gulf Coast Racing's Active Racetrack License under Commission Rule 309.53

V. PROCEEDINGS ON OCCUPATIONAL LICENSES

Discussion, consideration and possible action on the following matter:

The Proposal for Decision in SOAH No. 476-14-3075;
In Re: The Appeal of Anna Marie Crowson from Stewards' Ruling LSP 2946

VI. PROCEEDINGS ON RULEMAKING

Discussion, consideration and possible action on the following matters:

Rule Adoption

- A. Proposal for New Rule 309.13, Temporary License to Conduct Racing

Adoption of Proposed Rule Amendments and New Rules Authorizing Historical Racing

- B. Proposal to Amend Rule 301.1, Definitions
- C. Proposal to Amend Rule 303.31, Regulation of Racing
- D. Proposal to Amend Rule 303.42, Approval of Charity Race Days
- E. Proposal to Amend Rule 309.8, Racetrack License Fees
- F. Proposal to Amend Rule 309.297, Purse Accounts

- G. Proposal to Amend Rule 309.299, Horsemen's Representative
- H. Proposal to Amend Rule 309.361, Greyhound Purse Account and Kennel Account
- I. Proposal to Amend Rule 321.5, Pari-Mutuel Auditor
- J. Proposal to Amend Rule 321.12, Time Synchronization
- K. Proposal to Amend Rule 321.13, Pari-Mutuel Track Report
- L. Proposal to Amend Rule 321.23, Wagering Explanations
- M. Proposal to Amend Rule 321.25, Wagering Information
- N. Proposal to Amend Rule 321.27, Posting of Race Results
- O. Proposal for New Subchapter F, Regulation of Historical Racing
- P. Proposal for New Rule 321.701, Purpose
- Q. Proposal for New Rule 321.703, Historical Racing
- R. Proposal for New Rule 321.705, Request to Conduct Historical Racing
- S. Proposal for New Rule 321.707, Requirements for Operating a Historical Racing Totalisator System
- T. Proposal for New Rule 321.709, Types of Pari-Mutuel Wagers for Historical Racing
- U. Proposal for New Rule 321.711, Historical Racing Pools; Seed Pools
- V. Proposal for New Rule 321.713, Deductions from Pari-Mutuel Pools
- W. Proposal for New Rule 321.715, Contract Retention, Pari-Mutuel Wagering Record Retention
- X. Proposal for New Rule 321.717, Effect of Conflict
- Y. Proposal for New Rule 321.719, Severability

Other Rule Adoption

- Z. Proposal to Amend Rule 319.364, Testing for Androgenic-Anabolic Steroids

Closing of Rule Reviews

- AA. Chapter 313, Officials and Rules of Horse Racing
- BB. Chapter 315, Officials and Rules for Greyhound Racing

Opening of Rule Reviews

- CC. Chapter 307, Proceedings Before the Commission
- DD. Chapter 323, Disciplinary Action and Enforcement

VII. 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 its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under 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.

VIII. SCHEDULING OF NEXT COMMISSION MEETING

IX. ADJOURN

III. GENERAL BUSINESS

- A. Reports by the Executive Director and Staff regarding Administrative Matters
 - 1) Budget and Finance Update
 - 2) Report on Wagering Statistics
 - 3) Report on Racetrack Inspections
 - 4) Enforcement Report



**Fiscal Year 2014
Operational Budget**

Updated: August 18, 2014
Thru: July 31, 2014

Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected Balance	%
Account 597 - Racing Commission - GRD	\$ 9,828,475	\$ 8,535,337	\$ 25,000	\$ 1,293,138	13%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL REVENUES	\$ 9,828,475	\$ 8,535,337	\$ 25,000	\$ 1,293,138	13%

Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended Balance	%
1001 - Salaries and Wages:	\$ 2,863,773	\$ 2,489,942	\$ -	\$ 373,831	13%
1002 - Other Personnel Cost:	\$ 137,549	\$ 135,596	\$ -	\$ 1,953	1%
2001 - Professional Fees and Services:	\$ 283,275	\$ 152,173	\$ -	\$ 131,102	46%
2003 - Consumable Supplies:	\$ 39,500	\$ 11,551	\$ -	\$ 27,949	71%
2004 - Utilities:	\$ 53,736	\$ 44,997	\$ -	\$ 8,740	16%
2005 - Travel:	\$ 170,148	\$ 114,529	\$ -	\$ 55,619	33%
2006 - Rent Building:	\$ 87,979	\$ 88,067	\$ -	\$ (88)	0%
2007 - Rent Machine and Other:	\$ 14,500	\$ 7,754	\$ -	\$ 6,746	47%
2009 - Other Operating Expense:	\$ 553,297	\$ 316,038	\$ -	\$ 237,259	43%
4000 - Grants	\$ 4,125,000	\$ 3,097,007	\$ -	\$ 1,027,993	25%
5000 - Capital Expenditures:	\$ 17,133	\$ 11,229	\$ -	\$ 5,904	34%
TOTAL - ALL APPROPRIATED EXPENDITURES	\$ 8,345,890	\$ 6,468,883	\$ -	\$ 1,877,007	22%

Unappropriated Operating Expenses

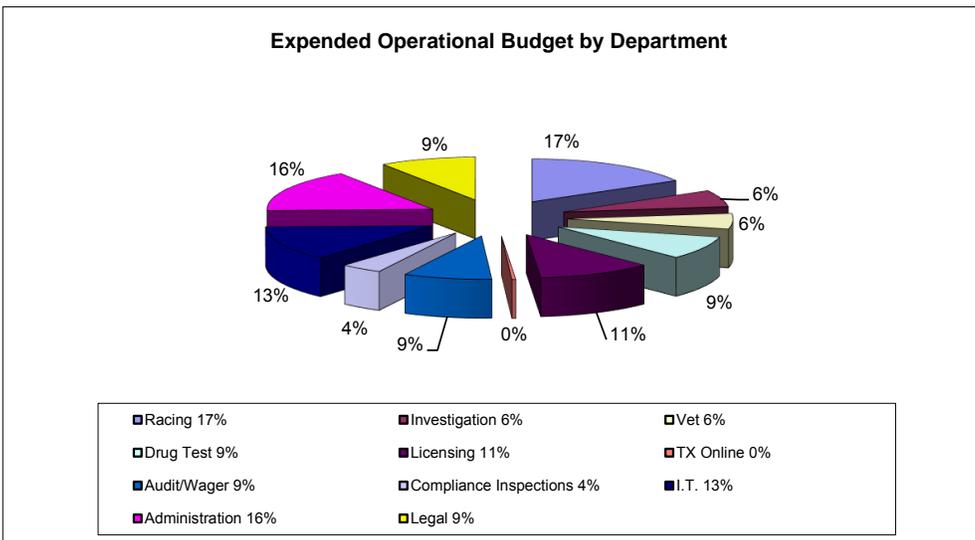
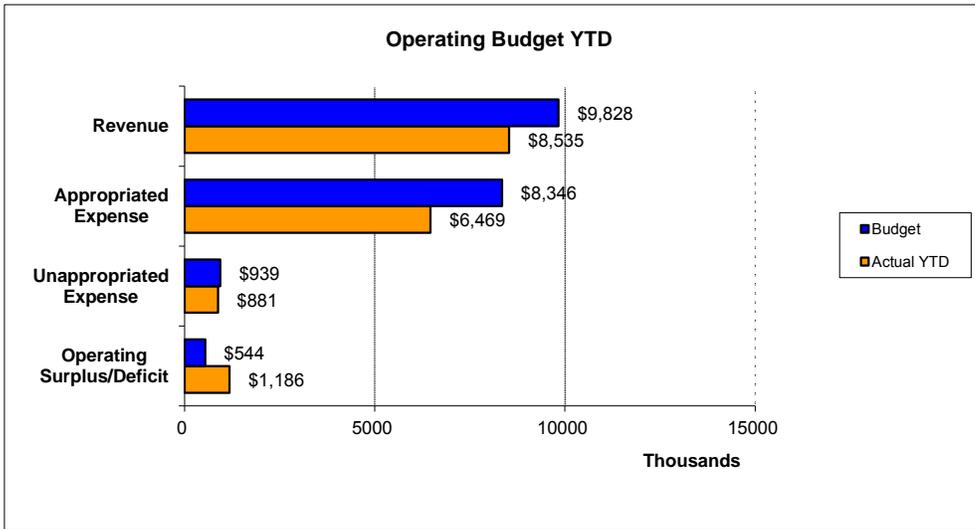
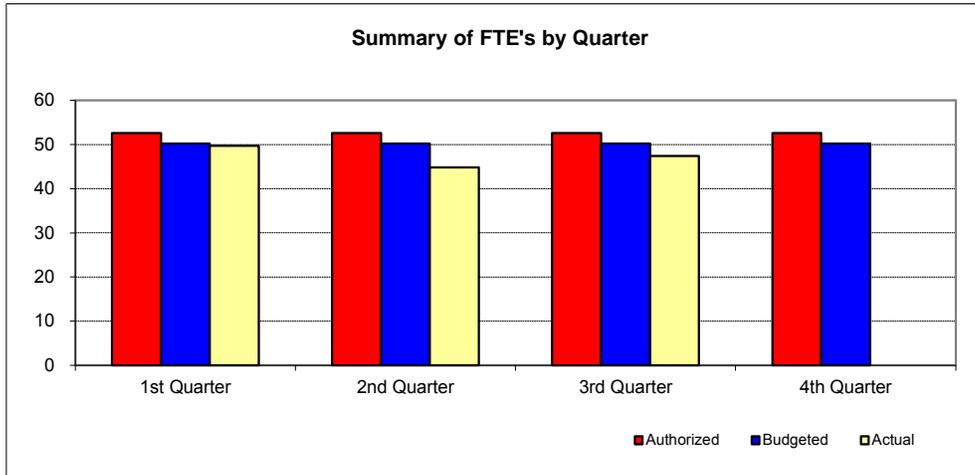
Type:	Budget	Expended	Encumbered	Unexpended Balance	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 938,610	\$ 880,620	\$ -	\$ 57,990	6%
TOTAL - ALL EXPENDITURES	\$ 9,284,500	\$ 7,349,503	\$ -	\$ 1,934,997	21%

OPERATING SURPLUS / (DEFICIT)

\$ 543,975 \$ 1,185,834

Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	52.60	52.60	52.60	52.60
Budgeted FTE's	50.20	50.20	50.20	50.20
Actual FTE's	49.70	44.80	47.40	0.00
Actual FTE's Over / (Under) Budget	(0.50)	(5.40)	(2.80)	n/a
Actual FTE's Over / (Under) Authorization	(2.90)	(7.80)	(5.20)	n/a



Texas Racing Commission

FYE 08/31/2014
 Operating Budget Status
 by LBB Expenditure Object/Codes

OBS-1

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 7/31/2014	FY 2014 Unexpended Bal 8/31/2014	With 91.7% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	(1.00) FTE's = 4.00 <u>Regulate Racetrack Owners</u>				
Base Appr =	1001 Salaries and Wages	312,134	278,547	33,587	89.24%
\$ 400,839	1002 Other Personnel Cost	8,715	9,766	(1,051)	112.06%
Sup Appr =	2001 Prof Fees and Services	7,500	-	7,500	0.00%
\$ 3,070	2003 Consumables	500	-	500	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 403,909	2005 Travel	11,000	9,525	1,475	86.59%
Budgeted =	2006 Rent Building	-	-	-	
\$ 354,834	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	14,985	3,223	11,762	21.51%
\$ (49,075)	CB Computer Equipment	-	-	-	
-12.24%	Total Strategy A.1.1.	354,834	301,061	53,773	84.85%
<i>Appropriated</i> A.2.1.	0 FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	4,125,000	3,097,007	1,027,993	75.08%
\$ 4,125,000	Total Strategy A.2.1.	4,125,000	3,097,007	1,027,993	75.08%
<i>Appropriated</i> A.3.1.	0.10 FTE's = 8.80 <u>Supervise Racing and Licensees</u>				
Base Appr =	1001 Salaries and Wages	538,886	483,217	55,668	89.67%
\$ 596,283	1002 Other Personnel Cost	25,627	30,745	(5,118)	119.97%
Sup Appr =	2001 Prof Fees and Services	7,500	2,283	5,217	30.44%
\$ 5,525	2003 Consumables	-	-	-	-
Total Appr =	2004 Utilities	-	-	-	
\$ 601,808	2005 Travel	30,275	22,950	7,325	75.81%
Budgeted =	2006 Rent Building	-	-	-	
\$ 611,788	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	9,500	2,628	6,872	27.66%
\$ 9,980	CB Computer Equipment	-	-	-	
1.67%	Total Strategy A.3.1.	611,788	541,823	69,965	88.56%
<i>Appropriated</i> A.3.2.	(1.00) FTE's = 3.20 <u>Monitor Occupational Licensee Act.</u>				
Base Appr =	1001 Salaries and Wages	179,197	166,316	12,882	92.81%
\$ 270,601	1002 Other Personnel Cost	20,151	12,503	7,647	62.05%
Sup Appr =	2001 Prof Fees and Services	2,500	555	1,945	22.20%
\$ 1,850	2003 Consumables	500	178	322	35.53%
Total Appr =	2004 Utilities	-	-	-	
\$ 272,451	2005 Travel	29,230	22,978	6,252	78.61%
Budgeted =	2006 Rent Building	-	-	-	
\$ 238,328	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	6,750	3,947	2,803	58.48%
\$ (34,123)	CB Computer Equipment	-	-	-	
-12.61%	Total Strategy A.3.2.	238,328	206,477	31,851	86.64%
<i>Appropriated</i> A.4.1.	(0.35) FTE's = 2.35 <u>Inspect and Provide Emerg. Care</u>				
Base Appr =	1001 Salaries and Wages	157,194	108,487	48,707	69.01%
\$ 290,308	1002 Other Personnel Cost	9,995	4,806	5,189	48.09%
Sup Appr =	2001 Prof Fees and Services	87,775	86,790	985	98.88%
\$ 1,446	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 291,754	2005 Travel	7,025	5,224	1,801	74.36%
Budgeted =	2006 Rent Building	-	-	-	
\$ 271,489	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	9,500	3,713	5,787	39.08%
\$ (20,265)	CB Computer Equipment	-	-	-	
-6.98%	Total Strategy A.4.1.	271,489	209,020	62,469	76.99%

Texas Racing Commission

FYE 08/31/2014

OBS-2

Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 7/31/2014	FY 2014 Unexpended Bal 8/31/2014	With 91.7% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.4.2.	(0.35) FTE's = 4.35 <u>Administer Drug Testing</u>				
Base Appr =	1001 Salaries and Wages	256,642	246,918	9,724	96.21%
\$ 254,753	1002 Other Personnel Cost	13,315	8,527	4,789	64.04%
Sup Appr =	2001 Prof Fees and Services	32,000	11,265	20,735	35.20%
\$ 2,572	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 257,325	2005 Travel	15,100	9,932	5,168	65.78%
Budgeted =	2006 Rent Building	-	-	-	
\$ 325,057	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	8,000	4,183	3,817	52.28%
\$ 67,732	CB Computer Equipment	-	-	-	
26.59%	Total Strategy A.4.2.	325,057	280,824	44,233	86.39%
<i>Appropriated</i> B.1.1.	- FTE's = 7.70 <u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	297,206	250,820	46,387	84.39%
\$ 562,587	1002 Other Personnel Cost	13,588	17,472	(3,883)	128.58%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 4,351	2003 Consumables	3,000	3,081	(81)	102.70%
Total Appr =	2004 Utilities	-	-	-	
\$ 566,938	2005 Travel	25,000	8,355	16,645	33.42%
Budgeted =	2006 Rent Building	-	-	-	
\$ 568,302	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	217,507	98,961	118,546	45.50%
\$ 1,364	CB Computer Equipment	-	-	-	
0.24%	Total Strategy B.1.1.	568,302	385,213	183,089	67.78%
<i>Appropriated</i> B.1.2.	- FTE's = 0 <u>Texas OnLine</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 22,500	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 22,500	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 22,500	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	22,500	16,194	6,306	71.97%
\$ -	CB Computer Equipment	-	-	-	
0.00%	Total Strategy B.1.2.	22,500	16,194	6,306	71.97%
<i>Appropriated</i> C.1.1.	- FTE's = 5.00 <u>Monitor Wagering and Audit</u>				
Base Appr =	1001 Salaries and Wages	275,039	245,638	29,401	89.31%
\$ 321,110	1002 Other Personnel Cost	11,562	12,274	(712)	106.16%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 3,114	2003 Consumables	1,000	-	1,000	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 324,224	2005 Travel	19,518	10,477	9,041	53.68%
Budgeted =	2006 Rent Building	-	-	-	
\$ 327,618	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	20,500	10,556	9,944	51.49%
\$ 3,395	CB Computer Equipment	-	-	-	
1.06%	Total Strategy C.1.1.	327,618	278,945	48,674	85.14%

Texas Racing Commission

FYE 08/31/2014

OBS-3

Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 7/31/2014	FY 2014 Unexpended Bal 8/31/2014	With 91.7% of Year Lapsed % of Budget Expended
<i>Appropriated</i> C.1.2.	- FTE's = 3.00 <u>Wagering & Compliance Inspections</u>				
Base Appr =	1001 Salaries and Wages	147,724	113,929	33,795	77.12%
\$ 242,242	1002 Other Personnel Cost	6,816	5,872	944	86.15%
Sup Appr =	2001 Prof Fees and Services	75,000	-	75,000	0.00%
\$ 1,560	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 243,802	2005 Travel	10,500	8,583	1,917	81.74%
Budgeted =	2006 Rent Building	-	-	-	
\$ 244,540	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	4,500	2,628	1,872	58.39%
\$ 738	CB Computer Equipment	-	-	-	
0.30%	Total Strategy C.1.2.	244,540	131,012	113,528	53.57%
<i>Appropriated</i> D.1.1.	0.20 FTE's = 7.00 <u>Central Administration</u>				
Base Appr =	1001 Salaries and Wages	401,171	322,562	78,609	80.41%
\$ 730,012	1002 Other Personnel Cost	14,828	17,075	(2,247)	115.15%
Sup Appr =	2001 Prof Fees and Services	15,000	13,826	1,174	92.17%
\$ 3,691	2003 Consumables	19,500	7,249	12,251	37.17%
Total Appr =	2004 Utilities	53,736	44,035	9,701	81.95%
\$ 733,703	2005 Travel	18,000	15,573	2,427	86.51%
Budgeted =	2006 Rent Building	85,279	85,367	(88)	100.10%
\$ 739,333	2007 Rent Machine	2,500	1,229	1,271	49.17%
Difference	2009 Other Operating Cost	117,150	55,372	61,778	47.27%
\$ 5,630	CB Computer Equipment	12,168	6,264	5,904	51.48%
0.77%	Total Strategy D.1.1.	739,333	568,551	170,782	76.90%
<i>Appropriated</i> D.1.2.	- FTE's = 4.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	298,580	273,508	25,072	91.60%
\$ 499,171	1002 Other Personnel Cost	12,951	16,555	(3,604)	127.83%
Sup Appr =	2001 Prof Fees and Services	56,000	37,455	18,545	66.88%
\$ 3,305	2003 Consumables	15,000	1,044	13,957	6.96%
Total Appr =	2004 Utilities	-	962	(962)	0.00%
\$ 502,476	2005 Travel	4,500	932	3,568	20.71%
Budgeted =	2006 Rent Building	2,700	2,700	-	100.00%
\$ 517,101	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	122,405	114,636	7,769	93.65%
\$ 14,625	CB Computer Equipment	4,965	4,965	-	
2.93%	Total Strategy D.1.2.	517,101	452,756	64,345	87.56%
<i>Appropriated</i> D.1.3.	(2.40) FTE's = 50.20 <u>Other Support Services</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 8,315,406	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 30,484	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 8,345,890	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 8,345,890	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
\$ (0)	CB Computer Equipment	-	-	-	
0.00%	Total Strategy D.1.3.	-	-	-	
\$ 4,220,890	Regulatory Program Operating Budget	4,220,890	3,371,876	653,096	79.89%
\$ 4,125,000	TX Bred Program Operating Budget	4,125,000	3,097,007	1,027,993	75.08%
\$ 8,345,890	Total M.O.F. (TXRC Acct. 597 & GR)	8,345,890	6,468,883	1,681,088	77.51%
	Total All Programs Operating Budget				

Texas Racing Commission

FYE 08/31/2014
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 7/31/2014	FY 2014 Unexpended Bal 8/31/2014	With 91.7% of Year Lapsed % of Budget Expended
\$ -	(2.40) FTE's = 50.20				
<i>Appropriated</i>	<u>Direct Expense of Regulatory Programs</u>				
	1001 Salaries and Wages	2,863,773	2,489,942	373,831	86.95%
	1002 Other Personnel Cost	137,549	135,596	1,953	98.58%
	2001 Prof Fees and Services	283,275	152,173	131,102	53.72%
	2003 Consumables	39,500	11,551	27,949	29.24%
	2004 Utilities	53,736	44,997	8,740	83.74%
	2005 Travel	170,148	114,529	55,619	67.31%
	2006 Rent Building	87,979	88,067	(88)	100.10%
	2007 Rent Machine	14,500	7,754	6,746	53.48%
	2009 Other Operating Cost	553,297	316,038	237,259	57.12%
	CB Computer Equipment	17,133	11,229	5,904	65.54%
\$ 4,220,890	Total Direct Expense of Regulatory Program	4,220,890	3,371,876	849,014	79.89%
\$ 4,125,000	FTE's = - Direct Expense of TX Bred Program	4,125,000	3,097,007	1,027,993	75.08%
\$ 8,345,890	(2.40) FTE's = 50.20 Total Direct Expense of All Programs	8,345,890	6,468,883	1,877,007	77.51%
\$ -	<i>Un-Appropriated</i>				
	<u>Indirect Expense of All Programs</u>				
	OASI Match	219,079	190,339	28,740	86.88%
	Group Insurance	269,149	262,390	6,759	97.49%
	State Retirement	164,360	167,736	(3,376)	102.05%
	Benefit Replacement	16,022	12,066	3,957	75.31%
	ERS Retiree Insurance	220,000	218,129	1,871	99.15%
	SWCAP GR Reimburse	30,000	26,044	3,956	86.81%
	Unemployment Cost	20,000	3,916	16,084	19.58%
	Other	-	-	-	
\$ 938,610	Total Indirect Expense of All Programs	938,610	880,620	57,990	93.82%
\$ 9,284,500	Total Direct and Indirect Expense of All Programs	9,284,500	7,349,503	1,934,997	79.16%

Source Of Funds	Agency Method Of Finance	FY 2014 Projected Revenue	FY 2014 Actual Revenue Thru 7/31/2014	N/A	With 91.7% of Year Lapsed % of Revenue Collected
	Regulatory Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ 750,000	\$ 750,000		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Day Fees	\$ -	\$ -		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 4,203,475	\$ 3,949,641		93.96%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 725,000	\$ 709,890		97.92%
Acct. 597	Other Revenue	\$ 25,000	\$ 28,798		115.19%
Acct. 1	GR Funds	\$ -	\$ -		
	Sub-Total Regulatory Prgm. MOF	\$ 5,703,475	\$ 5,438,330		95.35%
	Texas Bred Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ -	\$ -		
Acct. 597	Breakage and 1% Exotic	\$ 4,125,000	\$ 3,097,007		75.08%
Acct. 597	Other	\$ -	\$ -		
	Sub-Total Texas Bred Prgm. MOF	\$ 4,125,000	\$ 3,097,007		75.08%
All Sources	Total MOF	\$ 9,828,475	\$ 8,535,337		86.84%
	MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget	\$ 543,975	\$ 1,185,834		



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

For the Period: 01/01/13 - 08/17/13 to 01/01/14 -08/17/14

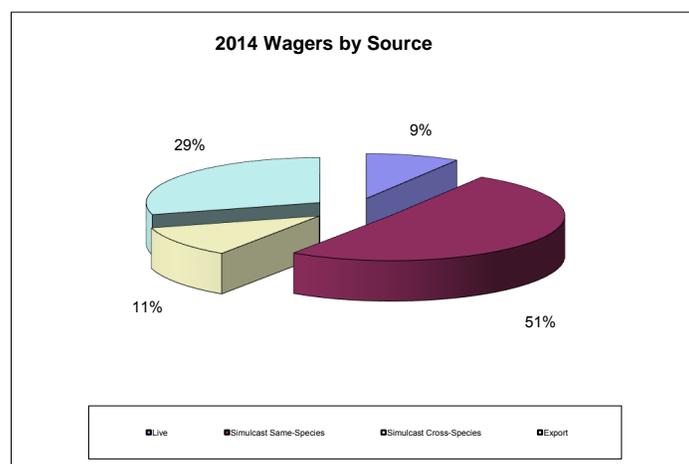
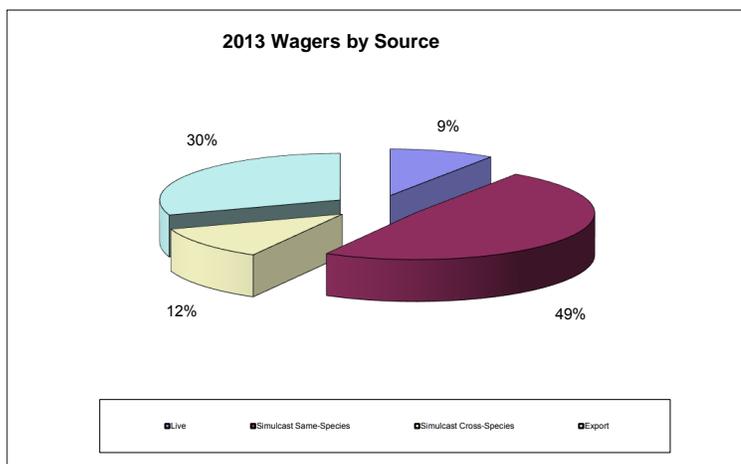
Sources of Wagers	Year 2013 01/01 - 08/17				Year 2014 01/01/ - 08/17		Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers
Greyhound Racetracks								
Live	182	5,801,782	\$ 31,878	154	4,768,994	\$ 30,967	-17.80%	-2.86%
Simulcast Same-Species	589	17,285,887	\$ 29,348	592	18,408,146	\$ 31,095	6.49%	5.95%
Simulcast Cross-Species	589	15,019,917	\$ 25,501	592	14,547,667	\$ 24,574	-3.14%	-3.63%
Export	182	<u>8,423,781</u>	<u>\$ 46,285</u>	154	<u>7,069,050</u>	<u>\$ 45,903</u>	<u>-16.08%</u>	<u>-0.82%</u>
Total Wagers		46,531,366	N/A		44,793,857	N/A	-3.73%	N/A

Sources of Wagers								
Horse Racetracks								
# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers	Percentage Change In
Live	133	23,109,514	\$ 173,756	132	22,629,515	\$ 171,436	-2.08%	-1.34%
Simulcast Same-Species	980	132,364,010	\$ 135,065	990	140,622,167	\$ 142,043	6.24%	5.17%
Simulcast Cross-Species	937	20,538,395	\$ 21,919	990	20,771,226	\$ 20,981	1.13%	-4.28%
Export	127	<u>84,363,712</u>	<u>\$ 664,281</u>	126	<u>84,795,495</u>	<u>\$ 672,980</u>	<u>0.51%</u>	<u>1.31%</u>
Total Wagers		260,375,631	N/A		268,818,402	N/A	3.24%	N/A

Sources of Wagers								
All Texas Racetracks								
# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers	Percentage Change In
Live	315	28,911,296	\$ 91,782	286	27,398,510	\$ 95,799	-5.23%	4.38%
Simulcast Same-Species	1,569	149,649,897	\$ 95,379	1,582	159,030,312	\$ 100,525	6.27%	5.39%
Simulcast Cross-Species	1,526	35,558,312	\$ 23,302	1,582	35,318,893	\$ 22,325	-0.67%	-4.19%
Export	309	<u>92,787,492</u>	<u>\$ 300,283</u>	280	<u>91,864,545</u>	<u>\$ 328,088</u>	<u>-0.99%</u>	<u>9.26%</u>
Total Wagers		306,906,997	N/A		313,612,259	N/A	2.18%	N/A

Total Wagers Placed in Texas	214,119,505	N/A	221,747,715	N/A	3.56%	N/A
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Total Wagers Placed on Texas Races	121,698,788	N/A	119,263,054	N/A	-2.00%	N/A
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**Greyhound Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed**

in Texas & on Texas Races

For the Period: 01/01/13 - 08/17/13 to 01/01/14 -08/17/14

Sources of Wagers	Year 2013 01/01 - 08/17				Year 2014 01/01 - 08/17				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
<u>Gulf Coast Racing</u>										
Live	0	0	\$ -	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	164	4,970,085	\$ 30,305	167	5,263,445	\$ 31,518	5.90%	4.00%		
Simulcast Cross-Species	164	3,077,624	\$ 18,766	167	2,856,196	\$ 17,103	-7.19%	-8.86%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		8,047,708	N/A		8,119,640	N/A	0.89%	N/A		

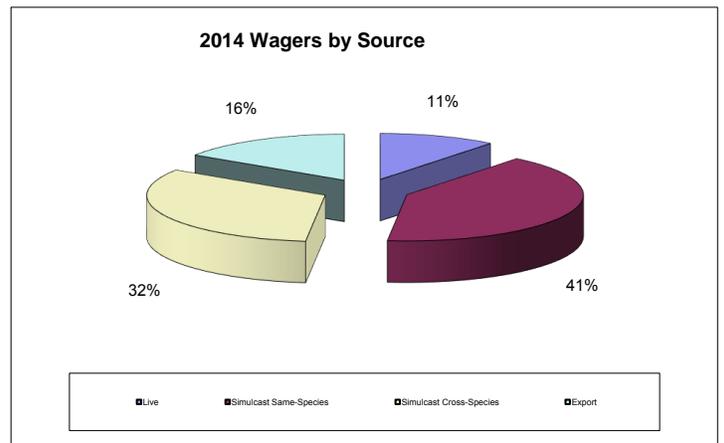
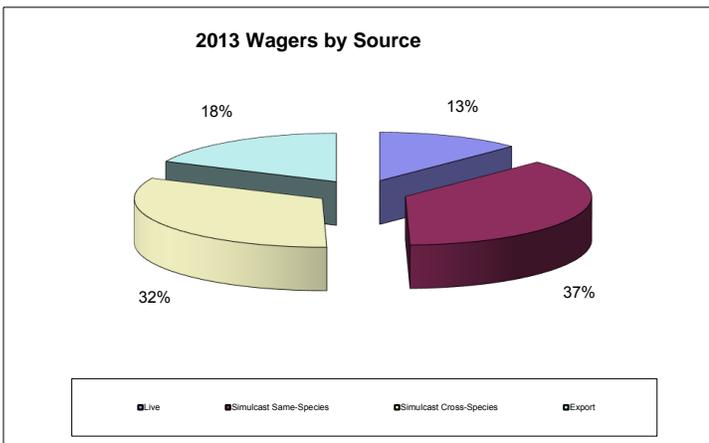
Sources of Wagers										
<u>Gulf Greyhound Park</u>										
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Live	182	5,801,782	\$ 31,878	154	4,768,994	\$ 30,967	-17.80%	-2.86%		
Simulcast Same-Species	229	7,835,457	\$ 34,216	228	7,980,502	\$ 35,002	1.85%	2.30%		
Simulcast Cross-Species	229	7,352,180	\$ 32,106	228	7,075,456	\$ 31,033	-3.76%	-3.34%		
Export	182	8,423,781	\$ 46,285	154	7,069,050	\$ 45,903	-16.08%	-0.82%		
Total Wagers		29,413,199	N/A		26,894,003	N/A	-8.56%	N/A		

Sources of Wagers										
<u>Valley Race Park</u>										
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Live	0	0	\$ -	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	196	4,480,346	\$ 22,859	197	5,164,199	\$ 26,214	15.26%	14.68%		
Simulcast Cross-Species	196	4,590,113	\$ 23,419	197	4,616,016	\$ 23,432	0.56%	0.05%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		9,070,459	N/A		9,780,214	N/A	7.82%	N/A		

Sources of Wagers										
<u>All Greyhound Racetracks</u>										
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Live	182	5,801,782	\$ 31,878	154	4,768,994	\$ 30,967	-17.80%	-2.86%		
Simulcast Same-Species	589	17,285,887	\$ 29,348	592	18,408,146	\$ 31,095	6.49%	5.95%		
Simulcast Cross-Species	589	15,019,917	\$ 25,501	592	14,547,667	\$ 24,574	-3.14%	-3.63%		
Export	182	8,423,781	\$ 46,285	154	7,069,050	\$ 45,903	-16.08%	-0.82%		
Total Wagers		46,531,366	N/A		44,793,857	N/A	-3.73%	N/A		

Total Wagers Placed in Texas		38,107,586	N/A		37,724,807	N/A	-1.00%	N/A		
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Total Wagers Placed on Texas Races		14,225,563	N/A		11,838,044	N/A	-16.78%	N/A		
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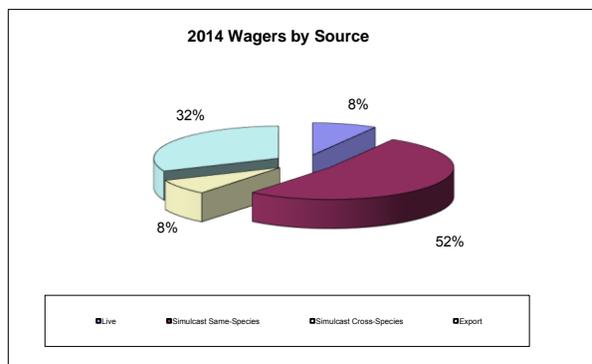
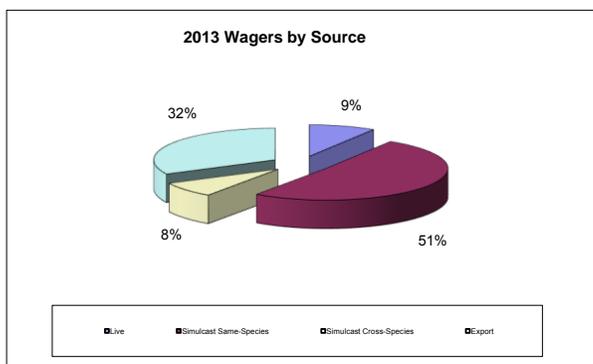




Horse Racetrack Wagering Statistics Comparison Report on Total Wagers Placed in Texas & on Texas Races

For the Period: 01/01/13 - 08/17/13 to 01/01/14 -08/17/14

<u>Sources of Wagers</u>	Year 2013 01/01 - 08/17				Year 2014 01/01/ - 08/17				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager
Gillespie County Fair										
Live	6	865,526	\$ 144,254	6	913,276	\$ 152,213	5.52%	5.52%		
Simulcast Same-Species	131	2,063,100	\$ 15,749	131	2,054,994	\$ 15,687	-0.39%	-0.39%		
Simulcast Cross-Species	131	251,843	\$ 1,922	131	293,941	\$ 2,244	16.72%	16.72%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		3,180,469	N/A		3,262,211	N/A	2.57%	N/A		
Lone Star Park										
Live	50	13,654,610	\$ 273,092	50	13,693,728	\$ 273,875	0.29%	0.29%		
Simulcast Same-Species	229	61,710,906	\$ 269,480	229	66,975,557	\$ 292,470	8.53%	8.53%		
Simulcast Cross-Species	229	3,784,151	\$ 16,525	229	4,411,902	\$ 19,266	16.59%	16.59%		
Export	50	34,269,819	\$ 685,396	50	31,194,178	\$ 623,884	-8.97%	-8.97%		
Total Wagers		113,419,486	N/A		116,275,365	N/A	2.52%	N/A		
Retama Park										
Live	20	2,397,061	\$ 119,853	20	2,171,761	\$ 108,588	-9.40%	-9.40%		
Simulcast Same-Species	229	25,810,095	\$ 112,708	229	25,199,058	\$ 110,040	-2.37%	-2.37%		
Simulcast Cross-Species	229	4,585,222	\$ 20,023	229	4,501,455	\$ 19,657	-1.83%	-1.83%		
Export	20	3,744,938	\$ 187,247	20	5,165,947	\$ 258,297	37.94%	37.94%		
Total Wagers		36,537,316	N/A		37,038,221	N/A	1.37%	N/A		
Saddle Brook Park										
Live	0	0	\$ -	0	0	\$ -				
Simulcast Same-Species	162	2,809,990	\$ 17,346	172	3,091,586	\$ 17,974	10.02%	3.62%		
Simulcast Cross-Species	119	123,140	\$ 1,035	172	350,453	\$ 2,038	184.60%	96.90%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		2,933,130	N/A		3,442,038	N/A	100.00%	N/A		
Sam Houston Race Park										
Live	57	6,192,318	\$ 108,637	56	5,850,750	\$ 104,478	-5.52%	-3.83%		
Simulcast Same-Species	229	39,969,919	\$ 174,541	229	43,300,972	\$ 189,087	8.33%	8.33%		
Simulcast Cross-Species	229	11,794,038	\$ 51,502	229	11,213,476	\$ 48,967	-4.92%	-4.92%		
Export	57	46,348,955	\$ 813,140	56	48,435,369	\$ 864,917	4.50%	6.37%		
Total Wagers		104,305,230	N/A		108,800,567	N/A	4.31%	N/A		
All Horse Racetracks										
Live	133	23,109,514	\$ 173,756	132	22,629,515	\$ 171,436	-2.08%	-1.34%		
Simulcast Same-Species	980	132,364,010	\$ 135,065	990	140,622,167	\$ 142,043	6.24%	5.17%		
Simulcast Cross-Species	937	20,538,395	\$ 21,919	990	20,771,226	\$ 20,981	1.13%	-4.28%		
Export	127	84,363,712	\$ 664,281	126	84,795,495	\$ 672,980	0.51%	1.31%		
Total Wagers		260,375,631	N/A		268,818,402	N/A	3.24%	N/A		
Total Wagers Placed in Texas		176,011,919	N/A		184,022,908	N/A	4.55%	N/A		
Total Wagers Placed on Texas Races		107,473,226	N/A		107,425,010	N/A	N/A	N/A		



Texas Racing Commission
 Report on Racetrack Inspection Activities
 August 12, 2014

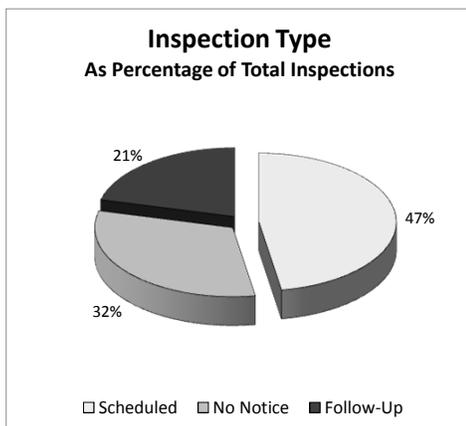
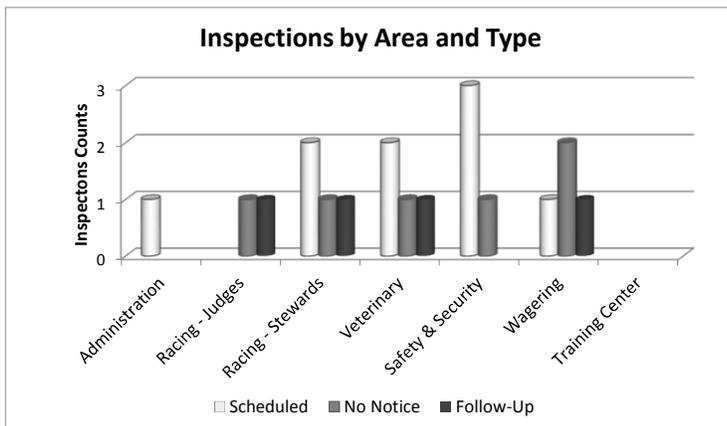
Summary of Inspections Performed For The Period of June 1, 2014 through July 31, 2014					
Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Retama Park	Security	6/2/2014	0		
	Veterinary	6/2/2014	0		
	Racing	6/6/2014	1		
	Wagering	6/23/2014	(Follow-up from 5/30/14)	1	0
	Security	7/12/2014	0		
	Racing	7/25/2014	(Follow-up from 6/6/14)	1	0
Gillespie County Fair	Administrative	6/27/2014	0		
	Veterinary	6/30/2014	0		
	Wagering	7/2/2014	0		
	Racing	7/3/2014	0		
	Security	7/4/2014	0		
Gulf Greyhound Park	Racing	6/20/2014	4		
	Veterinary	6/29/2014	3		
	Racing	7/5/2014	(Follow-up from 6/20/14)	3 of 4	1*
	Veterinary	7/27/2014	(Follow-up from 6/29/14)	3	0
Lone Star Park	Racing	6/5/2014	0		
	Wagering	5/2/2014	0		
Gulf Coast Racing	Wagering	7/17/2014	0		
Valley Race Park	Security	7/17/2014	0		

*Photo finish light ordered for Gulf Greyhound Park

Inspection Counts by Area and Type				
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administration	1			1
Racing - Judges		1	1	2
Racing - Stewards	2	1	1	4
Veterinary	2	1	1	4
Safety & Security	3	1		4
Wagering	1	2	1	4
Training Center				
TOTAL INSPECTIONS	9	6	4	19

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 Racing Commission
Enforcement Report
Selected Regulatory Statistics
January 1, 2014 – July 31, 2014**

	GREYHOUND	HORSE	NOTES
# of Live Race Performances/Days	141	126	
# of Live Races	1,863	1,222	
# of Animals Inspected	14,416	10,171	
# of Samples	1,831	2,475	
# of Animal Drug Positives	0	55*	5 Class 1; 3 Class 2, 18 Class 3, 5 Class 4, and 27 overages of a permitted medication, phenylbutazone
% of Samples Testing Positive	-	2.2	
# of Simulcast Days	547	913	
# of Simulcast Races	165,219	276,247	
# of Import and Export Requests	256	908	
# of New Licenses Issued	1,587		
# of Licenses Renewed	3,135		
# of Gate, Barn, and Kennel Searches	81		
# of Administrative Investigations	94		
# of Rulings	17	136	
# of Rulings with Suspensions	2	43	
# of Rulings with Revocations	0	0	
# of Rulings with Purse Redistributions	0	18	
# of Rulings with Fines	15	106	
Total Fines Assessed	\$1,000	\$80,700	

CLASSIFICATION OF DRUG POSITIVES: 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.

*3 samples contained multiple drugs

B. Approval of the Commission's Legislative Appropriations Request for FY 2016-2017 and Operating Budget for FY 2015



Texas Racing Commission

MAILING ADDRESS: P.O. BOX 12080 - AUSTIN, TX 78711-2080
PHONE: (512) 833-6699 FAX: (512) 833-6907
www.txrc.state.tx.us

MEMORANDUM

To: Commissioners

From: Sammy Jackson, Deputy Director for Finance & Wagering

Date: July 30, 2014

Subject: FY 2016-17 Legislative Appropriations Request and FY 2015 Operating Budget

Attached to this memorandum is a copy of the 2016-17 Legislative Appropriations Request and FY 2015 Operating Budget that has been prepared and submitted to the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy in accordance with the directions provided to the agency by the Legislative Budget Board.

This document will be placed on the August Commission Meeting Agenda for your consideration and approval. Because the document is so lengthy, I wanted to provide it to you ahead of time to help facilitate any questions you may have.

The following is a synopsis of the document:

I. BUDGETARY NEEDS

Funds / FTE's	FY 2015	FY 2016	FY 2017
Appropriated Funds	\$7,729,803	\$7,675,442	\$7,716,990
Un-Appropriated Funds	\$1,087,897	\$1,086,093	\$1,086,092
Total Budget /Cash-Flow	\$8,817,700	\$8,761,535	\$8,803,082
Full Time Equivalent Positions (FTE's)	51.6	51.2	51.2

II. SIGNIFICANT CHANGE IN POLICY

Starting in FY2015, the agency is implementing a new travel policy that will transition the Commission's current travel caps for travel reimbursement expenses up to the state's approved rates for food, lodging and mileage in FY2016-2017.

Over ten years ago, responding to budget constraints, the agency implemented travel caps on those employees assigned to work away from their base headquarters for weeks at a time. Despite some increases over the years, an analysis this year found employees are incurring increasing out-of-pocket expenses, sometimes as much as 35 to 45 percent over the amount of the agency's travel reimbursement, depending on the number of days and the location of their assignment. Further, to save money, some may be jeopardizing their personal safety by staying in substandard hotels and driving three to four hours home after a 10-11 hour work day at the end of a weekend of racing. In response to these findings, these policy changes are being implemented.

This transition consists of a two phase approach. In FY 2015, the travel cap will increase approximately 75% to account for the inflationary costs of meals, lodging, and fuel increases that have occurred since 2011, the last time the travel cap was adjusted. In FY's 2016-2017, the travel cap will be raised an additional 25%, with the goal being full reimbursement of travel expenses up to the state approved rates.

III. REQUEST FOR NEW RIDER – SEIZED FUNDS OR ASSETS

A long standing tradition of “brush” or “bush” horse racetracks throughout the state continues to operate illegally . These tracks remain a challenge to the Texas racing industry, law enforcement, as well as to the communities where they operate. These tracks do not provide a safe, drug-free racing environment as horses are frequently abused and drugged. The tracks do not pay taxes and fees to the state or contribute to the Texas-bred programs. These operations divert customers and participants away from licensed tracks and make it more difficult for an already struggling industry. Most provide unsafe racing and illegal wagering that compromises legitimate racing operations.

Besides the unsafe racing operations and illegal gambling, these unsanctioned tracks are often used as a conduit by drug cartels to traffic drugs and launder money. A year-long investigation into a rural track operating in Smith County recently culminated with the arrest of six people on numerous federal charges and the seizure of cash and property that may total over a million dollars. This is one of many covert operations that the agency participates in with local, state and federal law enforcement agencies, including the DPS, the FBI and the DEA.

The agency requests a new rider, Seized Funds or Assets, to allow the agency to participate in an equitable distribution of such funds and assets with the appropriate law enforcement agencies. Any proceeds derived from the agency's participation in illegal gambling investigations would be used for enforcement purposes.

IV. REQUEST TO CHANGE EXEMPT POSITION

The Commission requests the authority to implement a change recommended in the State Auditor's Report No. 12-708, “A Report on Executive Compensation at State Agencies,” dated August of 2012, to reclassify the Executive Director to Salary Group 3.

The SAO made their recommendation based on a number of factors after salary comparisons among state agencies' executive officers. The study also provided a market analysis of other racing jurisdictions' executive directors' compensation as well as a comparison of the number of agency employees with a salary that was within six to ten percent less than Commission's executive director. According to the SAO, standard compensation practices recommend an average difference of at least 15 percent between an executive officer's salary and the salaries of staff the executive officer oversees.

The 2012 report found the market average salary for a racing commission's executive director was \$122,603, well over the agency's established FY2014-FY2015 maximum salary of \$98,082 for its executive officer. The

Memorandum

Date: July 30, 2014

Subject: FY 2016-17 Legislative Appropriations Request and FY 2015 Operating Budget

agency is one of the 49 state agencies the SAO found to be affected by job compression, with the agency having three employees with a salary 6 to 10 percent less than the agency's executive officer.

If approved, this change will give the Commission the compensation authority it will need to attract qualified applicants for the position when the present Executive Director retires. It will also help minimize inequities in staff salaries related to job compression, when a subordinate employee's pay comes close to, matches, or exceeds the pay of a director supervisor.

The Commissioners would only grant an increase in the Executive Director's salary in strict accordance with the General Appropriations Act's maximum allowable salary and within the agency's budget constraints. The Commissioners would factor in the person's performance, experience, education, licenses, and certifications to determine an appropriate salary for their skill set, experience, and responsibilities for managing the Commission.

V. EXCEPTIONAL ITEM

If the above request to reclassify the Executive Director Position to Group 3 is approved, this exceptional item will provide the commensurate appropriation.

VI. SUPPLEMENTAL SCHEDULE – 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS

As directed, the agency reviewed its request and offers a reduction in eight areas that equal a 10 percent reduction. It is important to note that over 45 percent of the Commission's appropriation is statutorily dedicated pass-through revenue to the Texas-bred Incentive Program administered by the state's designated breed registries. Of the Commission's remaining portion of the operating budget appropriation, more than 70 percent is devoted to staff salaries. In order to comply with the reduction options requirement, the Commission proposes the following reductions:

1. Texas-bred Incentive Program – a \$695,000 biennial reduction in appropriation authority for the Texas-bred Incentive Program. The money for this strategy is generated by wagers at Texas racetracks and is passed through the Commission to the official breed registries, which in turn pay out awards to Texas owners and breeders of race animals.
2. Eliminate Accounting Professional Fees and Services – a biennial reduction of \$10,000 for professional fees and services related to preparing the agency's Annual Financial Report. This reduction will have a limited impact on the agency.
3. Eliminate Training Budgets – a biennial reduction of \$38,900 for staff training. Although this reduction will not affect the agency's service population in the short-term, delaying staff development will have a long term effect on agency operations.
4. Eliminate ARCI Membership Dues - a biennial reduction of \$34,150 for yearly membership dues to the Association of Racing Commissioners International (ARCI). Not being able to access the organization's national database nor participate in developing and staying current on standards for racing regulation, medication policy, drug testing laboratories, totalisator systems, racetrack operations and security, would impact agency operations.
5. Reduce Travel Reimbursements - a biennial reduction of \$77,900 for travel reimbursements. This reduction would result in reduced supervisory and regulatory oversight and not being able to fully reimburse staff at the state's allowable rates for mileage, hotels, and food.
6. Elimination of Staff - a reduction of \$216,070 for the biennium related to the elimination of certain positions. There would be a reduction in the number of inspections to ensure racetrack operations are in full compliance

Memorandum

Date: July 30, 2014

Subject: FY 2016-17 Legislative Appropriations Request and FY 2015 Operating Budget

with Commission rules; a reduction in greyhound racing supervision; and a reduction in response time to public inquiries and open records requests.

7. Reduction of Staff Work Hours - a reduction of \$344,020 for the biennium. This reduction is achieved by reducing certain staff from 40 hour work weeks to 36 hour work weeks in areas with the least impact to overseeing live racing operations. It would result in reduced regulatory oversight of all racing operations.

8. Texas-bred Incentive Program – an additional \$111,225 biennial reduction in appropriation authority for the Texas-bred Incentive Program.

— TEXAS — RACING COMMISSION

LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2016 AND 2017



Commissioners	Term Expires	Hometown
Robert Schmidt, M.D., Chair	2017	Fort Worth
Ronald F. Ederer, Vice Chair	2019	Corpus Christi
Gary P. Aber, DVM	2015	Simonton
Gloria Hicks	2017	Corpus Christi
Michael F. Martin, DVM	2015	San Antonio
John T. Steen III	2019	Houston
Vicki Smith Weinberg	2015	Colleyville

Ex-Officio Members
 Susan Combs
 Comptroller of Public Accounts
 A. Cynthia "Cindy" Leon
 Chair, Public Safety Commission

Austin
 Mission

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 PO BOX 12080 • AUSTIN, TEXAS 78711

476 Racing Commission

The Racing Commission oversees and regulates pari-mutuel horse and greyhound racing, pursuant to authority granted in the Texas Racing Act, Vernon's Texas Civil Statutes, Art. 179e. The policy-making board consists of nine members. Seven members are appointed by the Governor with the advice and consent of the Senate to serve six-year terms, and two are ex officio members, the Comptroller of Public Accounts and the Chair of the Public Safety Commission.

Commissioners	Term	Hometown
Robert Schmidt, M.D., Chair	11/16/2007 – 02/01/2017	Fort Worth
Ronald F. Ederer, Vice Chair	07/17/2007 – 02/01/2019	Corpus Christi
Gary P. Aber, D.V.M.	05/16/2012 – 02/01/2015	Simonton
Gloria Hicks	11/09/2007 – 02/01/2017	Corpus Christi
Michael F. Martin, D.V.M.	11/03/2010 – 02/01/2015	San Antonio
John T. Steen III	10/04/2011 – 02/01/2019	Houston
Vicki Weinberg	04/08/2009 – 02/01/2015	Colleyville
Ex Officio Members		
Susan Combs, Comptroller of Public Accounts		Austin
A. Cynthia Leon, Chair, Public Safety Commission		Mission

I. OVERVIEW

The Racing Commission enforces the Texas Racing Act and the Rules of Racing to ensure the safety, integrity, and fairness of Texas pari-mutuel racing. Eight operational licensed racetracks operate throughout the state. Almost 1.5 million patrons wagered more than \$315 million at these tracks in 2013 during 483 days of live horse and greyhound racing.

To effectively regulate the operations at a racetrack, Commission employees participate in the presentation and oversight of horse and greyhound racing operations throughout the year. Regulation at the racetrack involves veterinary, licensing and auditing staff, stewards and judges, and law enforcement investigators. There are approximately 9,500 active racing participants under the jurisdiction of the Racing Commission.

All agency regulatory efforts are directed to protecting the health, safety and welfare of every racing participant, including race animals, and to protecting patrons from any illegal, dishonest, or corrupt activities that potentially could occur.

The agency's revenue is derived primarily from fees assessed to racetracks and occupational licensees. The Commission's funding is self-leveling, generating only enough to operate the agency. The agency will exercise its authority to raise the funds necessary to cover the requested appropriations for FY 2016 and FY 2017.

II. SIGNIFICANT EXTERNAL CHALLENGES

The measure of the health of the pari-mutuel industry is the total amount of money wagered at racetracks. Texas has seen a significant decline since reaching a high of over \$633 million in 2000 to a low of \$315 million in 2013. While the decline in overall wagering appears to be leveling out, the Texas racing industry continues to face many challenges. The industry is subject to varying types of competition, ranging from the expansion of gaming and racing opportunities in neighboring states to unregulated sources of competition such as online gambling, illegal 8-liner businesses, and unregulated racing.

Unfortunately the wagering decline at the racetracks affects many other businesses and people. The number of racing opportunities has decreased as well as the money paid to winning participants in the races, the owners, the jockeys and breeders. From there the decline reaches into local communities – especially when owners, trainers,

Administrator's Statement
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

and breeders cut back on their operations.

Despite this decline, the agency's role remains unchanged. As reflected in this LAR, the agency continues to allocate resources as efficiently as possible, working to ensure that regulations are both fair and cost-effective.

III. SIGNIFICANT CHANGE IN POLICY

Starting in FY2015, the agency is implementing a new travel policy that will transition the Commission's current travel caps for travel reimbursement expenses up to the state's approved rates for food, lodging and mileage in FY2016-2017.

Over ten years ago, responding to budget constraints, the agency implemented travel caps on those employees assigned to work away from their base headquarters for weeks at a time. Despite some increases over the years, an analysis this year found employees are incurring increasing out-of-pocket expenses, sometimes as much as 35 to 45 percent over the amount the agency's travel reimbursement, depending on the number of days and the location of their assignment. Further, to save money, some may be jeopardizing their personal safety by staying in substandard hotels and driving three to four hours home after a 10-11 hour work day at the end of a weekend of racing.

This transition consists of a two phase approach. In FY 2015 the travel cap will increase approximately 75% to account for the inflationary costs of meals, lodging, and fuel increases that have occurred since 2011, the last time the travel cap was adjusted. In FYs 2016-2017, the travel cap will be raised an additional 25%, with the goal being full reimbursement of travel expenses up to the state approved rates.

IV. REQUEST FOR NEW RIDER – SEIZED FUNDS OR ASSETS

A long standing tradition of "brush" or "bush" horse racetracks continue to operate illegally throughout the state. These tracks remain a challenge to the Texas racing industry, law enforcement, as well as to the communities where they operate. These tracks do not provide a safe, drug-free racing environment as horses are frequently abused and drugged. The tracks do not pay taxes and fees to the state or contribute to the Texas-bred programs. These operations divert customers and participants away from licensed tracks and make it more difficult for an already struggling industry. Most provide unsafe racing and illegal wagering that compromises legitimate racing operations.

Besides the unsafe racing operations and illegal gambling, these unsanctioned tracks are often used as a conduit by drug cartels to traffic drugs and launder money. A year-long investigation into a rural track operating in Smith County recently culminated with the arrest of six people facing numerous federal charges and the seizure of cash and property that may total over a million dollars. This is one of many covert operations that the agency participates in with local, state and federal law enforcement agencies, including the DPS, the FBI and the DEA.

The agency requests a new rider, Seized Funds or Assets, to allow the agency to participate in an equitable distribution of such funds and assets with the appropriate law enforcement agencies. Any proceeds derived from the agency's participation in illegal gambling investigations would be used for enforcement purposes.

V. REQUEST TO CHANGE EXEMPT POSITION

The Commission requests the authority to implement a change recommended in the State Auditor's Report No. 12-708, "A Report on Executive Compensation at State Agencies," dated August of 2012, to reclassify the Executive Director to Salary Group 3.

The SAO made their recommendation based on a number of factors after salary comparisons among state agencies' executive officers. The study also provided a market analysis of other racing jurisdictions executive director's compensation as well as a comparison of the number of agency employees with a salary that was within six to ten percent less than Commission's executive director. According to the SAO, standard compensation practices recommend an average difference of at least 15 percent between an executive officer's salary and the salaries of staff the executive officer oversees.

The 2012 report found the market average salary for a racing commission's executive director was \$122,603, well over the agency's established FY2014-FY2015 maximum salary of \$98,082 for its executive officer. The agency is one of the 49 state agencies the SAO found to be affected by job compression, with the agency

Administrator's Statement
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

having three employees with a salary 6 to 10 percent less than the agency's executive officer. If approved, this change will give the Commission the authority it may need to attract qualified applicants for the position when the present Executive Director retires. It will also help minimize inequities in staff salaries related to job compression, when subordinate employee's pay comes close to, matches, or exceeds the pay of a director supervisor.

The Commissioners would only grant an increase in the Executive Director's salary in strict accordance with the General Appropriations Act's maximum allowable salary and within the agency's budget constraints. The Commissioners would factor the person's performance, experience, education, licenses, and certifications to determine an appropriate salary for their skill set, experience, and responsibilities for managing the Commission.

VI. EXCEPTIONAL ITEM

If the above request to reclassify the Executive Director Position to Group 3 is approved, this exceptional item will provide the commensurate appropriation.

VII. SUPPLEMENTAL SCHEDULE – 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS

As directed, the agency reviewed its request and offers a reduction in eight areas that equal a 10 percent reduction. It is important to note that over 45 percent of the Commission's appropriation is statutorily dedicated pass-through revenue to the Texas-bred Incentive Program administered by the state's designated breed registries. Of the Commission's remaining portion of the operating budget appropriation, more than 70 percent is devoted to staff salaries. In order to comply with the reduction options requirement, the Commission proposes the following reductions:

1. Texas-bred Incentive Program – a \$695,000 biennial reduction in appropriation authority for the Texas-bred Incentive Program. The money for this strategy is generated by wagers at Texas racetracks and is passed through the Commission to the official breed registries, which in turn pay out awards to Texas owners and breeders of race animals.
2. Eliminate Accounting Professional Fees and Services – a biennial reduction of \$10,000 for professional fees and services related to preparing the agency's Annual Financial Report. This reduction will have a limited impact on the agency.
3. Eliminate Training Budgets – a biennial reduction of \$38,900 for staff training. Although this reduction will not affect the agency's service population in the short-term, delaying staff development will have a long term effect on agency operations.
4. Eliminate ARCI Membership Dues - a biennial reduction of \$34,150 for yearly membership dues to the Association of Racing Commissioners International (ARCI). Not being able to access the organization's national database nor participate in developing and staying current on standards for racing regulation, medication policy, drug testing laboratories, totalizer systems, racetrack operations and security would impact agency operations.
5. Reduce Travel Reimbursements - a biennial reduction of \$77,900 for travel reimbursements. This reduction would result in reduced supervisory and regulatory oversight and not being able to fully reimburse staff at the state's allowable rates for mileage, hotels, and food.
6. Elimination of Staff - a reduction of \$216,070 for the biennium related to the elimination of certain positions. There would be a reduction in the number of inspections to ensure racetrack operations are in full compliance with Commission rules; a reduction in greyhound racing supervision; and a reduction in response time to public inquiries and open records requests.
7. Reduction of Staff Work Hours - a reduction of \$344,020 for the biennium. This reduction is achieved by reducing certain staff from 40 hour work weeks to 36 hour work weeks in areas with the least impact to overseeing live racing operations. It would result in reduced regulatory oversight of all racing operations.
8. Texas-bred Incentive Program – an additional \$111,225 biennial reduction in appropriation authority for the Texas-bred Incentive Program.

VIII. BACKGROUND CHECKS: STATUTORY AUTHORITY AND AGENCY RULES AND PROCEDURES STATUTE AND RULE:

The Commission has statutory authority to conduct background checks from two sources:

- 1) Government Code, Sec. 411.96 — authorizes the Commission to obtain from DPS criminal history record information that pertains to persons appointed to the

Administrator's Statement
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

476 Racing Commission

Commission, applicants for employment by the Commission, and applicants for a license under the Texas Racing Act.
2) Texas Racing Act, Sec. 5.04 — authorizes the Commission to obtain any criminal history record information maintained by DPS or the FBI that relates to each applicant for employment by the Commission and to each applicant for a license issued. This section also authorizes the Commission to refuse to recommend an applicant who fails to provide a complete set of his or her fingerprints.

The Texas Rules of Racing are codified in Title 16, Part 8 of the Texas Administrative Code and require background checks on applicants for a racetrack license (Sec. 309.4) and applicants for an occupational license (Sec. 311.3). Both sections require that: 1) a licensure applicant must submit with the application documents a set of fingerprints in a form prescribed by DPS; 2) not later than 10 days after TxRC staff takes the fingerprints, the fingerprints must be forwarded to DPS; and 3) TxRC must obtain a criminal history record from DPS and the FBI for each individual who submits fingerprints.

Agency Process

To obtain a license, each applicant must complete a basic application, submit fingerprints for a criminal history background check and pay the DPS/FBI fingerprint processing fee, and pay a licensing fee. The agency sends all fingerprints electronically to DPS. DPS electronically forwards the fingerprints to the FBI for processing. The Commission's transition to electronic fingerprinting has shortened the amount of time it takes to receive criminal history information from DPS and the FBI.

Currently, Commission staff re-fingerprints each occupational licensee and obtains a new FBI background check at the three-year renewal mark. Between renewal periods, TxRC investigators rely on updates from DPS which alert the Commission if a licensee is arrested in Texas.

IX. SUMMARY

The Commission regulates an industry that is large and complex, operating seven days a week, 365 days a year. The racing industry provides an entertainment and recreation experience for hundreds of thousands while providing significant economic benefits to the state. Approval of the Legislative Appropriations Request – baseline budget, rider authorization requests, and exceptional item – will allow the Commission to continue providing effective and efficient regulation of this industry, thereby fulfilling its mission to ensure that pari-mutuel racing is safe, honest, and fair for all participants.

2.A. Summary of Base Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:29PM

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 Enforce Racing Regulations in Texas					
1 Regulate Pari-mutuel Racetracks Effectively					
1 LICENSE/REGULATE RACETRACKS	298,721	354,834	359,315	359,315	359,975
2 Increase the Number of Texas Bred Race Animals Competing					
1 TEXAS BRED INCENTIVE PROGRAM	3,262,733	3,475,000	3,475,000	3,475,000	3,475,000
3 Reduce the Rate of Rulings Per Occupational Licensee					
1 SUPERVISE & CONDUCT LIVE RACES	587,564	611,788	679,144	690,724	692,204
2 MONITOR LICENSEE ACTIVITIES	245,833	238,328	263,572	245,602	243,522
4 Reduce the Percentage of Race Animals Injured or Dismissed					
1 INSPECT & PROVIDE EMERGENCY CARE	227,353	271,489	331,575	340,949	341,149
2 ADMINISTER DRUG TESTS	282,686	325,057	280,832	283,998	284,898
TOTAL, GOAL	\$4,904,890	\$5,276,496	\$5,389,438	\$5,395,588	\$5,396,748
2 Regulate the Participation in Racing					

2.A. Summary of Base Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:29PM

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>1</u> <i>Maintain the Efficiency of the Occupational Licensing Process</i>					
1 OCCUPATIONAL LICENSING PROGRAM	485,259	535,042	516,340	512,164	513,044
2 TEXAS.GOV	18,319	22,500	22,500	22,500	22,500
TOTAL, GOAL 2	\$503,578	\$557,542	\$538,840	\$534,664	\$535,544
<u>3</u> Regulate Pari-mutuel Wagering in Texas					
<u>1</u> <i>Increase Pass Rate for Initial Tote Test and Compliance Audits</i>					
1 MONITOR WAGERING AND AUDIT	308,601	327,618	326,775	326,775	327,375
2 WAGERING COMPLIANCE INSPECTIONS	164,213	244,540	217,211	167,211	167,631
TOTAL, GOAL 3	\$472,814	\$572,158	\$543,986	\$493,986	\$495,006
<u>4</u> Indirect Administration					
<u>1</u> <i>Indirect Administration</i>					
1 CENTRAL ADMIN & OTHER SUPPORT SVCS	689,509	739,332	735,830	737,180	751,192
2 INFORMATION RESOURCES	510,631	517,101	521,709	514,024	538,500

2.A. Summary of Base Request by Strategy
 84th Regular Session, Agency Submission, Version I
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:29PM

476 Racing Commission

Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
TOTAL, GOAL 4	\$1,200,140	\$1,256,433	\$1,257,539	\$1,251,204	\$1,289,692
TOTAL, AGENCY STRATEGY REQUEST	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
<u>METHOD OF FINANCING</u>					
General Revenue Dedicated Funds:					
597 Texas Racing Comm Acct	7,079,551	7,662,629	7,729,803	7,675,442	7,716,990
SUBTOTAL	\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
Federal Funds:					
8082 Federal Reimbursements	1,871	0	0	0	0
SUBTOTAL	\$1,871	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:30PM

Agency code	476	Agency name	Racing Commission	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
METHOD OF FINANCING								
<u>GENERAL REVENUE FUND - DEDICATED</u>								
597		GR Dedicated - Texas Racing Commission Account No. 597						
		<i>REGULAR APPROPRIATIONS</i>						
		Regular Appropriations from MOF Table (2012-13 GAA)		\$8,662,096	\$0	\$0	\$0	\$0
		Regular Appropriations from MOF Table (2014-15 GAA)		\$0	\$8,315,406	\$8,315,407	\$0	\$0
		Requested Appropriations		\$0	\$0	\$0	\$7,675,442	\$7,716,990
		<i>RIDER APPROPRIATION</i>						
		Art VIII, Agency 476, Rider 7 (2012-13 GAA)		\$635,637	\$0	\$0	\$0	\$0
		Comments: New Racetrack Rider						
		Art IX, Sec 18.49, HB 2271, Sunset Legislation		\$287,561	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:30PM

Agency code	476	Agency name: Racing Commission	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
METHOD OF FINANCING							
<u>GENERAL REVENUE FUND - DEDICATED</u>							
		Art VIII, Agency 476, Rider 6 (2014-15 GAA)	\$0	\$635,637	\$635,637	\$0	\$0
		Comments: New Racetrack Rider					
TRANSFERS							
		Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$30,483	\$89,303	\$0	\$0
LAPSED APPROPRIATIONS							
		Regular Appropriations from MOF Table (2012-13 GAA)	\$(1,264,077)	\$0	\$0	\$0	\$0
		Art VIII, Agency 476, Rider 7 (2012-13 GAA)	\$(635,637)	\$0	\$0	\$0	\$0
		Comments: New Racetrack Rider					
		Art VIII, Agency 476, Rider 10 (2012-13 GAA)	\$(313,537)	\$0	\$0	\$0	\$0
		Comments: Contingent Revenue / 10% Reduction					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:30PM

Agency code:	476	Agency name:	Racing Commission	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
METHOD OF FINANCING								
<u>GENERAL REVENUE FUND - DEDICATED</u>								
		Art IX, Sec 18.49, HB 2271, Sunset Legislation		\$ (287,561)	\$ 0	\$ 0	\$ 0	\$ 0
		Art VIII, Special Provisions, Sec 4 (Texas Online)		\$ (4,931)	\$ 0	\$ 0	\$ 0	\$ 0
		Regular Appropriations from MOF Table (2014-15 GAA)		\$ 0	\$ (650,000)	\$ (650,000)	\$ 0	\$ 0
		Comments: Rider 3, Texas Bred Incentive Funds						
		Regular Appropriations from MOF Table (2014-15 GAA)		\$ 0	\$ (33,260)	\$ (24,907)	\$ 0	\$ 0
		Comments: Rider 4, Criminal History and Background Checks						
		Art VIII, Agency 476, Rider 6 (2014-15 GAA)		\$ 0	\$ (635,637)	\$ (635,637)	\$ 0	\$ 0
		Comments: New Racetrack Rider						
TOTAL,		GR Dedicated - Texas Racing Commission Account No. 597		\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:30PM

Agency code	476	Agency name	Req 2013	Est 2014	Bud 2015	Req 2016	Req 2017
METHOD OF FINANCING							
TOTAL, ALL GENERAL REVENUE FUND - DEDICATED							
			\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
TOTAL, GR & GR-DEDICATED FUNDS							
			\$7,079,551	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
FEDERAL FUNDS							
8082	Federal Reimbursements						
	<i>RIDER APPROPRIATION</i>						
	Art 1X, Sec. 8.02 Fed Funds/Block Grants		\$1,871	\$0	\$0	\$0	\$0
TOTAL, Federal Reimbursements							
			\$1,871	\$0	\$0	\$0	\$0
TOTAL, ALL FEDERAL FUNDS							
			\$1,871	\$0	\$0	\$0	\$0
GRAND TOTAL							
			\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:30PM

Agency code	476	Agency name:	Racing Commission	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
METHOD OF FINANCING								
FULL-TIME-EQUIVALENT POSITIONS								
REGULAR APPROPRIATIONS								
Regular Appropriations from MOF Table (2012-13 GAA)				61.3	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)				0.0	52.6	52.6	0.0	0.0
Requested Appropriations				0.0	0.0	0.0	51.2	51.2
RIDER APPROPRIATION								
Art VIII, Agency 476, Rider 7 (2012-13 GAA)				5.0	0.0	0.0	0.0	0.0
Art IX, Sec 18.49, HB 2271, Sunset Legislation				1.0	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 6 (2014-15 GAA)				0.0	5.0	5.0	0.0	0.0
LAPSED APPROPRIATIONS								
Regular Appropriations from MOF Table (2012-13 GAA)				(6.6)	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 7 (2012-13 GAA)				(5.0)	0.0	0.0	0.0	0.0
Art VIII, Agency 476, Rider 10 (2012-13 GAA)				(6.5)	0.0	0.0	0.0	0.0
Art IX, Sec 18.49, HB 2271, Sunset Legislation				(1.0)	0.0	0.0	0.0	0.0

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	476	Agency name:	Racing Commission	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
METHOD OF FINANCING								
Regular Appropriations from MOF Table (2014-15 GAA)			0.0	(2.4)	(1.0)	0.0	0.0	0.0
Art VIII, Agency 476, Rider 6 (2014-15 GAA)			0.0	(5.0)	(5.0)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES			48.2	50.2	51.6	51.2	51.2	51.2
NUMBER OF 100% FEDERALLY FUNDED FTES			0.0	0.0	0.0	0.0	0.0	0.0

2.C. Summary of Base Request by Object of Expense
 84th Regular Session, Agency Submission, Version I
 Automated Budget and Evaluation System of Texas (ABEST)

7/28/2014 1:01:30PM

476 Racing Commission

OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$2,666,714	\$2,863,773	\$2,990,443	\$2,965,322	\$2,965,322
1002 OTHER PERSONNEL COSTS	\$212,373	\$137,548	\$156,678	\$157,105	\$173,477
2001 PROFESSIONAL FEES AND SERVICES	\$146,290	\$283,275	\$218,500	\$173,500	\$173,500
2003 CONSUMABLE SUPPLIES	\$31,056	\$39,500	\$37,000	\$37,000	\$37,000
2004 UTILITIES	\$54,333	\$53,736	\$59,200	\$59,200	\$59,200
2005 TRAVEL	\$140,683	\$170,147	\$218,156	\$244,000	\$244,000
2006 RENT - BUILDING	\$87,870	\$87,979	\$88,950	\$88,950	\$88,950
2007 RENT - MACHINE AND OTHER	\$9,399	\$14,500	\$9,500	\$9,500	\$9,500
2009 OTHER OPERATING EXPENSE	\$439,841	\$520,038	\$476,376	\$465,865	\$491,041
4000 GRANTS	\$3,262,733	\$3,475,000	\$3,475,000	\$3,475,000	\$3,475,000
5000 CAPITAL EXPENDITURES	\$30,130	\$17,133	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
OOE Total (Riders)	\$7,081,422	\$7,662,629	\$7,729,803	\$7,675,442	\$7,716,990
Grand Total					

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:																																																																																	
476	Texas Racing Commission	Sammy Jackson	7/28/2014	Base																																																																																	
Current Rider Number	Page Number in 2014-15 GAA																																																																																				
1	VIII-55 & VIII-56	Proposed Rider Language																																																																																			
<p>Performance Measure Targets. The following is a listing of the key performance target levels for the Racing Commission. It is the intent of the Legislature that appropriations made by this ACT be utilized in the most efficient and effective manner possible to achieve the intended mission of the Racing Commission. In order to achieve the objectives and service standards established by this Act, the Racing Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p>																																																																																					
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: center;"><u>2016</u></th> <th style="width: 10%; text-align: center;"><u>2017</u></th> </tr> </thead> <tbody> <tr> <td>A. Goal: ENFORCE RACING REGULATION</td> <td></td> <td></td> </tr> <tr> <td>Outcome (Results/Impact):</td> <td></td> <td></td> </tr> <tr> <td>Percentage of Investigations (Individuals) Resulting in Disciplinary Action</td> <td style="text-align: center;">95.0%</td> <td style="text-align: center;">95.0%</td> </tr> <tr> <td>Percentage of Licensees with No Recent Violations</td> <td style="text-align: center;">95.0%</td> <td style="text-align: center;">95.0%</td> </tr> <tr> <td>Percentage of Race Animals Injured or Dismissed from the Racetrack</td> <td style="text-align: center;">0.35%</td> <td style="text-align: center;">0.35%</td> </tr> <tr> <td>A.1.1. Strategy: LICENSE/REGULATE RACETRACKS</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Racetrack Inspections</td> <td style="text-align: center;">95</td> <td style="text-align: center;">95</td> </tr> <tr> <td>Explanatory:</td> <td></td> <td></td> </tr> <tr> <td>Number of Horse Tracks Regulated</td> <td style="text-align: center;">10</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Number of Greyhound Tracks Regulated</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Texas Bred Awards</td> <td style="text-align: center;">9,500</td> <td style="text-align: center;">9,500</td> </tr> <tr> <td>A.3.1. Strategy: SUPERVISE & CONDUCT LIVE RACES</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Occupational Licenses Suspended or Revoked</td> <td style="text-align: center;">100</td> <td style="text-align: center;">100</td> </tr> <tr> <td>A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Investigations Completed</td> <td style="text-align: center;">96</td> <td style="text-align: center;">96</td> </tr> <tr> <td>A.4.1. Strategy: INSPECT & PROVIDE EMERGENCY CARE</td> <td></td> <td></td> </tr> <tr> <td>Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Race Animals Inspected Pre-race</td> <td style="text-align: center;">41,364</td> <td style="text-align: center;">41,284</td> </tr> <tr> <td>B. Goal: REGULATE PARTICIPATION</td> <td></td> <td></td> </tr> <tr> <td>Outcome (Results/Impact):</td> <td></td> <td></td> </tr> <tr> <td>Average Time Required to Issue a New Occupational License (Minutes)</td> <td style="text-align: center;">15</td> <td style="text-align: center;">15</td> </tr> </tbody> </table>						<u>2016</u>	<u>2017</u>	A. Goal: ENFORCE RACING REGULATION			Outcome (Results/Impact):			Percentage of Investigations (Individuals) Resulting in Disciplinary Action	95.0%	95.0%	Percentage of Licensees with No Recent Violations	95.0%	95.0%	Percentage of Race Animals Injured or Dismissed from the Racetrack	0.35%	0.35%	A.1.1. Strategy: LICENSE/REGULATE RACETRACKS			Output (Volume):			Number of Racetrack Inspections	95	95	Explanatory:			Number of Horse Tracks Regulated	10	10	Number of Greyhound Tracks Regulated	3	3	A.2.1. Strategy: TEXAS BRED INCENTIVE PROGRAM			Output (Volume):			Number of Texas Bred Awards	9,500	9,500	A.3.1. Strategy: SUPERVISE & CONDUCT LIVE RACES			Output (Volume):			Number of Occupational Licenses Suspended or Revoked	100	100	A.3.2. Strategy: MONITOR LICENSEE ACTIVITIES			Output (Volume):			Number of Investigations Completed	96	96	A.4.1. Strategy: INSPECT & PROVIDE EMERGENCY CARE			Output (Volume):			Number of Race Animals Inspected Pre-race	41,364	41,284	B. Goal: REGULATE PARTICIPATION			Outcome (Results/Impact):			Average Time Required to Issue a New Occupational License (Minutes)	15	15
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3.B. Rider Revisions and Additions Request (continued)

		<p>B.1.1. Strategy: OCCUPATIONAL LICENSING PROGRAM Output (Volume): Number of New Occupational Licenses Issued 2,200 Number of Occupational Licenses Renewed 4,500</p> <p>C. Goal: REGULATE PARI-MUTUEL WAGERING Outcome (Results/Impact): Percentage of Compliance Audits Passed 95.0% C.1.1. Strategy: MONITOR WAGERING AND AUDIT Explanatory: Total Pari-Mutuel Handle (in Millions) \$317.00 Total Take to the State Treasury from Pari-Mutuel Wagering on \$2,900,000</p>	2,200 4,500 95.0% \$317.00 \$2,900,000 95.0% \$316.50 \$2,900,000
2	VIII-56	<p>Unexpended Balance Authority. Unexpended balances remaining in Racing Commission Receipts as of August 31, 2016, 2014, are hereby appropriated for the fiscal year beginning September 1, 2017, 2015.</p>	
3	VIII-56	<p>Texas Bred Incentive Program Receipts. Amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are appropriated above in Strategy A.2.1, Texas Bred Incentive Program.</p>	
4	VIII-56	<p>Criminal History Checks and Background Checks.</p> <p>a. Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$166,924 \$196,007 in fiscal year 2016 2014 and \$166,924 \$196,007 in fiscal year 2017 2015 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety (DPS), Federal Bureau of Investigations (FBI), and/or any other entity authorized to conduct criminal history background checks for cost incurred in conducting criminal history checks or background checks on individuals seeking to transfer ownership interest in an existing racetrack license or Racing Commission license applicants and renewals. Any additional revenue received from occupational license fees to cover the costs of criminal history checks or background checks (estimated to be \$0) is hereby appropriated to the Racing Commission for the purpose of reimbursing DPS, the FBI, and/or any other entity authorized to conduct criminal history background checks.</p> <p>b. Before May 31, 2016 2014, the Racing Commission shall submit a report to the Legislative Budget Board, in a form prescribed by the Legislative Budget Board that details the amount collected and expended on criminal history checks and background checks to date and the amount the agency is projecting to collect and expend on criminal history checks and background checks for the remainder of the 2016-17 2014-15 biennium.</p>	
5	VIII-56	<p>Texas Bred Incentive Program Awards. None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the commission. The Racing Commission shall take all necessary steps to ensure compliance with this provision.</p>	
6	VIII-56 & VIII-57	<p>Contingent Appropriation: New Horse Racetrack or Reopening Horse Racetrack and Accredited Texas Bred Program</p> <p>a. In addition to the amounts appropriated above, the Texas Racing Commission shall be appropriated \$303,600 out of funds collected by the agency and deposited to GR Dedicated-Texas Racing Commission</p>	

3.B. Rider Revisions and Additions Request (continued)

Account No. 597 during each fiscal year of the 2016-17 2014-15 biennium, the following amounts for each new horse racetrack that begins operation for the first time during the biennium or for each reopening horse racetrack that initiates operations again during the biennium (estimated to be one new horse racetrack or reopening horse racetrack) contingent upon the Texas Racing Commission assessing fees sufficient to generate, in addition to revenue requirements elsewhere in this act, during the 2016-17 2014-15 biennium, \$370,540 for fiscal year 2016 2014 and \$370,540 for fiscal year 2017 2015 for each new horse racetrack or each reopening horse racetrack during the 2016-2017 2014-2015 biennium in excess of \$? \$7,965,000 in fiscal year 2016 2014 and \$? \$7,979,000 in fiscal year 2017 2015 (Object Codes 3188, 3189, 3190, 3193, 3194 and 3197) contained in the Comptroller of Public Accounts' Biennial Revenue Estimates for fiscal years 2016 2014 and 2017 2015:

- (a) \$97,900 in Strategy A.3.1, Supervise and Conduct Live Races;
- (b) \$52,500 in Strategy A.3.2, Monitor Licensee Activities;
- (c) \$54,850 in Strategy A.4.1, Inspect and Provide Emergency Care;
- (d) \$18,350 in Strategy A.4.2, Administer Drug Tests;
- (e) \$35,000 in Strategy B.1.1, Occupational Licensing Program;
- (f) \$45,000 in Strategy C.1.1, Monitor Wagering and Audit.

Also, the "Number of Full-Time-Equivalents (FTE)" figure indicated above shall be increased by 5.0 FTE's in each fiscal year for each new horse racetrack that begins operations for the first time during the biennium or for each reopening horse racetrack that initiates operations again during the biennium contingent upon the Texas Racing Commission generating the amount of revenue indicated above for each new horse racetrack. The Texas Racing Commission upon completion of necessary actions to access or increase such additional revenue shall furnish copies of the Texas Racing Commissions' minutes and other information supporting the estimated revenues to be generated for the 2016-2017 2014-15 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent-appropriation shall be made available for the intended purpose. For informational purposes, the amount of increased revenue identified above reflects amounts sufficient to cover direct appropriations of \$607,200 and other direct and indirect costs (estimated to be \$139,362 for the 2016-17 2014-15 biennium).

b. In addition to the amounts appropriated above in GR Dedicated Texas Racing Commission Account No. 597, the Texas Racing Commission shall be appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to VTCS, Article 179e, § 6.08 (j) for the Texas Bred Incentive Program that is collected by the agency from each new horse racetrack that begins operations for the first time during the 2016-17 2014-15 biennium or for each reopening horse racetrack that initiates operations again during the 2016-17 2014-15 biennium in an amount not to exceed \$332,037 from GR Dedicated-Texas Racing Commission Account No. 597 each year for each new horse racetrack. Any appropriations from revenue collected by the agency from new horse racetracks for the Texas Bred Incentive Program during the 2016-17 2014-15 biennium may be used only for that purpose and are not transferable to any other strategy.

3.B. Rider Revisions and Additions Request (continued)

	<p>c. For the purposes of this contingency rider, a "reopening horse racetrack" is a horse racetrack that has not operated live or simulcast race operations for 365 or more consecutive days prior to the reopening date for which live or simulcast operations are to be initiated again. Additionally, the reopening horse racetrack can not have ceased operations during the same biennium in which it initiates operations again.</p>
7	<p>VIII-56</p> <p>Contingent Appropriation: New Racetrack Application. All fees collected to cover the cost of the racetrack application process, in excess of \$15,000 in each fiscal year from GR Dedicated- Texas Racing Commission Account No. 597 (Object Code 3191) in the Comptroller's Biennial Revenue Estimate (estimated to be \$0 each fiscal year), are hereby appropriated to Strategy A. 1.1, License and Regulate Racetracks. Any appropriations from revenue collected by the agency from new racetrack applications shall be used only for the racetrack application review process for those racetracks that have a scheduled hearing before the State Office of Administrative Hearing or the Texas Racing Commission during the <u>2016-17 2014-15</u> biennium and are not transferable to any other strategy.</p>
8	<p>New</p> <p>Seized Funds or Assets: <u>Amounts appropriated above in Strategy A.3.2, Monitor Occupational Licensees, include \$0 in fiscal year 2016 and fiscal year 2017 from seized funds or assets coming from illegal gambling investigations that are filed under Texas Penal Code Chapter 47 (Gambling), Texas Penal Code Chapter 71 (Engaging in Organized Criminal Activity/ Gambling), and any illegal gambling or racing filed under Vernon Civil Statute 179e (Texas Racing Act). In addition to amounts appropriated above, all forfeited money collected under federal or state forfeiture programs, proceeds from the sale of forfeited property or similar monetary awards related to the Racing Commission's participation in the seizure of funds, assets, or other contraband, are hereby appropriated to the Racing Commission to be used for enforcement purposes. Any funds unexpended at the close of fiscal year 2016 are appropriated for fiscal year 2017.</u></p>

4.A. Exceptional Item Request Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/28/2014
 TIME: 1:01:34PM

Agency code: 476 Agency name: Racing Commission

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Reclassification of ED Position		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 04-01-01 Central Administration and Other Support Services		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	34,600	34,600
	TOTAL, OBJECT OF EXPENSE	\$34,600	\$34,600
METHOD OF FINANCING:			
597	Texas Racing Comm Acct	34,600	34,600
	TOTAL, METHOD OF FINANCING	\$34,600	\$34,600

DESCRIPTION / JUSTIFICATION:
 Recommended in the State Auditor's Report No. 12-708

EXTERNAL/INTERNAL FACTORS:
 Ability to attract qualified applicants

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 476 Agency name: **Racing Commission**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
597 Texas Racing Comm Acct					
Beginning Balance (Unencumbered):	\$1,822,456	\$750,000	\$589,263	\$209,132	\$125,566
Estimated Revenue:					
3188 Race Track Licenses - Horse	2,387,390	3,113,275	3,111,244	3,386,244	3,386,244
3189 Racing and Wagering Licenses	752,801	759,600	747,458	747,458	747,458
3190 Race Track Licenses - Greyhound	637,700	1,092,228	1,080,000	1,080,000	1,080,000
3191 Race Track Appl Fees - Horse	60,141	0	0	0	0
3193 Breakage - Horse Racing	2,826,198	2,960,700	2,960,700	2,960,700	2,960,700
3197 Breakage - Greyhound Racing	490,037	514,300	514,300	514,300	514,300
3719 Fees/Copies or Filing of Records	359	378	400	400	400
3802 Reimbursements-Third Party	19,120	19,000	23,467	23,467	23,467
Subtotal: Actual/Estimated Revenue	7,173,746	8,459,481	8,437,569	8,712,569	8,712,569
Total Available	\$8,996,202	\$9,209,481	\$9,026,832	\$8,921,701	\$8,838,135
DEDUCTIONS:					
Expended, Budgeted, Requested	(7,079,551)	(7,603,179)	(7,670,803)	(7,650,593)	(7,692,141)
Transfer - Employee Benefits	(841,398)	(925,045)	(1,047,897)	(1,046,093)	(1,046,092)
Transfer - Equine Research	(58,503)	(59,450)	(59,000)	(59,449)	(59,449)
Transfer - St Wide Cost Allocation	(28,538)	(26,044)	(30,000)	(30,000)	(30,000)
Transfer - 75% Worker's Comp	0	0	0	0	0
Transfer - 50% Unemployment	(15,883)	(6,500)	(10,000)	(10,000)	(10,000)
Transfer - TX Racing Act 3.09 B	(222,329)	0	0	0	0
Total, Deductions	\$18,246,202	\$(8,620,218)	\$(8,817,700)	\$(8,796,135)	\$(8,837,682)
Ending Fund/Account Balance	\$750,000	\$589,263	\$209,132	\$125,566	\$453
REVENUE ASSUMPTIONS:					

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session. Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	476	Agency name:	Racing Commission	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
FUND/ACCOUNT								

The base annual license fee for each license racetrack by type is:

- 1) \$500,000 for a Class 1.
- 2) \$230,000 for a Class 2,
- 3) \$70,000 for a Class 3 or 4, and
- 4) \$360,000 for a Greyhound racetrack.
- 5) Adjustment of Fees: Fees are calculated using a projected base of 143 days of live horse racing and 270 performances of live greyhound racing per calendar year. To cover regulatory cost in the event additional days or performances are requested the executive secretary may recalculate a horse racetrack's fee by adding \$3,750 for each additional live day and recalculate a greyhound racetrack's annual fee by adding \$750 for each additional live performance added.
- 6) If it is determined the total revenue from the annual fees is insufficient to pay the Commission's costs, a supplemental fee would be required to be paid by each association.

Occupational license fees are varied among the different license types. Each new license issued also requires an additional fee to be paid for background check cost. Renewed license issued also requires an additional fee to be paid for background check cost once every three years.

Texas Bred Incentive Program Funds are earned by wagering activity at each horse and greyhound racetrack. The agency collects 1% of each exotic wager placed, as well as 90.2% of all breakage at horse racetracks and 50% of all breakage at greyhound racetracks.

Exceptional Item expenditures have been included.

CONTACT PERSON:

Sammy Jackson

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: Racing Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
			Biennial Total	2017	Biennial Total

1 Texas Bred Incentive Program

Category: Programs - Grant/Loan/Pass-through Reductions

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$695,000 or 45.5% consists of grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas. Of these funds, 2.0% is allocated for Equine Research at Texas A&M University, 9.8% is set aside for administration of the Texas Bred Incentive Program to the Breed Registries recognized by the Texas Racing Act, and 88.2% is allocated for awards to owners of Accredited Texas Bred greyhounds and horses.

Strategy: 1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$347,500	\$347,500	\$695,000
Gr Dedicated Total	\$0	\$0	\$347,500	\$347,500	\$695,000
Item Total	\$0	\$0	\$347,500	\$347,500	\$695,000

FTE Reductions (From FY 2016 and FY 2017 Base Request)

2 Eliminate Accounting Professional Fees and Services

Category: Administrative - Contracted Admin Services

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$10,000 or 0.7% consists of professional fees and services for preparing the agency's annual financial report. This reduction would have a limited affect on the agency.

Strategy: 4-1-1 Central Administration and Other Support Services

Gr Dedicated

597 Texas Racing Comm Acct	\$0	\$0	\$5,000	\$5,000	\$10,000
Gr Dedicated Total	\$0	\$0	\$5,000	\$5,000	\$10,000
Item Total	\$0	\$0	\$5,000	\$5,000	\$10,000

FTE Reductions (From FY 2016 and FY 2017 Base Request)

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
		Biennial Total		Biennial Total	
3 Eliminate Training Budgets					
Category: Administrative - Operating Expenses					
Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$38,900 or 2.5% consists of other operating expenses budgeted for training in each of the following strategies. Although this reduction would not have an immediate short-term affect on the agency's population, eliminating staff development would have a long-term affect on agency operations.					
Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$1,200	\$1,200	\$2,400
Gr Dedicated Total	\$0	\$0	\$1,200	\$1,200	\$2,400
Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$3,900	\$3,900	\$7,800
Gr Dedicated Total	\$0	\$0	\$3,900	\$3,900	\$7,800
Strategy: 1-3-2 Monitor Occupational Licensee Activities					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$1,500	\$1,500	\$3,000
Gr Dedicated Total	\$0	\$0	\$1,500	\$1,500	\$3,000
<u>Federal Funds</u>					
8082 Federal Reimbursements	\$0	\$0			
Federal Funds Total	\$0	\$0			
Strategy: 1-4-1 Inspect and Provide Emergency Care					
<u>Gr Dedicated</u>					

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: Racing Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
		Biennial Total		Biennial Total	
597 Texas Racing Comm Acct	\$0	\$0	\$900	\$900	\$1,800
Gr Dedicated Total	\$0	\$0	\$900	\$900	\$1,800
Strategy: 1-4-2 Administer Drug Tests					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$2,100	\$2,100	\$4,200
Gr Dedicated Total	\$0	\$0	\$2,100	\$2,100	\$4,200
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$2,400	\$2,400	\$4,800
Gr Dedicated Total	\$0	\$0	\$2,400	\$2,400	\$4,800
Strategy: 3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$1,200	\$1,200	\$2,400
Gr Dedicated Total	\$0	\$0	\$1,200	\$1,200	\$2,400
Strategy: 3-1-2 Conduct Wagering Compliance Inspections					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$900	\$900	\$1,800
Gr Dedicated Total	\$0	\$0	\$900	\$900	\$1,800
Strategy: 4-1-1 Central Administration and Other Support Services					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$2,100	\$2,100	\$4,200

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
Time: 1:01:59PM

Agency code: 476 Agency name: Racing Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
Gr Dedicated Total	\$0	\$0	\$2,100	\$2,100	\$4,200
Strategy: 4-1-2 Information Resources					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$3,500	\$3,000	\$6,500
Gr Dedicated Total	\$0	\$0	\$3,500	\$3,000	\$6,500
Item Total	\$0	\$0	\$19,700	\$19,200	\$38,900

FTE Reductions (From FY 2016 and FY 2017 Base Request)

4 Eliminate ARCI Membership Dues

Category: Administrative - Operating Expenses

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$34,150 or 2.2% consists of membership dues to the Association of Racing Commissioners International (ARCI). Dropping membership would have a significant impact as the agency. For example, the agency would no longer be able to participate in the ARCI national database that is used to monitor licensees' standing in other jurisdictions. Additionally, staff would not have input on developing or staying current on standards for racing regulation, medication policy, drug testing laboratories, totalizer systems, racetrack operations and security.

Strategy: 4-1-1 Central Administration and Other Support Services

<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$17,075	\$17,075	\$34,150
Gr Dedicated Total	\$0	\$0	\$17,075	\$17,075	\$34,150
Item Total	\$0	\$0	\$17,075	\$17,075	\$34,150

FTE Reductions (From FY 2016 and FY 2017 Base Request)

5 Reduce Travel Reimbursements

Category: Administrative - Travel

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

Date: 7/28/2014
Time: 1:01.59PM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 476 Agency name: Racing Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
	Biennial Total		Biennial Total		
Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$77,900 or 5.1% consists of travel funds. Cutting these funds would have a significant impact to the agency. For example, there would be a reduction in the number of inspections to ensure racetrack operations are in full compliance with Commission rules; a reduction in supervisors monitoring agency staff at the racetracks; and agency personnel would not be fully reimbursed at the state's allowable rates.					
Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$1,250	\$1,250	\$2,500
Gr Dedicated Total	\$0	\$0	\$1,250	\$1,250	\$2,500
Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$11,500	\$11,500	\$23,000
Gr Dedicated Total	\$0	\$0	\$11,500	\$11,500	\$23,000
Strategy: 1-3-2 Monitor Occupational Licensee Activities					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$6,700	\$6,700	\$13,400
Gr Dedicated Total	\$0	\$0	\$6,700	\$6,700	\$13,400
<u>Federal Funds</u>					
8082 Federal Reimbursements	\$0	\$0	\$0	\$0	\$0
Federal Funds Total	\$0	\$0	\$0	\$0	\$0
Strategy: 1-4-1 Inspect and Provide Emergency Care					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$1,000	\$1,000	\$2,000
Gr Dedicated Total	\$0	\$0	\$1,000	\$1,000	\$2,000

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
Biennial Total					Biennial Total
Strategy: 1-4-2 Administer Drug Tests					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$2,500	\$2,500	\$5,000
Gr Dedicated Total	\$0	\$0	\$2,500	\$2,500	\$5,000
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$4,400	\$4,400	\$8,800
Gr Dedicated Total	\$0	\$0	\$4,400	\$4,400	\$8,800
Strategy: 3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$3,600	\$3,600	\$7,200
Gr Dedicated Total	\$0	\$0	\$3,600	\$3,600	\$7,200
Strategy: 3-1-2 Conduct Wagering Compliance Inspections					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$4,000	\$4,000	\$8,000
Gr Dedicated Total	\$0	\$0	\$4,000	\$4,000	\$8,000
Strategy: 4-1-1 Central Administration and Other Support Services					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$2,500	\$2,500	\$5,000
Gr Dedicated Total	\$0	\$0	\$2,500	\$2,500	\$5,000

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: Racing Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
		Biennial Total		Biennial Total	
Strategy: 4-1-2 Information Resources					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$1,500	\$1,500	\$3,000
Gr Dedicated Total	\$0	\$0	\$1,500	\$1,500	\$3,000
Item Total	\$0	\$0	\$38,950	\$38,950	\$77,900
FTE Reductions (From FY 2016 and FY 2017 Base Request)					
6 Elimination of Staff					
Category: Programs - Service Reductions (FTEs-Layoffs)					
Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$216,070 or 14.1% consists of a reduction in staff equal to 2.2 FTE's in each year of the biennium. Cutting these funds would have a significant impact to the agency. For example, there would be a reduction in the number of inspections to ensure racetrack operations are in full compliance with Commission rules; a reduction in greyhound racing supervision; and a reduction in response time to public inquiries and open records requests.					
Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$23,868	\$23,868	\$47,736
Gr Dedicated Total	\$0	\$0	\$23,868	\$23,868	\$47,736
Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$31,824	\$31,824	\$63,648
Gr Dedicated Total	\$0	\$0	\$31,824	\$31,824	\$63,648
Strategy: 1-3-2 Monitor Occupational License Activities					

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
		Biennial Total		Biennial Total	
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$5,668	\$5,668	\$11,336
Gr Dedicated Total	\$0	\$0	\$5,668	\$5,668	\$11,336
Strategy: 3-1-2 Conduct Wagering Compliance Inspections					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$46,675	\$46,675	\$93,350
Gr Dedicated Total	\$0	\$0	\$46,675	\$46,675	\$93,350
Item Total	\$0	\$0	\$108,035	\$108,035	\$216,070
FTE Reductions (From FY 2016 and FY 2017 Base Request)					
			2.2	2.2	

7 Reduction of Staff Work Hours

Category: Across the Board Reductions

Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$344,020 or 22.5% consists of a 10% reduction of staff working hours equal to 3.0 FTE's in each year of the biennium. This reduction would not include Stewards, Judges, Investigators, Veterinarians, or Test Barn Technicians that work at the racetracks during live racing. To reduce the hours of these positions would require a reduction in race date allocations to all horse and greyhound racetracks. Staff members that would be affected by this reduction would have their normal 40 hour work week reduced to 36 hours per week. This reduction would have a significant impact on the agency. For example, there would be reduced regulatory oversight in all programs due to the decreased hours of operation. Additionally, it would affect the agency's ability to retain staff with knowledge base needed to maintain regulatory oversight required by the Racing Act.

Strategy: 1-1-1 Provide Regulatory and Enforcement Services to Racetrack Owners

<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$31,011	\$31,011	\$62,022
Gr Dedicated Total	\$0	\$0	\$31,011	\$31,011	\$62,022

Strategy: 1-3-1 Supervise the Conduct of Racing through Enforcement and Monitoring

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
		Biennial Total		Biennial Total	
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$7,054	\$7,054	\$14,108
Gr Dedicated Total	\$0	\$0	\$7,054	\$7,054	\$14,108
Strategy: 1-3-2 Monitor Occupational Licensee Activities					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$6,182	\$6,182	\$12,364
Gr Dedicated Total	\$0	\$0	\$6,182	\$6,182	\$12,364
Strategy: 1-4-1 Inspect and Provide Emergency Care					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$3,734	\$3,734	\$7,468
Gr Dedicated Total	\$0	\$0	\$3,734	\$3,734	\$7,468
Strategy: 2-1-1 Administer the Occupational Licensing Program through Enforcement					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$27,685	\$27,685	\$55,370
Gr Dedicated Total	\$0	\$0	\$27,685	\$27,685	\$55,370
Strategy: 3-1-1 Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$15,132	\$15,132	\$30,264
Gr Dedicated Total	\$0	\$0	\$15,132	\$15,132	\$30,264
Strategy: 3-1-2 Conduct Wagering Compliance Inspections					
<u>Gr Dedicated</u>					

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: **Racing Commission**

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
		Biennial Total			Biennial Total
597 Texas Racing Comm Acct	\$0	\$0	\$9,730	\$9,730	\$19,460
Gr Dedicated Total	\$0	\$0	\$9,730	\$9,730	\$19,460
Strategy: 4-1-1 Central Administration and Other Support Services					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$40,937	\$40,937	\$81,874
Gr Dedicated Total	\$0	\$0	\$40,937	\$40,937	\$81,874
Strategy: 4-1-2 Information Resources					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$30,545	\$30,545	\$61,090
Gr Dedicated Total	\$0	\$0	\$30,545	\$30,545	\$61,090
Item Total	\$0	\$0	\$172,010	\$172,010	\$344,020
FTE Reductions (From FY 2016 and FY 2017 Base Request)					
			3.0	3.0	
8 Texas Bred Incentive Program					
Category: Programs - Grant/Loan/Pass-through Reductions					
Item Comment: Of the total GR Dedicated reduction of \$1,527,265, \$111,225 or 7.3% consists of grants to the Texas Bred Incentive Program for encouraging the breeding and racing of animals in Texas. Of these funds, 2.0% is allocated for Equine Research at Texas A&M University, 9.8% is allocated for administration of the Texas Bred Incentive Program to the various Breed Registries recognized by the Texas Racing Act and 88.2% is allocated for awards to be issued to owners of Accredited Texas Bred greyhounds and horses.					
Strategy: 1-2-1 Allocate TX Bred Funds. Estimated and Nontransferable.					
<u>Gr Dedicated</u>					
597 Texas Racing Comm Acct	\$0	\$0	\$55,612	\$55,612	\$111,225
Gr Dedicated Total	\$0	\$0	\$55,612	\$55,612	\$111,225

6.1. Percent Biennial Base Reduction Options
10 % REDUCTION
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/28/2014
 Time: 1:01:59PM

Agency code: 476 Agency name: Racing Commission

Item Priority and Name/ Method of Financing	REVENUE LOSS		REDUCTION AMOUNT		TARGET
	2016	2017	2016	2017	
Item Total	\$0	\$0	\$55,612	\$55,613	\$111,225
FTE Reductions (From FY 2016 and FY 2017 Base Request)					
AGENCY TOTALS					
GR Dedicated Total			\$763,882	\$763,383	\$1,527,265
Agency Grand Total	\$0	\$0	\$763,882	\$763,383	\$1,527,265
Difference, Options Total Less Target					
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)			5.2	5.2	

IV. PROCEEDINGS ON RACETRACKS

- A. Allocation of Live Race Dates for Horse Racetracks under Commission Rule 303.41 for the Period beginning January 1, 2015, and ending August 31, 2016



June 25, 2014

Mr. Joel Speight
Deputy Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Mr. Speight:

Enclosed, please find Sam Houston Race Park's 2015 and 2016 race dates request for the Commission's consideration. In summary, we are pleased to request the following dates:

- 2015 American Quarter Horse Meet – March 27, 2015 to May 16, 2015 (24 days)
- 2016 Thoroughbred Meet – January 15, 2016 to March 8, 2016 (32 days)

Please let me know if you have any questions regarding this letter.

Sincerely,

Andrea B. Young
President

Cc: Bryan Brown
Britton Wallace
Steve Lamantia
Scott Wells
Howard Phillips
Chris Corrado
Drew Alexander
Greg Lamantia
Marsha Rountree
Mary Ruyle
Rob Werstler
Ed Wilson

TEXAS RACING COMMISSION

REQUEST FOR LIVE RACE DATES

HORSE RACETRACKS - 2015

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, June 30, 2014.

I. Schedule Requested

Name of Racetrack: Sam Houston Race Park

First Meet

<input type="checkbox"/> Thoroughbred	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____

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

Second Meet

<input type="checkbox"/> Thoroughbred	Opening Day: 03/27/15	Closing Day: 05/16/15
X Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day <u>9.67</u>	Projected Purse Per Day \$ <u>65,000</u>
X Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day <u>0.33</u>	Projected Purse Per Day \$ <u>1,500</u>

Meet Type: TB X QH MX N/A Total Number of Race Days 24

Third Meet

<input type="checkbox"/> Thoroughbred	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____

Meet Type: TB QH MX N/A Total Number of Race Days _____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2015 will be allocated among the various breeds:

Appaloosa	_____ %	Arabian	2.9%	Paint	1.5%
Quarter Horse	43.0%	Thoroughbred	52.6%		

Check all that apply:

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

The Thoroughbred, Quarter Horse and Arabian breed registry(ies) has not agreed to this allocation, but negotiations with the breed registry(ies) occurred as described below:

Participants in Negotiations

- Various Rob Werstler, TQHA
- Various Mary Ruyle, TTA
- Various Ed Wilson, HBPA
- Various Marsha Roundtree, THP
- Various Jan Haynes, TTHBPA

III. Dates Requested

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

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

- (1) A charity that directly benefits the persons who work on the backside:
1/20/2015 for Race Track Chaplaincy of Sam Houston
(Name of Charity)
- (2) A charity that primarily benefits research into the health or safety of race animals:
1/27/2015 for Lonestar Outreach to Place Ex-racers L.O.P.E.
(Name of Charity)

OPTIONAL

- ___/___/2015 for _____
(Name of Charity)
- ___/___/2015 for _____
(Name of Charity)
- ___/___/2015 for _____
(Name of Charity)

For each charity listed, attach the following information:

1. A brief description of the activities or purposes of the charity;
2. The name and address of each individual who serves as an officer or director; and
3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.

TEXAS RACING COMMISSION COORDINATION FORM for RACE DATES REQUEST HORSE RACETRACKS - 2015

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete non-concur form. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, August 1, 2014.

I. Negotiation with Breed Registries and affected Race Tracks

CONCUR (All affected breed registries and race tracks agreed with requested dates and letters of agreement are attached)

Non-CONCUR _____ (Reasons for Non-concurrence and proposed changes are attached)

II. Certificate of Service

I hereby certify that on 7/31, 2014, a true and correct copy of this concurrence/non-concurrence was sent to the persons listed below by:

- Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery

Signature 7/31/14
Title

- | | | |
|---|--|---|
| <input type="checkbox"/> KTAGS
Bryan Brown, Vice President
P.O. Box 47535
San Antonio, TX 78265-7535 | <input type="checkbox"/> Gillespie County Fair & Festival
Britton Wallace, President
P.O. Box 526
Fredericksburg, TX 78624 | <input type="checkbox"/> Laredo Downs
Greg LaMantia, President
7220 CPL Road
Laredo, TX 78041 |
| <input type="checkbox"/> Laredo Race Park, LLP
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417 | <input type="checkbox"/> Lone Star Park At Grand Prairie
Scott Wells, General Manager
1000 Lone Star Parkway
Grand Prairie, TX 75050 | <input type="checkbox"/> Manor Downs
Howard Phillips, General Manager
P.O. Box 141309
Austin, TX 78714 |
| <input type="checkbox"/> Retama Park
Chris Corrado, General Manager
P.O. Box 47535
San Antonio, TX 78265-7535 | <input type="checkbox"/> Saddle Brook Park
Drew Alexander, President
3822 Business Park Drive
Amarillo, TX 79110 | <input type="checkbox"/> Sam Houston Race Park
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417 |
| <input type="checkbox"/> Valle de los Tesoros Race Park
Greg LaMantia, President
3900 N. McColl Road
McAllen, TX 78501 | | |

Thursday, July 31, 2014 10:34:24 AM Central Daylight Time

Subject: (none)

Date: Wednesday, July 30, 2014 2:19:10 PM Central Daylight Time

From: rob werstler

To: Young, Andrea

Andrea, the Texas Quarter Horse Association supports the Sam Houston Race Park races date application for the 2015 Quarter Horse meet.

We are also very appreciative for the extra week between the thoroughbred meet and American Quarter Horse meet. We feel this will make for a much smoother transition for horsemen.

We look Forward to working with you to make 2015 a great racing season.

Rob Werstler
Director of Racing

TEXAS RACING COMMISSION
REQUEST FOR LIVE RACE DATES
HORSE RACETRACKS - 2016

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, June 30, 2014.

2014 JUN 25 PM 3:07

I. Schedule Requested

Name of Racetrack: Sam Houston Race Park

First Meet

	Opening Day: <u>01/15/16</u>	Closing Day: <u>03/08/16</u>
X Thoroughbred	# of Races Per Day <u>9.5</u>	ProjectedPurse Per Day <u>\$165,000</u>
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
X Arabian	# of Races Per Day <u>0.5</u>	Projected Purse Per Day <u>\$5,000</u>
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: X TB	<input type="checkbox"/> QH X MX	Total Number of Race Days <u>32</u>

Second Meet

	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	ProjectedPurse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB	<input type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days _____

Third Meet

	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	ProjectedPurse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB	<input type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days _____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2016 will be allocated among the various breeds:

Appaloosa _____% Arabian 5% Paint _____%
Quarter Horse _____% Thoroughbred 95%

Check all that apply:

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

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

Participants in Negotiations

Various Mary Ruyle, TTA
Various Ed Wilson, TABA
Various Marsha Roundtree, THBPA
Various Jan Haynes, TTHBPA
____/____/____

III. Dates Requested

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

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

(1) A charity that directly benefits the persons who work on the backside:
____/____/2016 for TBA
(Name of Charity)

(2) A charity that primarily benefits research into the health or safety of race animals:
____/____/2016 for TBA
(Name of Charity)

OPTIONAL

____/____/2016 for _____
(Name of Charity)

____/____/2016 for _____
(Name of Charity)

____/____/2016 for _____
(Name of Charity)

For each charity listed, attach the following information:

- 1. A brief description of the activities or purposes of the charity;
- 2. The name and address of each individual who serves as an officer or director; and
- 3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.

TEXAS RACING COMMISSION COORDINATION FORM for RACE DATES REQUEST HORSE RACETRACKS - 2016

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete non-concur form. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, August 1, 2014.

I. Negotiation with Breed Registries and affected Race Tracks

CONCUR (All affected breed registries and race tracks agreed with requested dates and letters of agreement are attached)

Non-CONCUR _____ (Reasons for Non-concurrence and proposed changes are attached)

II. Certificate of Service

I hereby certify that on 7/31, 2014, a true and correct copy of this concurrence/non-concurrence was sent to the persons listed below by:

Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery

Signature 7/31/14 Title

KTAGS
Bryan Brown, Vice President
P.O. Box 47535
San Antonio, TX 78265-7535

Laredo Race Park, LLP
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Retama Park
Chris Corrado, General Manager
P.O. Box 47535
San Antonio, TX 78265-7535

Valle de los Tesoros Race Park
Greg LaMantia, President
3900 N. McColl Road
McAllen, TX 78501

Gillespie County Fair & Festival
Britton Wallace, President
P.O. Box 526
Fredericksburg, TX 78624

Lone Star Park At Grand Prairie
Scott Wells, General Manager
1000 Lone Star Parkway
Grand Prairie, TX 75050

Saddle Brook Park
Drew Alexander, President
3822 Business Park Drive
Amarillo, TX 79110

Laredo Downs
Greg LaMantia, President
7220 CPL Road
Laredo, TX 78041

Manor Downs
Howard Phillips, General Manager
P.O. Box 141309
Austin, TX 78714

Sam Houston Race Park
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417



July 30, 2014

Andrea Young
President
Sam Houston Race Park
7575 N Sam Houston Pkwy W
Houston, TX 77064

Dear Andrea,

Written on behalf of the board of directors of the Texas Thoroughbred Association, this letter is to convey support for Sam Houston Race Park's requested race dates for 2015 and 2016.

We look forward to working with you to ensure successful Thoroughbred meets for all participants.

Sincerely,

Mary Ruyle
Executive Director

Thursday, July 31, 2014 10:34:46 AM Central Daylight Time

Subject: Re: FW: Requested 2015 & 2016 Race Dates

Date: Thursday, July 31, 2014 8:28:55 AM Central Daylight Time

From:

To: Young, Andrea

Andrea:

The THP through its partners, TTHBPA and THBPA agree to support SHRP's race dates application for the years 2015 and 2016.

Thanks--

Marsha Rountree

Executive Director, THP

In a message dated 7/30/2014 1:46:17 P.M. Central Daylight Time,

writes:

Marsha/Mary/Rob -

The agency has requested that we submit a new form this year indicating that the racetracks and horsemen associations concur with the race dates as requested. I spoke to Joel about this yesterday because I wasn't sure about I understood this new process and he indicated he would appreciate an email be attached to SHRP's concurrence form from each of your organization's indicating you are in agreement with our request. At your earliest, please send me an email indicating your support of SHRP's race date requests for 2015 and 2016.

Let me know if you have any questions. I appreciate your help.

Thanks,
Andrea



LONE STAR PARK
at Grand Prairie

Our Mission:
Create Winning Experiences.

June 23, 2014

11 5 JUN 26 PM 3: 59

Mr. Sammy Jackson
Deputy Director
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754

Via Email and Regular Mail

Dear Sammy:

Enclosed you will find Lone Star Park's completed 2015 race date application for the Commission's review and consideration. In summary, we respectfully request the following dates:

Thoroughbred Meet - April 9 through July 18 (Thursday-Saturday) – post times tentative

- 6:35 pm post time on Thursday, Friday and Saturday
- 1:35 pm post time on Sunday, April 12; Sunday, May 10; Sunday, May 24; Sunday, June 21
- 1:35 pm post time on Memorial Day, May 25; Saturday, May 2; Saturday, May 16; Saturday, June 6
- 5:00 pm post time on July 4
- 50 total days

Quarter Horse Meet – September 18 through November 14 (Thursday-Saturday)

- 6:35 pm post time
- 26 total days; will offer some Paint Horse and Arabian races during the Quarter Horse Meet

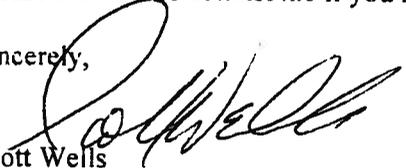
Additionally, we submit the following dates for consideration for the period of January through August, 2016:

Thoroughbred Meet – April 14 through July 16 (Thursday-Saturday) – post times tentative

- 6:35 pm post time on Thursday, Friday and Saturday
- 1:35 pm post time on Sunday, April 17; Sunday, May 8; Sunday, May 29; Sunday, June 19; Sunday, July 3
- 1:35 pm post time on Memorial Day, May 30; Saturday, May 7; Saturday, May 21; Saturday, June 11
- 5:00 pm post time on July 4
- 50 total days

Please feel free to contact me if you have any questions or need additional information.

Sincerely,


Scott Wells
President and General Manager

Enclosures

- cc: Andrea Young, President, Laredo Race Park, LLP; President, Sam Houston Race Park
Howard Phillips, CEO, Manor Downs
Chris Corrado, General Manager, Retama Park
Drew Alexander, President, Saddle Brook Park
Britton Wallace, President, Gillespie County Fair & Festivals Association
Ed Wilson, President, Texas Arabian Breeders Association
Lex Smurthwaite, Executive Director, Texas Paint Horse Breeders Association
Mary Ruyle, Executive Director, Texas Thoroughbred Association
Marsha Rountree, Executive Director, Texas Horseman's Partnership

70 of 215

TEXAS RACING COMMISSION

REQUEST FOR LIVE RACE DATES

HORSE RACETRACKS - 2015

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, June 30, 2014.

I. Schedule Requested

Name of Racetrack: Lone Star Park

<u>First Meet</u>	Opening Day: <u>4 / 9 / 15</u>	Closing Day: <u>7 / 19 / 15</u>
<input checked="" type="checkbox"/> Thoroughbred	# of Races Per Day <u>9-11</u>	ProjectedPurse Per Day \$ <u>135,000</u>
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input checked="" type="checkbox"/> TB	<input type="checkbox"/> QH <input type="checkbox"/> MX	Total Number of Race Days <u>50</u>

<u>Second Meet</u>	Opening Day: <u>9 / 18 / 15</u>	Closing Day: <u>11 / 14 / 15</u>
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	ProjectedPurse Per Day \$ _____
<input checked="" type="checkbox"/> Quarter Horse	# of Races Per Day <u>9-11</u>	Projected Purse Per Day \$ <u>60,000</u>
<input checked="" type="checkbox"/> Arabian	# of Races Per Day <u><1</u>	Projected Purse Per Day \$ _____
<input checked="" type="checkbox"/> Paint Horse	# of Races Per Day <u><1</u>	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB	<input checked="" type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days <u>26</u>

<u>Third Meet</u>	Opening Day: <u>___ / ___ / ___</u>	Closing Day: <u>___ / ___ / ___</u>
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	ProjectedPurse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB	<input type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days _____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2015 will be allocated among the various breeds:

Appaloosa	_____ %	Arabian	1.7 %	Paint	.7 %
Quarter Horse	34.0 %	Thoroughbred	63.6 %		

Check all that apply:

- Attached are letters from the affected breed registries that have agreed to this allocation.
- The _____ breed registry(ies) has not agreed to this allocation, but negotiations with the breed registry(ies) occurred as described below:

Participants in Negotiations

___/___/___	Texas Horsemen's Partnership
___/___/___	_____
___/___/___	_____
___/___/___	_____
___/___/___	_____

III. Dates Requested

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

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

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

10 / 1 / 2015 for Race Track Chaplaincy of Texas
(Name of Charity)

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

10 / 8 / 2015 for Texas A&M Equine Research Center
(Name of Charity)

OPTIONAL

10 / 15 / 2015 for Grand Prairie ISD Education Foundation
(Name of Charity)

___ / ___ / 2015 for _____
(Name of Charity)

___ / ___ / 2015 for _____
(Name of Charity)

For each charity listed, attach the following information:

1. A brief description of the activities or purposes of the charity;
2. The name and address of each individual who serves as an officer or director; and
3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.

V. Certificate of Service

I hereby certify that on June 23, 2014, a true and correct copy of this request was sent to the persons listed below by:

- Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery

<i>Signature</i>	<i>President & General Manager</i>	<i>Title</i>
<input type="checkbox"/> KTAGS Bryan Brown, Vice President P.O. Box 47535 San Antonio, TX 78265-7535	<input type="checkbox"/> Gillespie County Fair & Festival Britton Wallace, President P.O. Box 526 Fredericksburg, TX 78624	<input type="checkbox"/> Laredo Downs Steve LaMantia, President 7220 CPL Road Laredo, TX 78041
<input type="checkbox"/> Laredo Race Park, LLP Andrea Young, President 7575 N Sam Houston Pkwy W Houston, TX 77064-3417	<input type="checkbox"/> Lone Star Park At Grand Prairie Drew Shubeck, General Manager 1000 Lone Star Parkway Grand Prairie, TX 75050	<input type="checkbox"/> Manor Downs Howard Phillips, General Manager P.O. Box 141309 Austin, TX 78714
<input type="checkbox"/> Retama Park Chris Corrado, General Manager P.O. Box 47535 San Antonio, TX 78265-7535	<input type="checkbox"/> Saddle Brook Park Drew Alexander, President 3822 Business Park Drive Amarillo, TX 79110	<input type="checkbox"/> Sam Houston Race Park Andrea Young, President 7575 N Sam Houston Pkwy W Houston, TX 77064-3417
<input type="checkbox"/> Valle de los Tesoros Race Park Greg LaMantia, President 3900 N. McColl Road McAllen, TX 78501		

TEXAS RACING COMMISSION COORDINATION FORM for RACE DATES REQUEST HORSE RACETRACKS - 2015

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete non-concur form. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, August 1, 2014.

I. Negotiation with Breed Registries and affected Race Tracks

CONCUR The composite calendars are accurate as to this track's own dates and that the overall schedule as requested by all tracks is acceptable. (All affected race tracks concurrence letters are attached)

Non-CONCUR _____ (Reasons for Non-concurrence and proposed changes are attached)

II. Certificate of Service

I hereby certify that on August 1, 2014, a true and correct copy of this concurrence/non-concurrence was sent to the persons listed below by:

- Certified Mail R.R.R.
- Regular Mail
- Facsimile
- Hand Delivery

Paula Newman
Signature

Vice President Assistant General Manager
Title

KTAGS
Bryan Brown, Vice President
P.O. Box 47535
San Antonio, TX 78285-7535

Gillespie County Fair & Festival
Britton Wallace, President
P.O. Box 528
Fredericksburg, TX 78624

Laredo Downs
Greg LaMantia, President
7220 CPL Road
Laredo, TX 78041

Laredo Race Park, LLP
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Lone Star Park At Grand Prairie
Scott Wells, General Manager
1000 Lone Star Parkway
Grand Prairie, TX 75050

Manor Downs
Howard Phillips, General Manager
P.O. Box 141309
Austin, TX 78714

Retama Park
Chris Corrado, General Manager
P.O. Box 47535
San Antonio, TX 78285-7535

Saddle Brook Park
Drew Alexander, President
3822 Business Park Drive
Amarillo, TX 79110

Sam Houston Race Park
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Valle de los Tesoros Race Park
Greg LaMantia, President
3900 N. McColl Road
McAllen, TX 78501



LONE STAR PARK
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2014-08-01 14:10:03

August 1, 2014

Mr. Joel Speight
Deputy Director for Racing Oversight
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754

Via Email and Regular Mail

Dear Mr. Speight:

Lone Star Park has reviewed the composite calendars and found our own dates to be accurate except for the noted changes requested below:

- Include every Sunday from April 12 thru July 19
- Eliminate every Thursday except for April 9, April 23, June 18 & July 16

We have also reviewed the dates for all other tracks and found them to be acceptable.

Please let us know if you have questions.

Sincerely,

Paula Newman
Vice President, Assistant General Manager



August 4, 2014

Scott Wells
Lone Star Park at Grand Prairie
1000 Lone Star Parkway
Grand Prairie, TX 75050

Dear Scott,

Written on behalf of the board of directors of the Texas Thoroughbred Association, this letter is to convey support for Lone Star Park's requested race dates for 2015 and 2016.

We look forward to working with you to ensure successful Thoroughbred meets for all participants.

Sincerely,

Mary Ruyle
Executive Director

Joel Speight

From: Rob Werstler
Sent: Tuesday, August 05, 2014 10:10 AM
To: Joel Speight
Subject: 2015 Requested Quarter Horse Race Dates

Joel,

The Texas Quarter Horse Association supports the 2015 race dates calendar as requested by Lone Star Park, Retama Park, Sam Houston Race Park and the Gillespie County Fair. This calendar is basically the same as the 2014 with the exception of Sam Houston adding a week between the end of their thoroughbred meet and the beginning of their American Quarter Horse meet which will allow for a smoother transition.

Thank you and I look forward to seeing you at the August 12 Texas Racing Commission meeting.

Rob Werstler
Director of Racing

Joel Speight

From: HBPA
Sent: Monday, August 04, 2014 7:53 AM
To: Joel Speight
Subject: Re: FW: 2015 Dates Application

Joel- THP agrees with the requested race dates as well as the modified schedule that they submitted. We think that Sundays replacing Thursdays is a positive change and will add to the purse account for thoroughbreds at LSP. I will send an approval on THP letterhead by Wednesday.

Thanks--Marsha

In a message dated 8/1/2014 5:10:24 P.M. Central Daylight Time, joel.speight@txrc.texas.gov writes:

Mary, Marsha,

I received Lone Star Park's coordination form for 2015 race dates request in the mail today. I did not see TTA or THP's coordination letters attached to this package and wanted to make sure the proposed Lone Star change that will eliminate most Thursdays and replace with Sunday racing was an acceptable change. I have attached an email from Bart Lang that includes a modified requested calendar for your review and comment.

If this change is acceptable, please send me your concurrence by email. In addition please send me your respective concurrence on letter-head by Wednesday August 6th so it can be included in the Commissioners' agenda packets for the upcoming Commission meeting.

Thank you in advance for your assistance.

Joel S. Speight

Joel S. Speight

Deputy Director for Racing Oversight

Texas Racing Commission



June 30, 2014

Mr. Sammy Jackson
Deputy Director for Finance and Wagering
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754

Dear Mr. Jackson:

Pinnacle Retama Partners LLC, license holder on behalf of Retama Park Race Track, respectively requests a 26-date Thoroughbred race meet for 2015, beginning Friday, September 4, 2015 and ending on Saturday, November 28, 2015. Post time will be 6:45 p.m.

As you are aware, Retama Park has already been granted Quarter Horse dates for 2015, June 5, 2015 through August 8, 2015.

Thoroughbred Meet

Week 1	September 4, 5
Week 2	September 11, 12
Week 3	September 18, 19
Week 4	September 25, 26
Week 5	October 2, 3
Week 6	October 9, 10
Week 7	October 16, 17
Week 8	October 23, 24
Week 9	October 30,, 31
Week 10	November 6, 7
Week 11	November 13, 14
Week 12	November 20, 21
Week 13	November 27, 28

Please let me know if you have any questions.

Yours truly,

Chris Corrado, Vice President and General Manager

cc: Drew Alexander, Jan Haynes, Dr. Tommy Hays, Mary Ruyle, Tooter Jordan, Greg LaMantia, Howard Philips, Britton Wallace, Marsha Rountree, Scott Wells, Karen Utecht, Rob Werstler, Ed Wilson, Andrea Young.

TEXAS RACING COMMISSION REQUEST FOR LIVE RACE DATES HORSE RACETRACKS - 2015

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, June 30, 2014.

I. Schedule Requested

Name of Racetrack: **Retama Park**

First Meet

	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB <input type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days _____	

Second Meet

	Opening Day: : <u>9/4/2015</u>	Closing Day: : <u>11/28/2015</u>
<input checked="" type="checkbox"/> Thoroughbred	# of Races Per Day <u>9.6</u>	Projected Purse Per Day <u>\$90,000</u>
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input checked="" type="checkbox"/> Arabian *	# of Races Per Day <u>0.4</u>	Projected Purse Per Day <u>\$5,000 *</u>
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input checked="" type="checkbox"/> TB <input type="checkbox"/> QH <input type="checkbox"/> MX	Total Number of Race Days 26	

*** Minor – 8 - 10 Arabian races during the meet. Avg. Purse \$5,000 per race**

Third Meet

	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB <input type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days _____	

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2015 will be allocated among the various breeds:

Appaloosa	<u>0.0 %</u>	Arabian	<u>3.4 %</u>	Paint	<u>0.0 %</u>
Quarter Horse	<u>0.0 %</u>	Thoroughbred	<u>96.6 %</u>		

Check all that apply:

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

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

Participants in Negotiations

The parties below were asked for comments on the proposed dates. As the proposed schedule is the same as that of 2014, we expect no objections or concerns from horsemen's groups or breed associations.

6/25/2014 Marsha Rountree - Texas Horsemen's Partnership
6/25/2014 Mary Ruyle - Texas Thoroughbred Association
6/25/2014 Rob Werstler - Texas Quarter Horse Association
6/25/2014 Tommy Hays - Texas HBPA
6/25/2014 Jan Haynes - Texas Thoroughbred HBPA
6/25/2014 Ed Wilson - Texas Arabian Breeders Association.

III. Dates Requested

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

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

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

9/11/2015* for RTCA – South Texas Chapter

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

9/18/2015 * for Texas A&M University Equine Research

(Name of Charity)

(Name of Charity)

For each charity listed, attach the following information:

- 1. A brief description of the activities or purposes of the charity;**
- 2. The name and address of each individual who serves as an officer or director; and**
- 3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.**

V. Certificate of Service

I hereby certify that on June 30, 2014, a true and correct copy of this request was sent to the persons listed below by:

- Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery



Signature – **Chris Corrado**

Title - **Vice President and General Manager**

KTAGS

Bryan Brown, Vice President
P.O. Box 47535
San Antonio, TX 78265-7535

Laredo Race Park, LLP

Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Retama Park

Chris Corrado, General Manager
P.O. Box 47535
San Antonio, TX 78265-7535

Valle de los Tesoros Race Park

Greg LaMantia, President
3900 N. McColl Road
McAllen, TX 78501

Gillespie County Fair & Festival

Britton Wallace, President
P.O. Box 526
Fredericksburg, TX 78624

Lone Star Park At Grand Prairie

Scott Wells, General Manager
1000 Lone Star Parkway
Grand Prairie, TX 75050

Saddle Brook Park

Drew Alexander, President
3822 Business Park Drive
Amarillo, TX 79110

Laredo Downs

Steve LaMantia, President
7220 CPL Road
Laredo, TX 78041

Manor Downs

Howard Phillips, General Manager
P.O. Box 141309
Austin, TX 78714

Sam Houston Race Park

Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417



2014-08-04 13:37

August 4, 2014

Chris Corrado
Retama Park
PO Box 47535
San Antonio, TX 78265

Dear Chris,

Written on behalf of the board of directors of the Texas Thoroughbred Association, this letter is to convey support for Retama Park's requested race dates for 2015 and 2016. We look forward to working with you to ensure successful Thoroughbred meets for all participants.

Sincerely,

Mary Ruyle
Executive Director



June 30, 2014

Mr. Sammy Jackson
Deputy Director for Finance and Wagering
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754

Dear Mr. Jackson:

Pinnacle Retama Partners LLC, license holder on behalf of Retama Park Race Track, respectfully requests a 20-date Quarter Horse race meet for 2016, beginning Friday, June 10, 2016 and ending on Saturday, August 13, 2016. Post time will be 6:45 p.m.

Thoroughbred Meet

Week 1	June 10, 11
Week 2	June 17, 18
Week 3	June 24, 25
Week 4	July 1, 2
Week 5	July 8, 9
Week 6	July 15, 16
Week 7	July 22, 23
Week 8	July 29, 30
Week 9	August 5, 6
Week 10	August 12, 13

Please let me know if you have any questions.

Yours truly,

Chris Corrado, Vice President and General Manager

cc: Drew Alexander, Jan Haynes, Dr. Tommy Hays, Mary Ruyle, Tooter Jordan, Greg LaMantia, Howard Philips, Britton Wallace, Marsha Rountree, Scott Wells, Karen Utecht, Rob Werstler, Ed Wilson, Andrea Young, Pancho Villarreal

**TEXAS RACING COMMISSION
REQUEST FOR LIVE RACE DATES HORSE
RACETRACKS - 2016**

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, June 30, 2014.

I. Schedule Requested

Retama Park

<u>First Meet</u>	Opening Day: <u>6/10/2016</u>	Closing Day: <u>8/13/2016</u>
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input checked="" type="checkbox"/> Quarter Horse	# of Races Per Day <u>9.9</u>	Projected Purse Per Day <u>\$50,000</u>
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input checked="" type="checkbox"/> Paint Horse *	# of Races Per Day <u>0.1</u>	Projected Purse Per Day <u>\$12,500*</u>
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB <input checked="" type="checkbox"/> QH <input type="checkbox"/> MX	Total Number of Race Days - 20	

* Minor – Two Paint Stakes races during the meet.

<u>Second Meet</u>	Opening Day: ___/___/___	Closing Day: ___/___/___
<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____
Meet Type: <input type="checkbox"/> TB <input type="checkbox"/> QH <input type="checkbox"/> MX <input type="checkbox"/> N/A	Total Number of Race Days _____	

It is our intention to apply for Thoroughbred dates in September, October and November of 2016. We will do so when the race date application period for those months opens up.

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2015 will be allocated among the various breeds:

Appaloosa	<u>0.0</u> %	Arabian	<u>0.0</u> %	Paint	<u>2.3</u> %
Quarter Horse	<u>97.7</u> %	Thoroughbred	<u>0.0</u> %		

Check all that apply:

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

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

Participants in Negotiations

The parties below were asked for comments on the proposed dates. As the proposed schedule is the same as that of 2014, we expect no objections or concerns from horsemen's groups or breed associations.

6/25/2014 Marsha Rountree - Texas Horsemen's Partnership

6/25/2014 Mary Ruyle - Texas Thoroughbred Association

6/25/2014 Rob Werstler - Texas Quarter Horse Association

6/25/2014 Tommy Hays - Texas HBPA

6/25/2014 Jan Haynes - Texas Thoroughbred HBPA

6/25/2014 Ed Wilson - Texas Arabian Breeders Association

III. Dates Requested

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

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

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

Date TBD* for RTCA – South Texas Chapter

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

Date TBD* for Texas A&M University Equine Research

(Name of Charity)

Charity dates will be held in the 2016 Thoroughbred Meet to be held in the fall. Application period not yet open.

For each charity listed, attach the following information:

1. A brief description of the activities or purposes of the charity;
2. The name and address of each individual who serves as an officer or director; and
3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.

V. Certificate of Service

I hereby certify that on June 30, 2014, a true and correct copy of this request was sent to the persons listed below by:

- Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery



Signature – Chris Corrado

Title - Vice President and General Manager

KTAGS
Bryan Brown, Vice President
P.O. Box 47535
San Antonio, TX 78265-7535

Laredo Race Park, LLP
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Retama Park
Chris Corrado, General Manager
P.O. Box 47535
San Antonio, TX 78265-7535

Valle de los Tesoros Race Park
Greg LaMantia, President
3900 N. McColl Road
McAllen, TX 78501

Gillespie County Fair & Festival
Britton Wallace, President
P.O. Box 526
Fredericksburg, TX 78624

Lone Star Park At Grand Prairie
Scott Wells, President
1000 Lone Star Parkway
Grand Prairie, TX 75050

Saddle Brook Park
Drew Alexander, President
3822 Business Park Drive
Amarillo, TX 79110

Laredo Downs
Steve LaMantia, President
7220 CPL Road
Laredo, TX 78041

Manor Downs
Howard Phillips, CEO
P.O. Box 141309
Austin, TX 78714

Sam Houston Race Park
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

TEXAS RACING COMMISSION COORDINATION FORM for RACE DATES REQUEST HORSE RACETRACKS - 2016

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete non-concur form. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, August 1, 2014.

I. Negotiation with Breed Registries and affected Race Tracks

CONCUR (All affected breed registries and race tracks agreed with requested dates and letters of agreement are attached)

Non-CONCUR _____ (Reasons for Non-concurrence and proposed changes are attached)

II. Certificate of Service

I hereby certify that on August 4, 2014, a true and correct copy of this concurrence/non-concurrence was sent to the persons listed below by:

- Certified Mail R.R.R.
 Regular Mail
 Facsimile
 Hand Delivery

Steven M. Ron Director of Racing Operations
 Signature Title

KTAGS
 Bryan Brown, Vice President
 P.O. Box 47535
 San Antonio, TX 78265-7535

Gillespie County Fair & Festival
 Britton Wallace, President
 P.O. Box 526
 Fredericksburg, TX 78624

Laredo Downs
 Greg LaMantia, President
 7220 CPL Road
 Laredo, TX 78041

Laredo Race Park, LLP
 Andrea Young, President
 7575 N Sam Houston Pkwy W
 Houston, TX 77064-3417

Lone Star Park At Grand Prairie
 Scott Wells, General Manager
 1000 Lone Star Parkway
 Grand Prairie, TX 75050

Manor Downs
 Howard Phillips, General Manager
 P.O. Box 141309
 Austin, TX 78714

Retama Park
 Chris Corrado, General Manager
 P.O. Box 47535
 San Antonio, TX 78265-7535

Saddle Brook Park
 Drew Alexander, President
 3822 Business Park Drive
 Amarillo, TX 79110

Sam Houston Race Park
 Andrea Young, President
 7575 N Sam Houston Pkwy W
 Houston, TX 77064-3417

Valle de los Tesoros Race Park
 Greg LaMantia, President
 3900 N. McColl Road
 McAllen, TX 78501

Joel Speight

From: HBPA
Sent: Monday, August 04, 2014 7:51 AM
To: Joel Speight
Subject: Re: Retama Park Race Date Coordination Forms Attached

Joel-

THP is in agreement with the race dates that Retama has requested and will send the same on letterhead before Wednesday.

Thanks--Marsha

In a message dated 8/3/2014 6:32:15 P.M. Central Daylight Time, joel.speight@txrc.texas.gov writes:

Mary, Marsha,

I received Retama Park's coordination forms for 2015 & 2016 race dates request. I did not see TTA or THP's coordination letters attached to Retama's coordination forms. I have attached the email Steve Ross sent me. If you concur with Retama Park's proposed dates, please send me your concurrence by email. In addition please send me your respective concurrence on letter-head by Wednesday, August 6th, so it can be included in the Commissioners' agenda packets for the upcoming Commission meeting.

Thank you in advance for your assistance.

Joel S. Speight

Joel S. Speight
Deputy Director for Racing Oversight
Texas Racing Commission
Tel: (512) 833-6699

Joel Speight

From: Rob Werstler
Sent: Tuesday, August 05, 2014 10:10 AM
To: Joel Speight
Subject: 2015 Requested Quarter Horse Race Dates

Joel,

The Texas Quarter Horse Association supports the 2015 race dates calendar as requested by Lone Star Park, Retama Park, Sam Houston Race Park and the Gillespie County Fair. This calendar is basically the same as the 2014 with the exception of Sam Houston adding a week between the end of their thoroughbred meet and the beginning of their American Quarter Horse meet which will allow for a smoother transition.

Thank you and I look forward to seeing you at the August 12 Texas Racing Commission meeting.

Rob Werstler
Director of Racing

TEXAS RACING COMMISSION

REQUEST FOR LIVE RACE DATES

HORSE RACETRACKS - 2016

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Friday, June 30, 2014.

2014 JUN 24 PM 1:07
Texas 2016

I. Schedule Requested

Name of Racetrack: Gillespie County Fairgrounds

First Meet

Opening Day: 7 / 2 / 2016

Closing Day: 8 / 28 / 2016

<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____

Meet Type: TB QH MX Total Number of Race Days 8

Second Meet

Opening Day: / /

Closing Day: / /

<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____

Meet Type: TB QH MX N/A Total Number of Race Days _____

Third Meet

Opening Day: / /

Closing Day: / /

<input type="checkbox"/> Thoroughbred	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Quarter Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Arabian	# of Races Per Day _____	Projected Purse Per Day \$ _____
<input type="checkbox"/> Paint Horse	# of Races Per Day _____	Projected Purse Per Day \$ _____
Totals	# of Races Per Day _____	Projected Purse Per Day \$ _____

Meet Type: TB QH MX N/A Total Number of Race Days _____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2016 will be allocated among the various breeds:

Appaloosa _____% Arabian _____% Paint 1.5 %
Quarter Horse 69% Thoroughbred 29.5%

Check all that apply:

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

The Texas Thoroughbred Association and the Texas Quarter Horse Association breed registry(ies) has not agreed to this allocation, but negotiations with the breed registry(ies) occurred as described below:

Participants in Negotiations

- 05 / 28 / 14 Dan Fick, Executive Director, Texas Thoroughbred Assn. (letter attached)
- 05 / 28 / 14 Rob Werstler, Director of Racing, Texas Quarter Horse Assn. (letter attached)
- 05 / 28 / 14 Lex Smurthwaite, Executive Director, TPHBA. (letter attached)

III. Dates Requested

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

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

- (1) A charity that directly benefits the persons who work on the backside:
 ___ / ___ / 2016 for _____
(Name of Charity)
- (2) A charity that primarily benefits research into the health or safety of race animals:
 ___ / ___ / 2016 for _____
(Name of Charity)

OPTIONAL

- ___ / ___ / 2016 for _____
(Name of Charity)
- ___ / ___ / 2016 for _____
(Name of Charity)
- ___ / ___ / 2016 for _____
(Name of Charity)

For each charity listed, attach the following information:

1. A brief description of the activities or purposes of the charity
2. The name and address of each individual who serves as an officer or director
3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes

V. Certificate of Service

I hereby certify that on 5-29-14, a true and correct copy of this request was sent to the persons listed below by:

- Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery

, Henry Sagebiel General Manager, Racing
Signature *Title*

KTAGS
Bryan Brown, Vice President
P.O. Box 47535
San Antonio, TX 78265-7535

Gillespie County Fair & Festival
Steve Wetz, General Manager
P.O. Box 526
Fredericksburg, TX 78624

Laredo Downs
Steve LaMantia, President
7220 CPL Road
Laredo, TX 78041

Laredo Race Park, LLP
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Lone Star Park At Grand Prairie
Drew Shubeck, President
1000 Lone Star Parkway
Grand Prairie, TX 75050

Manor Downs
Howard Phillips, CEO
P.O. Box 141309
Austin, TX 78714

Retama Park
Chris Corrado, General Manager
P.O. Box 47535
San Antonio, TX 78265-7535

Saddle Brook Park
Drew Alexander, President
3822 Business Park Drive
Amarillo, TX 79110

Sam Houston Race Park
Andrea Young, President
7575 N Sam Houston Pkwy W
Houston, TX 77064-3417

Valle de los Tesoros Race Park
Greg LaMantia, President
3900 N. McColl Road
McAllen, TX 78501

Joel Speight

From: Rob Werstler
Sent: Tuesday, August 05, 2014 10:10 AM
To: Joel Speight
Subject: 2015 Requested Quarter Horse Race Dates

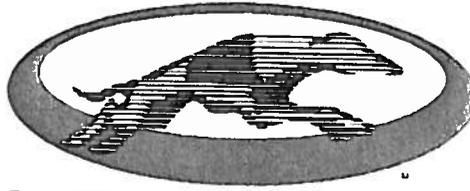
Joel,

The Texas Quarter Horse Association supports the 2015 race dates calendar as requested by Lone Star Park, Retama Park, Sam Houston Race Park and the Gillespie County Fair. This calendar is basically the same as the 2014 with the exception of Sam Houston adding a week between the end of their thoroughbred meet and the beginning of their American Quarter Horse meet which will allow for a smoother transition.

Thank you and I look forward to seeing you at the August 12 Texas Racing Commission meeting.

Rob Werstler
Director of Racing

B. Allocation of Live Race Dates for Greyhound Racetracks under Commission Rule 303.41 for the Period beginning January 1, 2015, and ending August 31, 2016



■ GULF GREYHOUND PARK ■

2014 JUN 29 09 31 00

2014 JUN 29 09 31 00

Sally B. Briggs
General Manager

June 27, 2014

Mr. Sammy Jackson
Deputy Director for Wagering & Racing Review
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

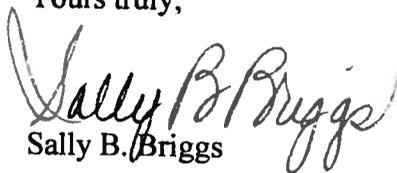
Re: 2015 Live Race Date Request

Dear Mr. Jackson:

Attached please find Gulf Greyhound Park's request for live race dates in 2015. We are requesting 255 performances with 17 races on May 3, May 17, June 7 and November 1. All other performances will be 14 races.

If you have questions or need additional information, please let me know.

Yours truly,


Sally B. Briggs

C: Gulf Coast Racing
Valley Race Park
Texas Greyhound Association

**TEXAS RACING COMMISSION
REQUEST FOR LIVE RACE DATES
GREYHOUND RACETRACKS - 2015**

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, June 30, 2014.

I. Schedule Requested

Name of Racetrack: GULF GREYHOUND PARK

Opening Day: 01 / 02 / 2015 Closing Day: 12 / 31 / 2015

Number of Performances per week scheduled for five or more races	<u>5</u>
Projected Number of Races per Performance	<u>14 Except as noted by *=17</u>
Number of Performances per week scheduled for fewer than five races	<u>0</u>
Projected Number of Races per Performance	<u> </u>
TOTAL NUMBER OF PERFORMANCES REQUESTED	<u>255</u>

II. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

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

1/ 21/2015 for 50%Texas A&M Sch Fund; 50% Texas Greyhound Assoc.
(Name of Charity)

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

2 / 13/2015 for Texas City ISD Education Foundation
(Name of Charity)

7 / 10/2015 for Texas City La Marque Chamber of Commerce
(Name of Charity)

9/ 2 /2015 for Texas A&M University Scholarship Fund
(Name of Charity)

10 / 14 /2015 for The Independence Village
(Name of Charity)

For each charity listed, attach the following information:

- 1. A brief description of the activities or purposes of the charity;**
- 2. The name and address of each individual who serves as an officer or director; and**
- 3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.**

Dates Requested

Indicate on the attached calendar each live race performance requested with a

- “M” denoting a Matinee performance with five or more races;
- “AM” denoting an Abbreviated Matinee with fewer than five races;
- “E” denoting an Evening performance with five or more races; or
- “AE” denoting an Abbreviated Evening performance with fewer than five races.

Include standard post time for each performance in space provided on calendar. Any exceptions, such as holidays, should be noted.

IV. Certificate of Service

I hereby certify that on June 26, 2014, a true and correct copy of this request was sent to the persons listed below by:

- Certified Mail R.R.R.
 Regular Mail
 Facsimile
 Hand Delivery

Sally B Briggs
Signature

Gen. Mgr.
Title

Gulf Coast Racing Association
 c/o Steve Lamb
 General Manager
 5302 Leopard Street
 Corpus Christi, TX 78408

Gulf Greyhound Park
 c/o Sally Briggs, General Manager
 P.O. Box 488
 La Marque, TX 77568-0488

Valley Race Park
 c/o Andrea Young, President
 2601 South Ed Carey Drive
 Harlingen, TX 78552

**TEXAS RACING COMMISSION
COORDINATION FORM for RACE DATES REQUEST
GREYHOUND RACETRACKS - 2015**

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete non-concur form. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, August 1, 2014.

I. Agreements

CONCUR (All affected race tracks agreed with requested dates and letters of agreement are attached)

Non-CONCUR _____ (Reasons for Non-concurrence and proposed changes are attached)

II. Certificate of Service

I hereby certify that on July 23, 2014, a true and correct copy of this concurrence/non-concurrence was sent to the persons listed below by:

Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery

Sally B Briggs
Signature

Gen. Mgr.
Title

Gulf Coast Racing Association
c/o Steve Lamb
General Manager
5302 Leopard Street
Corpus Christi, TX 78408

Gulf Greyhound Park
c/o Sally Briggs, General Manager
P.O. Box 488
La Marque, TX 77568-0488

Valley Race Park
c/o Andrea Young, President
2601 South Ed Carey Drive
Harlingen, TX 78552

2014 JUL 29 PM 4:45

C. Request by Saddle Brook Park to Designate an Application Period for Race Dates under Rule 303.41



CANTEY HANGER LLP

ATTORNEYS

BRIAN C. NEWBY
DIRECT: 817.877.2825
EMAIL: bnewby@canteyhanger.com

CANTEY HANGER PLAZA
600 W. 6TH STREET, SUITE 300
FORT WORTH, TEXAS 76102-3685
817.877.2800 – METRO 214.978.4199
FAX: 817.877.2807

July 18, 2014

Mr. Chuck Trout
Executive Director
Texas Racing Commission
8505 Cross Park Drive, suite 110
Austin, Texas 78754-4552

Re: Allocation of 2016 Race Dates

Dear Mr. Trout,

Pursuant to Texas Racing Commission Rule 303.41 (b), my client, Saddle Brook Park, LLC, requests the Commission designate an application period during which it shall accept applications for the fourth quarter of CY 2016 (October 2016 – December 2016). Saddle Brook Park, LLC specifically requests that the application period be opened on or about August 12, 2014, for a minimum of 30 days under TRC 303.41 (d).

Saddle Brook Park, LLC is confident that the opening of the CY 2016 proposed race dates will serve to nurture, promote, develop and improve the horse industry in Texas.

Sincerely,

Brian C. Newby

cc: *Via Email Transmittal*
Joel Speight
Mark Fenner
Lynn Alexander
Corey Johnsen
Jeff Hooper

- D. Review and Renewal of Inactive Racetrack Licenses under Commission Rule 309.52
 - 1) Laredo Downs
 - 2) Laredo Race Park
 - 3) Longhorn Downs
 - 4) Manor Downs



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

To: Texas Racing Commissioners
From: Chuck Trout, Executive Director 
Date: August 6, 2014
Subject: Review and Renewal of Inactive Racetrack Licenses

At its meeting on August 12, 2014, the Commission will review each racetrack license currently designated as inactive under § 6.0602 of the Texas Racing Act. These inactive licenses are:

Laredo Downs
Laredo Race Park
Longhorn Downs
Manor Downs

In preparation for this review, agency staff prepared an application form that addresses each of the renewal criteria established under Commission Rule 309.52. Each inactive license holder then completed the application form and submitted the required fee. The completed applications are attached for your use.

At the conclusion of its review of each license, the Commission may:

- (1) designate the license as Active-Operating;
- (2) designate the license as Active-Other;
- (3) renew the license as Inactive; or
- (4) refer the inactive racetrack license to the State Office of Administrative Hearings for an evidentiary hearing and Proposal for Decision as to whether the Commission should refuse to renew the license.

Renewal Criteria

Under Commission Rule 309.52, the Commission shall consider the following criteria in determining whether to renew an inactive racetrack license.

- (1) the inactive racetrack license holder's:
 - (A) financial stability;

- (B) ability to conduct live racing;
 - (C) ability to construct and maintain a racetrack facility;
 - (D) other good faith efforts to conduct live racing; and
- (2) other necessary factors considered in the issuance of the original license.

Good Faith Efforts

The Commission has also established examples of the types of actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to:

- (1) securing sufficient financial commitments to fund construction of the racetrack facility;
- (2) securing the real property of the designated location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more;
- (3) entering into contracts for the construction of the simulcasting and racetrack facilities;
- (4) securing Commission approval of the racing facility's construction plans;
- (5) securing permits and utilities necessary for the construction of the racing facilities; and
- (6) beginning and sustaining construction of the simulcasting or live racing facilities.

Nonrenewal.

The Commission may refuse to renew an inactive racetrack license if, after notice and a hearing, the Commission determines that:

- (1) renewal of the license is not in the best interests of the racing industry or the public; or
- (2) the license holder has failed to make a good faith effort to conduct live racing.

Factors supporting Nonrenewal

The Commission has established the following factors as evidence that renewal of a license is not in the best interests of the racing industry or the public:

- (1) the presence of any ground for denial, revocation, or suspension of a license under §6.06 or §6.0603 of the Act;
- (2) forfeiture of any bond by an inactive racetrack license holder that was required by the Commission;
- (3) failure by an inactive racetrack license holder to comply with any condition or order placed on the license by the Commission;
- (4) failure to maintain the ownership or leasehold interest in the real property constituting the designated location; or
- (5) any factor identified in §6.04(a) of the Act.

While the Commission has established the factors that it will consider in deciding whether to renew a license, the presence of any particular factor or factors does not require the Commission to either renew or refuse to renew an inactive racetrack license.

If you have any questions regarding this process, please let me or Mark Fenner know. In addition, representatives of each inactive racetrack license holder will be present at the Commission meeting to answer your questions about their license.

MOLTZ MORTON GLENN
LLP

Janessa M. Glenn
(512) 439-2174
jglenn@MMandG.com

Travis Oaks Building
5113 Southwest Parkway, Suite 120
Austin, TX 78735
(512) 439-2170
Facsimile (512) 439-2165

June 30, 2014

Chuck Trout, Executive Director
Texas Racing Commission
8505 Cross Park Dr., Suite #110
Austin, Texas 78754

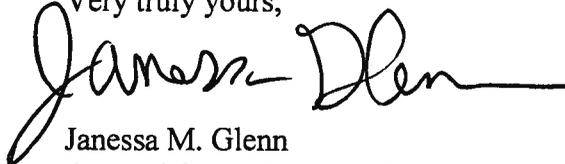
RE: Application for Renewal for LRP Group, Ltd.

Dear Mr. Trout:

Please find attached an Application for Renewal of LRP Group, Ltd.'s license. Also attached, please find a check for \$5000 for the review fee.

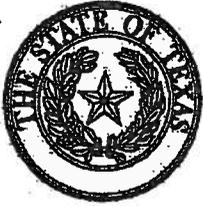
Please let me know if I can be of further assistance.

Very truly yours,



Janessa M. Glenn
Counsel for LRP Group, Ltd.

JMG/ktg
Attachments



Texas Racing Commission
 8505 Cross Park Drive Ste 110
 Austin, TX 78754-4594
 Phone (512) 833-6699 Fax (512) 833-6907
www.txrc.state.tx.us

APPLICATION FOR RENEWAL

Texas Racing Act § 6.0602 and Commission Rule 309.52 requires the Commission to annually review each inactive license until the Commission either designates the license as active or refuses to renew the license. When completing the form, provide the contact information for the person designated by the association as the primary contact person for the Commission during the review and renewal process. The association's chief executive officer must review and swear to the truth and validity of the information provided in the application and its supplemental documents. Submit the completed form, any supplemental documents, and the initial review of \$5,000 to the Commission at the address above on or before July 1, 2014.

ASSOCIATION NAME Laredo Downs / LRP Group, Ltd.			
ADDRESS OF DESIGNATED RACETRACK LOCATION Hwy. 59	CITY Laredo	STATE TX	ZIP CODE 78043
CONTACT PERSON'S FIRST NAME Gregory		CONTACT PERSON'S LAST NAME LaMantia	
CONTACT PERSON'S BUSINESS STREET ADDRESS 3900 N. McColl Road	CITY McAllen	STATE TX	ZIP CODE 78501
CONTACT PERSON'S BUSINESS PHONE # (959) 687-7751	CONTACT PERSON'S FAX # (956) 994-9734	CONTACT PERSON'S E-MAIL ADDRESS	

RENEWAL CRITERIA

Texas Racing Act § 6.0602(b) identifies the following factors as criteria the Commission shall consider in determining whether to renew an inactive license. Please provide documentation to support the association's statements for each factor.

Describe the association's:

Financial stability

LRP filed its annual ownership report with the Texas Racing Commission ("TRC") on June 16, 2014 as required by relevant TRC regulations and notices. Within that filing, LRP provided the Commission with updated financial information for the entity and documentation showing each partner's interest in LRP. As was noted in prior filings, the TRC is very familiar with the partners in LRP and their continued financial commitment to the racetrack. In addition, LRP submitted extensive financial information relating to these partners, including tax returns and other financial documentation, during the initial application process. To the best of LRP's knowledge, that information has not substantively changed. LRP clearly has the financial stability necessary to undertake the activities associated with its license. Additional information will be submitted if necessary and upon request.

Ability to conduct live racing.

As has been pointed out to the TRC previously, LRP is primarily comprised of individuals with backgrounds and expertise in horse racing. Examples include Mr. Joe Straus, Jr., Mr. Holt Hickman and other Hickman family members (Silver Creek Racing), Dr. Charles Graham, and Mr. Tyler Graham. In addition, LRP's management is very knowledgeable with respect to operating an entertainment oriented business. This was illustrated during the licensing proceeding with respect to various LaMantia family members due to their extensive involvement in such activities. Furthermore, LRP has retained the Green Group, Inc. to manage the racetrack. Information previously submitted to the Commission shows the experience and expertise of the Green Group, Inc. with respect to managing such facilities. LRP has clearly maintained its ability to conduct live racing.

The TRC is well aware of LRP's desire to relocate its license to Tarrant County, Texas. LRP currently holds an Option Contract to purchase property in Tarrant County, but has been exploring other potential sites as well. LRP intends to submit an application to the TRC seeking approval of its relocation plan. In the interim, LRP intends to work with the TRC staff, horsemen's representatives, and others in the industry with respect to the timing and other details of a live racing proposal.

The TRC is well aware of the current economic climate and the financial struggles of the industry. Given the state of the industry, it will be necessary to build purses prior to beginning live racing at any new racetrack. Accordingly, the principals of LRP and Valle De Los Tesoros ("VDLT") intend to work together with a plan that would move both locations to live racing. Under the contemplated proposal, VDLT would begin construction/operations of a temporary simulcast facility at its approved site in Hidalgo County to build up purse funds contemporaneous with TRC approval of LRP's license relocation request to Tarrant County. This would be followed by construction of a live racing venue for VDLT. The timing of construction of live racing facilities would be dependent on many factors. Under any scheduling scenario, the two entities would support each other in order for both to realize live racing in the near future.

Currently, there are four "inactive" and two "active other" horse racetracks in Texas. Clearly, not all six of those tracks will be able to begin live racing simultaneously. The Texas horseman's groups are in the best position to work with the principles of each track and weigh various industry factors to create a viable schedule for these tracks (including LRP) to begin live racing. LRP will be working closely with industry leaders to move toward live racing as quickly as possible and sensible.

Ability to construct and maintain a racetrack facility.

LRP has the financial ability to construct and maintain a racetrack facility. LRP's partners, in conjunction with the management team it has assembled, including the Green Group, Inc., have the requisite expertise and financial strength to construct and maintain a racetrack facility. The partners recognize, however, that constructing a racetrack facility in Laredo in this financial climate would be irresponsible with respect to both the partnership and the Texas racing industry. That is why LRP intends to file an application to relocate the racetrack to the much larger Tarrant County market, and is further focused on teaming with VDLT to propose a solution that would allow both tracks to responsibly begin live racing.

Other good faith efforts to conduct live racing.

Commission Rule 309.52(d)(3) provides that the Commission will consider actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to, the items listed in section A through F below. The association should also list any other examples of good faith efforts towards conducting live racing that the association would like considered. Provide documentation to support each good faith effort.

A. Securing sufficient financial commitments to fund construction of the racetrack facility.

With the TRC's indication that it is willing to allow LRP to relocate its license to Tarrant County, LRP would be immediately willing and able to commit the funds necessary to secure a site.

LRP has invested over \$5 million to date in this racetrack, including funding a contested licensing proceeding, preparing an application for transfer location, exploring live racing at a temporary location, and the day-to-day administration costs of maintaining a license. Additionally, LRP was instrumental in working with the TRC staff to increase the license fees on its own license in order to fund the Commission's budget. The partners are committed to this license and are willing to fund the building of the facility once relocated to Tarrant County, Texas.

B. Securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more.

LRP is exploring various options with respect to the best possible location for a racetrack in Tarrant County, Texas. With the TRC's indication that it is willing to allow LRP to relocate its license to Tarrant County, LRP would quickly secure a site.

As the Commission is aware, LRP currently holds an option to purchase property located in Tarrant County, Texas. A copy of the Option Contract has previously been provided to the TRC. This property is owned by the Hickman Family Limited Partnership. Mr. Holt Hickman also has an ownership interest in LRP. The property is the same property that was designated in LRP's previously filed application for transfer to a new location that was later withdrawn. LRP continues to consider this property as a potential site for the racetrack, but is exploring other options as well.

C. Entering into contracts for the construction of simulcasting and racetrack facilities.

Although LRP has not yet entered into any contracts for construction, LRP is dedicated to moving forward toward live racing. As noted above, LRP intends to file an application for relocation of the track to Tarrant County and to pursue live racing at that new location. Obviously, construction contracts can not be entered into prior to approval of the relocation request. LRP will enter into construction contracts at the appropriate time following the granting of that relocation request.

D. Securing Commission approval of the racing facility's construction plans?

It would premature to seek Commission approval of construction plans at this time. Following the granting of LRP's relocation request, LRP will develop and seek construction plan approval from the Commission. LRP is committed to moving forward with construction following relocation.

E. Securing permits and utilities necessary for the construction of the racing facility.

LRP has not yet secured permits and utilities. As noted above, LRP intends to file an application for relocation of the track to Tarrant County and to pursue live racing at that new location, including securing necessary permits and utilities.

F. Beginning and sustaining construction of the simulcasting or live racing facility.

While LRP has not begun construction, this does not mean LRP is not dedicated to moving forward toward live racing. As noted above, LRP intends to file an application for relocation of the track to Tarrant County and to pursue live racing at that new location. LRP will begin construction at the appropriate time following the granting of that relocation request.

Describe any additional actions or information the association wishes to present in support of its application for renewal. Attach additional documents as needed.

G. Any other examples of good faith efforts that the association would like considered.

Since the Commission issued the license, LRP's principals and representatives have been heavily involved in the racing industry, including attending Commission public meetings, work-sessions, and rulemaking committee sessions. The principals of are very interested and involved in any and all activities that could improve the condition of the Texas racing industry. LRP is well-known by the horseman and the owners of the other tracks as a key and responsible player in the industry. LRP has, on more than one occasion, presented innovative ideas to the Commission and staff in support of the growth of the industry as a whole. LRP's continued support of and interest in the industry supports a finding that it is making good-faith efforts.

Further, LRP incurred significant costs in its efforts to move forward to a live racing facility, including filing a comprehensive application to relocate Laredo Downs from Laredo, Texas to Tarrant County, Texas.. While LRP eventually withdrew its application for relocation after extensive discussions with the TRC staff, LRP continues to expend funds and effort to file a new application for relocation.

* By filing this Application, LRP Group, Ltd. does not waive any claim that the renewal requirement and/or process is unconstitutional or otherwise contrary to law.

As required by Commission Rule 309.52(c)(3), I swear that the information in this application and its supplemental documents is true and valid.

PRINT NAME <i>Greg Lumbantia</i>	
SIGNATURE <i>X</i>	DATE <i>6/26/14</i>
TITLE (CHIEF EXECUTIVE OFFICER OR EQUIVALENT)	

SWORN TO AND SUBSCRIBED before me on the 26 day of June, 2014.

My commission expires:
11/15/2014

Diana E. Garza

Notary Public, State of Texas





2014 JUN 23 PM 3:03

June 27, 2014



Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, Texas 78754

Re: *License Renewal Application for Laredo Race Park*

Dear Commissioners:

Laredo Race Park (LRP) appreciates the opportunity to provide information demonstrating that it meets the criteria for license renewal under Texas Racing Act § 6.0602 and TRC Rule 309.52. This letter addresses the criteria under Texas Racing Act § 6.0602(b), as well as the criteria for other "good faith efforts" to conduct live racing under TRC Rule 309.52(d)(3) and other applicable criteria.

Background of Laredo License and the SHRP Group

LRP holds a Class II horse racing license. LRP is under the same ownership and management as Sam Houston Race Park (SHRP) in Houston, an active Class I license in continuous operation since 1994, and Valley Race Park (VRP) in Harlingen, an active greyhound track in continuous operation since 2000. As the Commission is aware, the circumstances surrounding constructing and operating a racetrack in Laredo substantially changed following award of the LRP license in 2007. Border violence and political issues in Laredo have escalated significantly since the LRP license proceeding, raising new safety concerns about the approved location for the LRP license and its close proximity to the border. LRP has been consistently examining potential modifications to the original racetrack plans to mitigate these safety issues and attract patrons. Negotiations with public officials in Laredo have also proven challenging, delaying installation of essential utilities like water and electricity, and making it difficult to obtain the permits necessary to construct the LRP license. The financial crisis that began in 2008 also created a major setback to planning, financing, and constructing new projects, much less attracting patrons to a recreational activity. Texas horsemen and breeding operations have also increasingly relocated to neighboring states due to more lucrative state-bred purse awards and state breeding incentives funded by gaming expansion at racetracks. This has produced an unforeseen decline in market dynamics for all Texas tracks.

Despite these challenges, LRP is dedicated to constructing a racetrack and conducting live racing under the LRP license, and has been making continuous good faith efforts to pursue this end goal. LRP is particularly optimistic about the impact that the pending historical racing rules could have on the economics of the LRP track. The leadership of SHRP, VRP and LRP has played a central role in helping to develop these rules, along with the horsemen and other tracks. Additional purse money will not eliminate all of the issues surrounding the LRP license; but it will provide a much-needed boost to the Texas racing industry that will bring LRP significantly closer to conducting live racing.

Renewal Criteria

A. Texas Racing Act § 6.0602 Renewal Criteria

LAREDO RACE PARK

5847 SAN FELIPE, SUITE 2600, HOUSTON, TEXAS 77057. (713) 975-7600

Texas Racing Act § 6.0602(b) requires the Commission to consider the following factors to determine whether to renew an inactive license: (1) financial stability, (2) ability to conduct live racing, and (3) ability to construct and maintain a racetrack facility. LRP plainly satisfies these criteria and the LRP license should be renewed.

The proven track records of SHRP and VRP demonstrate that the LRP ownership and management team have the financial stability and resources required to construct, maintain and operate successful racetracks with live racing under suitable circumstances. The LRP group has solid financial metrics, as demonstrated by the financial reports that SHRP and VRP are required to regularly submit to the Commission. The 2011 joint venture between LRP's parent companies – MAXXAM and Penn National Gaming, Inc. - has supplemented the LRP group's resources and expertise, providing additional national experience, increased access to capital, and other valuable resources.

SHRP and VRP have consistently held live race meets, demonstrating that the ownership and management of the LRP license have the experience and resources needed to construct a racetrack and conduct live racing. VRP held a successful live meets in 2011 and 2013 and has an additional meet planned for the fall of 2015. SHRP held successful Thoroughbred and Quarter Horse live race meets in 2014. In a challenging economic environment, and despite tough competition from other states for breeders and horsemen, both SHRP and VRP were able to generate improved operating income over each of the past three years. Pending resolution of the other issues surrounding the LRP license, this expertise and these resources would be applied in the same way at the LRP location. LRP has the means and resources to conduct live racing, and continues to analyze the conditions in Laredo to develop a live racing plan that would be viable for that area. If the pending historical racing rules are adopted, this would significantly improve the economics of building a new racetrack in Texas. LRP projects that Texas purses could increase by 40% or more based on recent experience in Kentucky. This additional purse money would give LRP a chance to be competitive, and could significantly reduce the obstacles facing the LRP location.

B. "Good Faith Efforts" and Other Applicable Criteria

TRC Rule 309.52(d)(3) also requires the Commission to consider other "good faith efforts" to conduct live racing, even if live racing is not "imminent," in deciding whether to renew an existing license. LRP has taken the following actions in "good faith" pursuit of constructing a racetrack and conducting live racing in Laredo:

- Pursuing regulatory changes at the Commission to improve the economics of Texas tracks and improve the Texas horse industry;
- Maintaining rights to the Mines Road location for the LRP facility at substantial and increasing cost to LRP;
- Obtaining and maintaining appropriate zoning for the location;
- Engaging in ongoing negotiations with regulatory authorities at the licensed location and other potential locations;
- Examining the potential for a temporary simulcast location and pursuing regulatory changes to increase opportunities for live racing through simulcast expansion.
- Examining the potential for a change in location request;

- Examining the potential for other modifications to the original racetrack plans to improve the economics of a new track and mitigate changes in circumstances since the license was originally issued
- Participating in TRC working group meetings and making regular reports to the Commission; and
- Making regular and timely payments to the TRC to support the horse racing industry.

TRC Rule 309.52(e)(1) also requires the Commission to consider whether renewing a license is in the "best interests" of the racing industry. LRP's activities substantially support and improve the racing industry in this state. LRP is an active contributor at the Racing Commission from both a financial and regulatory perspective.

As noted above, the Commission should also give significant weight to LRP's good faith efforts to improve the competitiveness and economics of the Texas racing industry by pursuing the pending historical racing rules. Our group, including LRP, has worked closely with the horsemen's organizations, the Commission, and other license holders over the past several months developing new rules and procedures for historical racing. We have worked diligently to develop a regulatory framework that will allow tracks to be competitive within the parameters of the Commission's existing authority, and to achieve consensus and support for these regulatory changes from the entire Texas racing industry. These new regulatory provisions will improve the economics and competitiveness of the Texas Racing industry by providing more purse money and improving the quality and number of live racing opportunities across the state. This will greatly improve the viability of the LRP license. LRP is highly motivated to maximize live racing opportunities in the state, and is committed to continuing to endeavor to improve the conditions for Texas racetracks, breeders, and horsemen.

Conclusion

For the reasons discussed above, LRP satisfies the statutory and rule criteria for license renewal. LRP appreciates the opportunity to submit this information to the Commission and would be happy to answer any questions or provide any additional information the Commission requires.

Sincerely,


Andrea B. Young
President

SITE LOCATION DESCRIPTION

The currently licensed and proposed site for the Laredo Race Park development is on Mines Road, a four lane divided highway approximately 11 miles from Loop 20 near the World Trade Center Bridge in Laredo and five miles from the Camino Columbia Toll Road and Bridge.



Texas Racing Commission
 8505 Cross Park Drive Ste 110
 Austin, TX 78754-4594
 Phone (512) 833-6699 Fax (512) 833-6907
www.txrc.state.tx.us

2014 JUN 30 PM 3:09

APPLICATION FOR RENEWAL

Texas Racing Act § 6.0602 and Commission Rule 309.52 requires the Commission to annually review each inactive license until the Commission either designates the license as active or refuses to renew the license. When completing the form, provide the contact information for the person designated by the association as the primary contact person for the Commission during the review and renewal process. The association's chief executive officer must review and swear to the truth and validity of the information provided in the application and its supplemental documents. Submit the completed form, any supplemental documents, and the initial review of \$5,000 to the Commission at the address above on or before July 1, 2014.

ASSOCIATION NAME Laredo Race Park				
ADDRESS OF DESIGNATED RACETRACK LOCATION See attached description		CITY Laredo	STATE TX	ZIP CODE
CONTACT PERSON'S FIRST NAME Andrea		CONTACT PERSON'S LAST NAME Young		
CONTACT PERSON'S BUSINESS STREET ADDRESS 7575 N Sam Houston Pkwy W		CITY Houston	STATE TX	ZIP CODE 77064
CONTACT PERSON'S BUSINESS PHONE # () 281-807-8747		CONTACT PERSON'S FAX # () 281-807-8713		

RENEWAL CRITERIA

Texas Racing Act § 6.0602(b) identifies the following factors as criteria the Commission shall consider in determining whether to renew an inactive license. Please provide documentation to support the association's statements for each factor.

Describe the association's:

Financial stability

SEE ATTACHED LETTER

Ability to conduct live racing

SEE ATTACHED LETTER

Ability to construct and maintain a racetrack facility.

SEE ATTACHED LETTER

Other good faith efforts to conduct live racing.

Commission Rule 309.52(d)(3) provides that the Commission will consider actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to, the items listed in section A through F below. The association should also list any other examples of good faith efforts towards conducting live racing that the association would like considered. Provide documentation to support each good faith effort.

A. Securing sufficient financial commitments to fund construction of the racetrack facility.

SEE ATTACHED LETTER

B. Securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more.

SEE ATTACHED LETTER

C. Entering into contracts for the construction of simulcasting and racetrack facilities.

SEE ATTACHED LETTER

D. Securing Commission approval of the racing facility's construction plans?

SEE ATTACHED LETTER

E. Securing permits and utilities necessary for the construction of the racing facility.

SEE ATTACHED LETTER

F. Beginning and sustaining construction of the simulcasting or live racing facility.

SEE ATTACHED LETTER

Describe any additional actions or information the association wishes to present in support of its application for renewal. Attach additional documents as needed.

G. Any other examples of good faith efforts that the association would like considered.
SEE ATTACHED LETTER

As required by Commission Rule 309.52(c)(3), I swear that the information in this application and its supplemental documents is true and valid.

PRINT NAME ANDREA B. YOUNG	
SIGNATURE <input checked="" type="checkbox"/> <i>Andrea B. Young</i>	DATE
TITLE (CHIEF EXECUTIVE OFFICER OR EQUIVALENT) PRESIDENT	

SWORN TO AND SUBSCRIBED before me on the 27th day of June, 2014.

My commission expires:
9/30/2015



Cindy L. Johnson
Notary Public, State of Texas

Exhibit "A"

Property Description



Sherfey Engineering Company, L.L.C.
TBPE FIRM REGISTRATION No. P-3132

104 Del Court, Suite 400, Laredo, Texas 76041 PH: (956) 791-3111 FAX: (956) 791-3144

METES AND BOUNDS DESCRIPTION
200.00 ACRE TRACT
PORTION OF ABSTRACT 21 - PORTION OF ABSTRACT 29
WEBB COUNTY, TEXAS

A tract of land containing 200.00 acres of land, more or less, situated in Precinct 06, Abstract 28, and Precinct 07, Abstract 29, Blas Maria 1962 Original Grant, out of a called 1486.20 acre Maudel Tract as originally recorded in Volume 190, Page 149, Webb County Deed, and being more particularly described by metes and bounds as follows:

COMMENCING at a point on the northeast right-of-way line of F.M. 1472 (Mines Road), being the northeast corner of the right-of-way acquisition for said F.M. 1472, as recorded in Volume 1520, Page 743, Webb County Real Property Records, same being the southeast corner of the Saganorchi Broadcasting of Texas, L.L.C. Tract, as recorded in Volume 1725, Pages 720-725, Webb County Deed Record;

THENCE, continuing along the east right-of-way line of said F.M. 1472 (Mines Road), along a curve to the left, having a radius of 1975.00 feet, a delta of 00°14'15", a chord and chord bearing of R.19 feet and S 69°13'22" E, a distance of R.19 feet, a tangent point;

THENCE, N 02°22'57" E, continuing along the northeast right-of-way line of said F.M. 1472, same being the west boundary line of the said Maudel Tract, a distance of 3184.00 feet to a set 1/2 inch iron rod, the POINT OF BEGINNING and northeast corner of the herein described tract;

THENCE, N 39°37'03" E, leaving the northeast right-of-way line of said F.M. 1472 (Mines Road) a distance of 216.17 feet to a set 1/2 inch iron rod, a point of curvature to the right;

THENCE, along said curve to the right having a radius of 930.00 feet, a delta of 31°48'59", a chord and chord bearing of 536.67 feet and N 46°01'28" E, a distance of 544.07 feet to a set 1/2 inch iron rod, a tangent point;

THENCE, N 62°29'53" E, a distance of 200.00 feet to a set 1/2 inch iron rod, a point of curvature to the left;

THENCE, along said curve to the left having a radius of 1050.00 feet, a delta of 42°09'19", a chord and chord bearing of 754.14 feet and N 41°23'08" E, a distance of 771.37 feet to a set 1/2 inch iron rod, a tangent point;

THENCE, N 20°20'23" E, a distance of 861.03 feet to a set 1/2 inch iron rod, a deflection to the right;

THENCE, N 62°04'26" E, a distance of 2761.34 feet to a set 1/2 inch iron rod, the northerly corner of the herein described tract;

THENCE, S 23°59'24" E, a distance of 2387.16 feet to a set 1/2 inch iron rod, the most southerly corner of the herein described tract;

THENCE, S 62°01'36" W, a distance of 2454.06 feet to a set 1/2 inch iron rod, a deflection to the right;

THENCE, N 60°22'57" W, a distance of 1147.07 feet to a set 1/2 inch iron rod, an interior corner of the herein described tract;

THENCE, S 62°29'53" W, a distance of 142.73 feet to a set 1/2 inch iron rod, a point of curvature to the left;

THENCE, along said curve to the left, having a radius of 450.00 feet, a delta of 32°48'50", a chord and chord bearing of 254.21 feet and S 46°01'24" W, a distance of 257.72 feet to a set 1/2 inch iron rod, a tangent point;

THENCE, S 29°37'03" W, a distance of 226.17 feet to a set 1/2 inch iron rod, the most southerly corner of the herein described tract;

THENCE, N 10°23'57" W, along the northeast right-of-way of said F.M. 1472 (Mines Road) a distance of 670.00 feet to return to and a close at the POINT OF BEGINNING, containing 200.00 acres of land.

NOTE: This Survey was performed without the benefit of a Title Commitment.

State of Texas & County of Webb

I, Francisco Estrada IV, a Registered Professional Land Surveyor, do hereby state that the above captioned "Metes and Bounds Description" was prepared from available office records, made under my supervision.

Francisco Estrada IV
R.P.L.S. No. 5861-Texas

02-20-11
Current Date





Texas Racing Commission
 8505 Cross Park Drive Ste 110
 Austin, TX 78754-4594
 Phone (512) 833-6699 Fax (512) 833-6907
www.txrc.state.tx.us

2014 JUL 27 PM 3:04

APPLICATION FOR RENEWAL

Texas Racing Act §6.0602 and Commission Rule 309.52 requires the Commission to annually review each inactive license until the Commission either designates the license as active or refuses to renew the license. When completing the form, provide the contact information for the person designated by the association as the primary contact person for the Commission during the review and renewal process. The association's chief executive officer must review and swear to the truth and validity of the information provided in the application and its supplemental documents. Submit the completed form, any supplemental documents, and the initial review of \$5,000 to the Commission at the address above on or before July 1, 2014.

ASSOCIATION NAME Longhorn Downs, Inc.			
ADDRESS OF DESIGNATED RACETRACK LOCATION Hwy 1625 and Old Lockhart Rd.	CITY Creedmoor	STATE Texas	ZIP CODE 78610
CONTACT PERSON'S FIRST NAME Bryan	CONTACT PERSON'S LAST NAME Brown		
CONTACT PERSON'S BUSINESS STREET ADDRESS 1122 Colorado St., Suite 2399	CITY Austin	STATE Texas	ZIP CODE 78701
CONTACT PERSON'S BUSINESS PHONE # (210) 862-7131	CONTACT PERSON'S FAX # (210) 490-2294	CONTACT PERSON'S E-MAIL ADDRESS	

RENEWAL CRITERIA

Texas Racing Act § 6.0602(b) identifies the following factors as criteria the Commission shall consider in determining whether to renew an inactive license. Please provide documentation to support the association's statements for each factor.

Describe the association's:

Financial stability
 The parent company of the association, KTAGS Downs Holding Company, LLC, entered into a funding agreement with Clifton L. Thomas. Mr. Thomas has substantial assets including liquid assets and has significant borrowing power. The total project costs are well within Mr. Thomas' financial means.

Ability to conduct live racing
 The association has engaged Bryan Brown, who served as chief executive officer for Retama Park for 15 years. Given the experience of Mr. Brown and financial backing of Mr. Thomas, the association has the ability to not only conduct a live race meet, but also will insure that race meets will serve the public interest in a high-quality fashion.

Ability to construct and maintain a racetrack facility.
 The association acquired (for cash) a 148 acre site in Creedmoor just off the Hwy 45 toll road south of Austin. The Creedmoor community leadership has embraced having a race track facility and would like to annex the premises into the city. These are important factors in the Austin area for development of a racetrack. In addition, Mr. Thomas has considerable construction experience having constructed approximately more than 40 convenience stores throughout central, south and east Texas through his Speedy Stop Stores subsidiary. The association provided architectural plans for the facility including site plans which demonstrate the knowledge necessary to develop the facility.

Other good faith efforts to conduct live racing.
 Commission Rule 309.52(d)(3) provides that the Commission will consider actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to, the items listed in section A through F below. The association should also list any other examples of good faith efforts towards conducting live racing that the association would like considered. Provide documentation to support each good faith effort.

<p>A. Securing sufficient financial commitments to fund construction of the racetrack facility. Through the funding agreement executed by Mr. Thomas, the association has secured all necessary funding for construction of the racetrack facility, working capital and operations. This includes start up costs incurred prior to the opening of the racetrack. The fact that the land was purchase for cash adds to the ability to develop the property.</p>
<p>B. Securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more. The 148 acre site, was acquired for cash prior to making application for the purchase of the association's stock. All specifics regarding the land purchase, including documentation, have been provided to the commission.</p>
<p>C. Entering into contracts for the construction of simulcasting and racetrack facilities. The vast experience Mr. Thomas has in construction of facilities in Texas and his financial strength make entering into contracts for the construction of simulcasting and racetrack facilities easily achievable. In addition, the application submitted to the Commission demonstrates extensive knowledge of the type of elements needs for a high quality racetrack facility.</p>
<p>D. Securing Commission approval of the racing facility's construction plans? The association has not secured Commission approval of the racing facility's plans. The experienced group involved has a thorough understanding of the detailed plans needed to obtain such approvals and does not anticipate any issues arising in the approval process.</p>
<p>E. Securing permits and utilities necessary for the construction of the racing facility. The association has not secured permits at this point due to the status of the litigation described in Attachment A. However, the association has stayed in contact with Creedmoor leadership and does not anticipate issues obtaining all necessary permits. Water service remains available to the site as outlined in the application submitted to the Commission through the extension of a line running parallel to the site. Sanitary sewage treatment will either be handled onsite or through participation in a municipal utility district planned in the Creedmoor area. All other utilities are available in the immediate area.</p>
<p>F. Beginning and sustaining construction of the simulcasting or live racing facility. The association has not yet initiated construction activity due to the status of the litigation described in Attachment A. However, all projects that Mr. Thomas has been involved with have been completed expeditiously and in a quality manner.</p>
<p>Describe any additional actions or information the association wishes to present in support of its application for renewal. Attach additional documents as needed.</p>

G. Any other examples of good faith efforts that the association would like considered.

The purchase of the land for cash shows the commitment of the association and considerable good faith as outlined above. However, it should be noted that not only the land was purchased, an extensive selection process was undertaken to insure that the location was suitable from a public interest standpoint. The Austin MSA includes some areas that are challenging as it relates to the public's acceptance of a racetrack. The Creedmoor leadership and community appears to have strong support for the racetrack and its potential impact on the future of the area.

Please reference Attachment B for a description of how the association's plans are in the best interest of the public.

As required by Commission Rule 309.52(c)(3), I swear that the information in this application and its supplemental documents is true and valid.

PRINT NAME Clifton L. Thomas, Jr.	
SIGNATURE <input checked="" type="checkbox"/> <i>Clifton L. Thomas, Jr.</i>	DATE 6/26/14
TITLE (CHIEF EXECUTIVE OFFICER OR EQUIVALENT) THE SOLE MEMBER OF KTAGS DOWNS MANAGEMENT COMPANY, LLC, AS MANAGER OF KTAGS DOWNS HOLDING COMPANY, LLC (SEE ATTACHMENT "A")	

SWORN TO AND SUBSCRIBED before me on the 26th day of July, 2014.

My commission expires:

8/6/17



Megan N Suarez
Notary Public, State of Texas

ATTACHMENT "A"
TO APPLICATION FOR RENEWAL
OF LONGHORN DOWNS, INC.

Longhorn Downs, Inc. submits the following information in connection with its submittal of Active/Inactive Designation Form:

1. The Active/Inactive Designation Form, and this attached information, is provided by Cliff Thomas as managing general partner of KTAGS Downs Holding Company, LP ("KTAGS"), the limited partnership that is recognized by the Texas Racing Commission ("Commission") as the owner of the stock of Longhorn Downs, Inc., which in turn is the owner of a Class 2 Racing License issued by the State of Texas. KTAGS submits this information on behalf of Longhorn Downs, Inc. because Longhorn Downs, Inc. is unable at this time to submit the information directly. Longhorn Downs, Inc. is unable to submit the Active/Inactive Designation Form directly because the stock of Longhorn Downs, Inc. (the "Stock") is being held in escrow by the Harris County District Court, and KTAGS is therefore unable to properly exercise its rights and privileges pertaining to the Stock, including the ability to change the board of directors or appoint new officers, the ability to pass corporate resolutions and the ability to submit this Form. In short, KTAGS' lack of control of the Stock prevents it from taking actions required to be designated "active." Because the Commission recognizes KTAGS as the owner of the Class 2 license involved, KTAGS is the proper entity to interact with and provide information to the Commission.
2. As the Commission is aware, Dallas City Limits Property Company, L.P. ("DCL") previously applied to the Commission for approval of the transfer of the Stock from Austin Jockey Club to DCL. That application was denied by the Commission on September 15, 2009. DCL did not exhaust any administrative remedies in connection with that denial.
3. Subsequently, DCL instituted suit in Dallas County against the Austin Jockey Club, Russell Serafin, Mike Gallagher, Phillip Adams, Galena Park Investments, Ltd. and Cliff Thomas.¹ That suit was tried to a jury and a take nothing judgment was entered by the trial court based on the jury's verdict. That judgment was reversed, and the cause was remanded to the trial court for entry of judgment. The trial court issued a judgment in favor of DCL and the Austin Jockey Club has appealed that decision.
4. In the interim, the escrow holder of the Stock instituted suit in Harris County to determine to whom the Stock should be released.² KTAGS later intervened in the Harris County Suit, seeking a declaration that the Stock belonged to it and that the Stock should be released to it. The Harris County Suit resulted in a judgment that the Stock be released to KTAGS in accordance with the Commission's February 7, 2012

¹ Dallas City Limits Property Co., L.P. v. Russell Serafin, et al, Cause No. 08-11846 in the 160th District Court, Dallas County, Texas ("Dallas County Suit").

² Crady, Jewett & McCulley, LLP v. Austin Jockey Club, Ltd. and Dallas City Limits Property Co., L.P., Cause No. 2010-16733 in the 127th District Court, Harris County, Texas ("Harris County Suit").

determination approving the transfer of the Stock from Austin Jockey Club to KTAGS. In so holding, the Harris County court properly recognized that this Commission has exclusive jurisdiction over horse racing licenses in Texas and has exclusive jurisdiction over the transfer of ownership of the license owned by Longhorn Downs. That court also properly recognized that because this Commission has exclusive jurisdiction over the transfer of ownership of the Stock, the Stock cannot be transferred absent the Commission's approval. Because the Commission denied Austin Jockey Club's request to transfer the Stock to DCL, the court correctly held that DCL cannot lawfully own the Stock.

5. The Harris County Suit judgment was appealed by DCL. As a predicate to that appeal, DCL requested that the trial court allow it to post a bond superseding the court's judgment so that the Stock would remain in escrow rather than being delivered to KTAGS. The trial court denied that request. The court ruled that the Stock remain in the jurisdiction of the court. KTAGS remains unable to retrieve the Stock from the registry of the Harris County court until the supersedeas issue is resolved. On December 10, 2013, the Houston Court of Appeals reversed the Houston trial court judgment on the basis that the Dallas Court of Appeals had reversed the judgment of the Dallas trial court, as noted below. On April 25, 2014, KTAGS and Austin Jockey Club filed a petition for review by the Texas Supreme Court. On June 6, 2014, the Supreme Court directed DCL to respond to the petition for review. Accordingly, the Supreme Court may decide to allow KTAGS to appeal the judgment of the Houston Court of Appeals, which would bring the issue of this Commission's exclusive jurisdiction before the Supreme Court for resolution.
6. Another suit was filed by DCL in Travis County, and involving this Commission as a party, along with Austin Jockey Club and KTAGS.³ The Travis County Suit challenged this Commission's exclusive right to determine the ownership of horse racing licenses in Texas, taking the position that this Commission can only "approve for regulatory purposes a stock transfer that had occurred by virtue of contract law." By taking that position, DCL implicitly asked the Travis County court to hold that the Commission does not have exclusive jurisdiction over the ownership of racing licenses in Texas, a position that is contrary to direct case precedent and to well-settled administrative law principles. The Travis County court ruled against DCL in the case.
7. Because the Commission denied the application to transfer the license from Austin Jockey Club to DCL, DCL never obtained any rights in the racing license itself. DCL's contractual rights under the Stock Purchase Agreement with Austin Jockey Club did not—and could not—circumvent this Commission's exclusive right to determine who may own the license. Accordingly, even if DCL had perfectly performed its contractual duties under its agreement with Austin Jockey Club, DCL could not claim to have any actual rights in the license unless this Commission approved a transfer to DCL. If this Commission says "no" to a transfer of the license to DCL, the Commission's decision trumps any contract rights as between DCL and Austin Jockey Club.

³ Dallas City Limits Property Co., L.P. v. Robert Schmidt, M.D., Ronald F. Ederer, Scott Haywood, Gloria Hicks, Michael F. Martin, D.V.M., John T. Steen III, Vicki Smith Weinberg, Texas Racing Commission, Austin Jockey Club, Ltd., and KTAGS Downs Holding Company, LLC, Cause No. D-1-GN-12-000580 in the 353rd District Court, Travis County, Texas ("Travis County Suit").

8. On July 12, 2013, the Dallas Court of Appeals handed down its opinion regarding the judgment in the Dallas County Suit. In dicta in that opinion, the Court of Appeals incorrectly suggested that “the approval of KTAGS by the Commission means nothing so long as DCL possess a superior contractual right to the Stock.” While recognizing that this Commission’s approval is necessary to obtaining “licensee status,” the Court opined that such approval “has no direct bearing on DCL’s contractual right to purchase the Stock.” The Dallas Court of Appeals opinion unfortunately confuses the issue of ownership of the license itself with any remaining contractual rights that DCL might have against Austin Jockey Club. While Texas courts have the jurisdiction to determine whether DCL has any contractual remedy against Austin Jockey Club for transferring the Stock to KTAGS, the Texas Legislature has stripped Texas courts of all jurisdiction to determine whether DCL owns or could own the license itself. Instead, the Legislature gave this Commission the exclusive jurisdiction to determine the question of ownership of the license. To the extent the Dallas Court of Appeals’ opinion suggests that any court in Texas could compel the Commission to approve a transfer of the Stock to DCL under any circumstances, that opinion threatens the foundations of administrative law in general and threatens the exclusive province of this Commission in particular. Acting in accordance with the opinion of the Dallas Court of Appeals, the Dallas trial court entered an amended final judgment on September 30, 2013, declaring that Austin Jockey Club’s termination of its stock purchase agreement with DCL was wrongful and ineffective. Austin Jockey Club is in the process of appealing that judgment.
9. In the interim, however, the Stock remains in the registry of the Harris County court, in effect hostage to the machinations of DCL. Until the Stock is released to KTAGS, and until KTAGS is able to exercise its rights as owner of the Stock and the license, Longhorn Downs, Inc. is unable to execute the Active/Inactive Designation Form on its own behalf, and is unable to take the actions necessary to be deemed an active license.
10. Accordingly, KTAGS respectfully submits this information, and executes this form, as the owner of the Stock and the license as recognized by the only entity in Texas empowered to determine such ownership, i.e., this Commission.

Attachment B

In addition, the association has demonstrated good faith efforts by insuring that a significant portion of the factors outlined in the Act for determining whether the renewal of the license is in the best interest of the racing industry and public are met. Those factors are as follows:

- The presence of any grounds for denial, revocation or suspension of a license under 6.06 or 6.0603 of the Texas Racing Act – note that no such grounds exist
- Forfeiture of any bond required by the Commission – note that no bond has been forfeited
- Failure to comply with any Commission condition or order – all rules and requirements of the Commission have been followed
- Failure to maintain ownership or leasehold interest in the real property – the property was acquired prior to granting of the license and ownership continues to be maintained
- The best interest factors taken from 6.04 (a) of the Act as follows:

(1) the applicant's financial stability – the funding agreement and financial position of Mr. Thomas give the association significant financial strength

(2) the applicant's resources for supplementing the purses for races for various breeds – while the association does not plan on supplementing purses, the eventual simulcast and live operation will bring much needed purse money to the Austin area.

Unquestionably this will result in additional purse funding for all breeds in the state.

(3) the location of the proposed track – the location of the track in a friendly area with easy access to Highway 45 and 130 and I-35 will be a welcome addition to the Austin MSA for many that enjoy the racing industry

(4) the effect of the proposed track on traffic flow – the main arteries into the racetrack location (Hwy 45 and 1327) have ample capacity to handle traffic into the site

(5) facilities for patrons and occupational licensees – the plans submitted to the commission provide excellent facilities for patrons and licensees

(6) facilities for race animals – the plans submitted to the commission show a high quality barn area

(7) availability to the track of support services and emergency services – there is a nearby vet clinic, a fire station, sheriff's substation and hospital

(8) the experience of the applicant's employees – while the association does not currently have employees, the plans in place call for an experienced management team as previously outlined

(9) the potential for conflict with other licensed race meetings – the association will work with other race tracks to insure conflicts in meets do not exist

(10) the anticipated effect of the race meeting on the greyhound or horse breeding industry in this state – particularly by virtue of the association's simulcast activity which

is not offered currently in the Austin market, significant purse funds will accrue which will help the horse breeding industry in Texas

(11) the anticipated effect of the race meeting on the state and local economy from tourism, increased employment, and other sources – the employment generated by the association will provide a positive impact on the local economy. As the association is able to attract visitors from outside the Austin MSA, a positive impact will occur with regard to tourism.



Texas Racing Commission
 8505 Cross Park Drive Ste 110
 Austin, TX 78754-4594
 Phone (512) 833-6699 Fax (512) 833-6907
www.txrc.state.tx.us

2014 JUN 12 PM 3:00

APPLICATION FOR RENEWAL

Texas Racing Act § 6.0602 and Commission Rule 309.52 requires the Commission to annually review each inactive license until the Commission either designates the license as active or refuses to renew the license. When completing the form, provide the contact information for the person designated by the association as the primary contact person for the Commission during the review and renewal process. The association's chief executive officer must review and swear to the truth and validity of the information provided in the application and its supplemental documents. Submit the completed form, any supplemental documents, and the initial review of \$5,000 to the Commission at the address above on or before July 1, 2014.

ASSOCIATION NAME Manor Downs Ltd				
ADDRESS OF DESIGNATED RACETRACK LOCATION 9200 Hill Lane PO Box 141309		CITY Manor Austin	STATE TX TX	78653 78714
CONTACT PERSON'S FIRST NAME Howard		CONTACT PERSON'S LAST NAME Phillips		
CONTACT PERSON'S BUSINESS STREET ADDRESS 7501 Valburn Drive		CITY Austin	STATE TX	ZIP CODE 78731
CONTACT PERSON'S BUSINESS PHONE # (512) 567-9643		CONTACT PERSON'S FAX #/email ()		

RENEWAL CRITERIA

Texas Racing Act § 6.0602(b) identifies the following factors as criteria the Commission shall consider in determining whether to renew an inactive license. Please provide documentation to support the association's statements for each factor.

Describe the association's:

Financial stability	Manor Downs Ltd continues to fund the racetrack enterprise as it has done since 1989.
Ability to conduct live racing.	Manor Downs Ltd continues to maintain the racetrack and facility.
Ability to construct and maintain a racetrack facility.	Racetrack facility currently exists.

Other good faith efforts to conduct live racing.
Commission Rule 309.52(d)(3) provides that the Commission will consider actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to, the items listed in section A through F below. The association should also list any other examples of good faith efforts towards conducting live racing that the association would like considered. Provide documentation to support each good faith effort.

A. Securing sufficient financial commitments to fund construction of the racetrack facility.	Racetrack facility currently exists.
--	--------------------------------------

B. Securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more.

Manor Downs owns the 165 acres, the buildings and the License.

C. Entering into contracts for the construction of simulcasting and racetrack facilities.

No contracts pending at this time.

D. Securing Commission approval of the racing facility's construction plans?

Facility previously completed.

E. Securing permits and utilities necessary for the construction of the racing facility.

Permits and utilities are all ready in place.

F. Beginning and sustaining construction of the simulcasting or live racing facility.

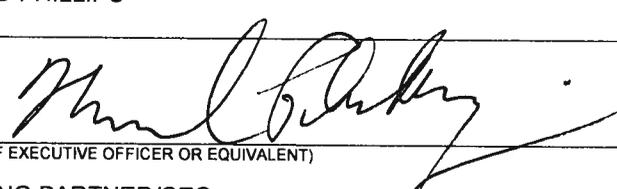
Facility all ready constructed

Describe any additional actions or information the association wishes to present in support of its application for renewal. Attach additional documents as needed.

G. Any other examples of good faith efforts that the association would like considered.

Manor Downs Ltd continues to invest over \$500,000 a year to maintain the license and facility.

As required by Commission Rule 309.52(c)(3), I swear that the information in this application and its supplemental documents is true and valid.

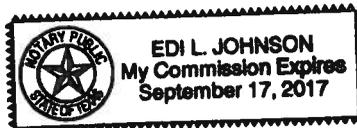
PRINT NAME HOWARD PHILLIPS	
SIGNATURE X 	DATE 6-9-14
TITLE (CHIEF EXECUTIVE OFFICER OR EQUIVALENT) MANAGING PARTNER/CEO	

SWORN TO AND SUBSCRIBED before me on the 9th day of June, 2014.

My commission expires:

9/17/17


Notary Public, State of Texas



E. Ownership and Management Review of Gulf Coast Racing's Active Racetrack License under Commission Rule 309.53



Texas Racing Commission

MAILING ADDRESS: P.O. BOX 12080 - AUSTIN, TX 78711-2080
PHONE: (512) 833-6699 FAX: (512) 833-6907
www.txrc.texas.gov

MEMORANDUM

TO: Texas Racing Commissioners
FROM: Chuck Trout, Executive Director
DATE: August 4, 2014
SUBJECT: Ownership and Management Review of Active Racetrack Licenses

Pursuant to Section 6.06(k) of the Racing Act, the Commission must review the ownership and management of active racetrack licenses every five years. In accordance with Section 309.53 of the Rules of Racing, which established the schedule and components of such reviews, one license holder, Gulf Coast Racing (GCR), is subject to review this year.

The review process is as follows:

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 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.

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 Rule 309.152, Records;

(B) the Commission's inspection reports from the prior five years; the results of any inspections or investigations conducted by the Commission as part of the review; and

(C) 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.

Gulf Coast Racing submitted all of the required information and the review fee on June 30, 2014. Staff has reviewed the submissions and relevant information. Following is a summary of staff's findings.

Current Ownership and Management

Gulf Coast Racing, LLC (GCR) is a Texas Limited Liability Company that holds a greyhound racetrack license in Corpus Christi, Texas. The license was originally issued in 1989 to Corpus Christi Greyhound Racing Associates (CCGRA). On April 7, 2009, the Commission approved CCGRA's request to assign its interest in the license to GCR. As a result of the transfer, GCR owns the license, the facility, and the equipment.

GCR is comprised of the following members and interests: 361 Muy Buena Suerte, LLC – 65.3%, Paul W. Bryant Jr. – 4.9%, Nick Serafy, Jr. 4.9%, Mikal Watts, 20.0%, and Sam M. Phelps – 4.9%. GCR's ownership report filed on June 16, 2014, notes that Mr. Phelps has passed away and an ownership adjustment request will be made in the near future.

The majority owner, 361 Muy Buena Suerte, LLC is comprised of Joseph V. LaMantia, Jr. – 6.6387%, Joseph V. LaMantia, III – 6.6387%, Stephen L. LaMantia, Special Trust – 6.6387%, Gregory LaMantia – 6.6387%, Anthony LaMantia – 6.6387%, Verna Ann La Mantia Peisen, Trustee of the Val Peisen Management Trust – 6.6387%, and 18 separate trusts for members of the LaMantia family, ranging from 1.0186% to 2.5466% ownership interests.

The majority of the owners are residents of Texas.

GCR has a three member board of directors, Gregory LaMantia, Nick Serafy, Jr. and Anthony LaMantia. GCR is managed by Texas Pari-Mutuel Management, Inc. (TPM). TPM, managed by Sally Briggs, general manager of Gulf Greyhound Park, oversees the day-to-day operations at GCR.

Background Investigations

Each person owning an interest of at least five percent in the association and each officer, director, or management committee member is either currently licensed by the Commission or has recently undergone the requisite background investigation. A summary of staff's findings, including any reports from the Department of Public Safety, has been provided to the Commissioners separately.

Security Plan

GCR submitted a copy of its current security plan dated June 2014. This security plan has been reviewed and approved by the Commission's investigative staff.

Totalisator, Management and Concession Contracts

GCR currently contracts with United Tote Company for totalisator services. This contract was last reviewed and approved by the Commission at its April, 9, 2013, meeting. It runs through March 2015.

GCR submitted a copy of the management agreement with TPM as required. This agreement was originally approved by the Commission as part of the overall approval of the ownership change in 2009. TPM also manages the concessions under the terms of the agreement.

Financial Review

Copies of GCR'S most recent financial statements have been provided to the Commissioners separately.

Commission Inspections and Investigations

Over the past five years, Commission staff has identified the following violations as a result off staff's routine inspections of GCR's operations:

Administrative

No violations.

Safety and Security

No violations.

Wagering

321.12 Time Synchronization – Required security system video clock recorder was not working. (May 2013)

321.13 Pari-Mutuel Track Report – Monthly re-cap reports were not being timely filed. (May 2013)

313.53 – Mutuel Manager – Designated representative for Mutuel Manager had not been submitted for approval (December 2010)

Management addressed these issues in a timely fashion. There have been no other investigations or administrative penalties involving GCR.

V. PROCEEDINGS ON OCCUPATIONAL LICENSES

Texas Racing Commission
Ruling Report for Licensee

Ruling Date: 02/20/2014

Violation Date: 10/18/2013

Ruling#: LSP2946

Licensee: ANNA MARIE CROWSON

DOB: 02/17/1995

Status: APPL

License#	Type	Status
156550	OWNER-TRAINER	STAY

Actions	Begin Date	End Date
STAY	02/26/2014	03/07/2014
SUSPENDED	03/01/2014	04/29/2014

Redistribute Purse Y

Violation Type: 4 MEDICATION VIOLATION

Rules Violated:

311.104	TRAINER/ABSOLUTE INSURER
319.3	DRUG POSITIVE OR PERMITTED MEDICATION VIOLATION
319.302	REASONABLE OVERSIGHT OF ANIMAL

Fine	Fine Due Date	Fine Paid Date
\$ 4,000	02/23/2014	02/28/2014

Appeal Date: 02/24/2014

Narrative:

Owner-Trainer Anna Marie Crowson having been duly noticed was represented at a formal hearing before the Sam Houston Race Park Board of Stewards on 02/14/2014 by her attorney Mr. Cody Kelly. The formal hearing was held in relation to four horses that Ms. Crowson ran at Lone Star Park on 10/18/2013 and one horse that she ran at Lone Star Park on 11/09/13.

"Charvet" the second place finisher in the 4th race at Lone Star Park on 10/18/2013 tested positive for Clenbuterol @ 253.2 +/- 15.8 pg/ml sample #LS039342.

"Captain Strawfly" first place finisher in the 5th race at Lone Star Park on 10/18/2013 tested positive for Clenbuterol @ 270.2 +/- 67.2 pg/ml sample # LS039343.

"First Prize Moon" second place finisher in the 8th race at Lone Star Park on 10/18/2013 tested positive for Clenbuterol @ 233.9 +/- 19.1 pg/ml sample # LS039350.

"RC Tres Times Seis" second place finisher in the 9th race at Lone Star Park on 10/18/2013 tested positive for Clenbuterol @ 245.4 +/- 33.8 pg/ml sample #LS039352.

Having considered all the evidence the Sam Houston Race Park Board of Stewards hereby fines Ms. Crowson five hundred dollars (\$500) for each positive and, considering four positives in one day an aggravating circumstance, suspends her 30 days (1st March 2014 through 30th March 2014) and orders the purse for each race to be redistributed.

During the term of this suspension Ms. Crowson is denied access to all facilities under the jurisdiction of the Texas Racing Commission. Entry of any horse owned or trained by Ms. Crowson is denied pending sale or transfer to a party approved by the Stewards.

All four positives are considered a first violation in this category in the past 365 days.

The horse "Charvet" is hereby disqualified and declared unplaced from the 4th race at Lone Star Park on 10/18/2013 and the purse redistributed as follows:

1. (6) Dashin Brown Streak
2. (2) Dashin Gage
3. (5) Stimulus

DAVID ROLLINSON

ANNE ALLEY

DENNIS SIDENER

Texas Racing Commission
Ruling Report for Licensee

Ruling#: LSP2946

4. (8) One Fast Wagon
5. (9) Rightamountofwrong
6. (4) Mystical Cartel RR
7. (3) Jess Mr Chicks
8. (7) Logans Mountain
9. (1) Dash For Coronas
- Unplaced (10) Charvet.

The horse "Captain Strawfly" is hereby disqualified and declared unplaced from the 5th race at Lone Star Park on 10/18/2013 and the purse redistributed as follows:

1. (1) Eyegotitgoinon
2. (5) Fate Cant Weight
3. (9) Junior June Bug
4. (6) A Will And Away
5. (4) Grizzly Water
6. (8) Sooner Country Babe
7. (2) Solid Rocky Top
8. (3) Sheaintcrynrealtears
- Unplaced (7) Captain Strawfly

The horse "First Prize Moon" is hereby disqualified and declared unplaced from the 8th Race at Lone Star Park on 10/18/2013 and the purse redistributed as follows:

1. (2) Jody Pops Zoomer
2. (4) BBS First Blue
3. (9) Surf N Turf Dude
4. (1) Interesting Man
5. (7) Ronnie James
6. (5) Pyro
7. (8) Thequeenhasgonenuts
8. (6) Chickie Cool
9. (3) One Corona Then Zoom
- Unplaced (10) First Prize Moon

The horse "RC Tres Times Seis" is hereby disqualified and declared unplaced from the 9th Race at Lone Star Park on 10/18/2013 and the purse redistributed as follows:

1. (4) Dash Master Jess
2. (1) Lota PYC
3. (8) Tayte Me Down
4. (7) Eye A Spit Curl Girl
5. (9) Ivory Owl
6. (2) Jesastar
7. (6) BP Cartels Alibi
8. (3) PYC Kant Katch Me
- Unplaced (5) RC Tres Times Seis.

DAVID ROLLINSON

ANNE ALLEY

DENNIS SIDENER

Texas Racing Commission
Ruling Report for Licensee

Ruling#: LSP2946

FAILURE TO PAY THE ASSESSED FINE BY THE DUE DATE INDICATED ABOVE
MAY RESULT IN THE SUSPENSION OF THE SUBJECT'S OCCUPATIONAL LICENSE(S).

DAVID ROLLINSON

ANNE ALLEY

DENNIS SIDENER

Texas Racing Commission
Ruling Supplements

Ruling Date: 02/20/2014 Violation Date: 10/18/2013

Licensee: ANNA MARIE CROWSON

Ruling#: LSP2946
Status: APPL

License#	Type	Status
156550	OWNER-TRAINER	STAY

Actions	Begin Date	End Date
SUSPENDED	03/01/2014	04/29/2014
STAY	02/26/2014	03/07/2014

Rules Violated: 311.104 TRAINER/ABSOLUTE INSURER
319.3 DRUG POSITIVE OR PERMITTED MEDICATION VIOLATION
319.302 REASONABLE OVERSIGHT OF ANIMAL

Fine	Fine Due Date	Fine Paid Date
\$ 4,000	02/23/2014	02/28/2014

Redistribute Purse: Y

Appeal Date: 02/24/2014

1 Created On: 02/20/2014

"Captain Strawfly" third place finisher in the 10th race at Lone Star Park on 11/09/2013 tested positive for Clenbuterol @ 0.9 +/- 0.2 ng/ml sample # LS039559.

Having heard all the evidence the Sam Houston Race Park Board of Stewards hereby fines Ms. Crowson two thousand (\$2,000) dollars and suspends her 30 days (31st March 2014 through 29th April 2014) considering this second violation within 365 days an aggravating circumstance, and orders a redistribution of the purse for this race.

Second violation in the past 365 days.

During the term of this suspension Ms. Crowson is denied access to all facilities under the jurisdiction of the Texas Racing Commission. Entry of any horse owned or trained by Ms. Crowson is denied pending transfer to a party approved by the Board of Stewards.

The horse "Captain Strawfly" is hereby disqualified and declared unplaced from the 10th race at Lone Star Park on 11/09/2013 and the purse redistributed as follows:

1. (9) Jody Pops Zoomer
 2. (7) Jetblack Gold Moment
 3. (2) Dashin Brown Streak
 4. (1) RC Tres Times Seis
 5. (4) Rockin Disco
 6. (6) Specialscountrychick
 7. (8) Dash Master Jess
 8. (5) One Handsome Man
 9. (3) Lota PYC
- Unplaced (1A) Captain Strawfly

2 Created On: 02/27/2014

Ms. Crowson filed an appeal with the LSP Board of Stewards on February 24, 2014, which was forwarded to the Austin Office. In the appeal, Ms. Crowson requested a stay. Executive Director Trout reviewed the request and determined that the reason stated for the request did not constitute grounds for granting the stay. However, he granted a temporary stay through Friday, March 7, 2014, so that Ms. Crowson may explain how further staying the suspension would be in the best interest of justice.

APPEAL OF STEWARDS/JUDGES RULING
Texas Racing Commission
 8505 Cross Park Drive, Suite 110
 Austin, TX 78754-4594
 Phone 512 833-6699
 Fax 512-833-6907
 www.txrc.texas.gov

Office Use Only	
Date	Clerk
Bond	Check / MO #
Fine (if applicable)	Check / MO #

Pursuant to Texas Racing Commission Rule §307.67(b), an appeal from a Stewards/Judges ruling must be filed not later than 5:00 p.m. of the third day after the day the person is informed of the ruling. Pursuant to Texas Racing Act §3.08(b), however, a decision of the Stewards/Judges on a disqualification for a foul in a race or on a finding of fact regarding the running of a race is final and may not be appealed.

The appeal must be filed at the main Commission office in Austin or with the Stewards/Judges issuing the ruling. A cash bond for \$150.00 in the form of a cashier's check or money order must accompany the appeal.

Under Texas Racing Commission Rule §307.64(b) and §307.67(d), a fine is due no later than 5:00 p.m. on the third day after the person is informed of the ruling that imposed the fine, regardless of whether the ruling is appealed. The fine can be paid at any Commission Licensing office or at the main Commission office in Austin if the appeal is upheld, the fine will be refunded to the licensee.

1a. First Name Anna	1b. Middle Name Marie	1c. Last Name Crowson	1d. TxRC License # 156550
2. Address (Street, City, State, Zip) P.O. BOX 12237 Odessa, TX 79768			3. Social Security # 1
4a. Local Telephone (432) 214-6381	4b. Business Telephone (432) 559-4642	4c. Fax Number (432) 333-1109	
5. Appeal Statement			
I, <u>Anna M. Crowson</u> , Texas Racing Commission License # <u>156550</u> , appeal Ruling Number <u>LSP2946</u> , dated <u>02/11/2011</u> , issued by the Board of Stewards/Judges at <u>Sam Houston</u> (name of race track)			
<input checked="" type="checkbox"/> I appeal this ruling for the following reason(s): <u>The evidence presented by testing laboratory, was not scientifically reliable to create a presumption of a positive finding. The decision ignores the expert testimony of Dr. Barker.</u>			
<input checked="" type="checkbox"/> I request a stay of the suspension for the following reason(s): <u>In addition to the reasons stated above, I have numerous horses in training which are either eligible or have been entered into races. Without a stay, those horses will be scratched.</u>			
Attach separate page(s) if necessary.			
6a. Signature <i>Kelley</i> Attorney for A. Crowson		6b. Date Signed 02/24/2014	

RS-AppealForm_11/13/2013



TEXAS RACING COMMISSION
PO BOX 12080
Austin, TX 78711-2080
(512) 833-6699
FAX (512) 833-6907

March 6, 2014

Cody K. Kelley
315 5th Street NW
Albuquerque, NM 87102

via Fax to (505) 843-9125

RE: Appeal of Stewards' Ruling LSP 2946; Request for Stay

Dear Mr. Kelley:

I am in receipt of your letter dated March 4, 2014, in which you provided additional information in support of Ms. Crowson's February 24 request for a stay of the February 20 Stewards' ruling.

Pursuant to Texas Racing Commission Rule § 307.68, the Executive Director may grant a stay of a suspension upon determining that the stay is in the best interest of justice.

In your letter, you referred to Dr. Barker's observation that the samples at issue in this case were analytically similar in their levels of both clenbuterol and phenylbutazone. Your stated reason for requesting the stay is to permit you to explore the issue of whether the results all came from the same sample. While the results were similar, I do not find it surprising that test results from horses of the same trainer are similar since trainers generally dictate a very similar treatment regimen for each of their horses in the days immediately preceding a race. Moreover, I am doubtful that a stay is appropriate to allow you to develop evidence that should have been explored prior to the Stewards' hearing or via a continuance of that hearing.

Nevertheless, after considering the information you presented, I have decided to grant a six-month stay in this matter. I have instructed the legal staff to expedite the referral of this case to the State Office of Administrative Hearings for processing as soon as possible to ensure that the matter is concluded within six months; however, if I believe that Ms. Crowson is taking steps to unnecessarily delay the hearing, I reserve the right to lift the stay before that time.

This decision is not to be considered an opinion on the merits of your appeal.

Sincerely,

Chuck Trout
Executive Director

cc: Anna Crowson

ANNA MARIE CROWSON,	§	BEFORE THE STATE OFFICE
Appellant	§	
	§	
V.	§	OF
	§	
TEXAS RACING COMMISSION,	§	
Appellee	§	ADMINISTRATIVE HEARINGS

NOTICE OF ADMINISTRATIVE HEARING

I. PARTIES AND JURISDICTION

At all times relevant to this matter, Anna Marie Crowson (“Appellant”) was licensed by the Commission as an owner-trainer of race horses. Appellee is the Texas Racing Commission (“Commission”). By copy of this Notice of Administrative Hearing, Appellant is being provided notice of this proceeding, in accordance with the applicable laws, at her address of record with the Commission, as shown in the attached certificate of service.

II. LEGAL AUTHORITY AND JURISDICTION

This matter has been set for administrative hearing pursuant to the authority and jurisdiction granted to the Texas Racing Commission by the Texas Racing Act (“Racing Act”), Tex. Rev. Civ. Stat. Art. 179e. The hearing will be conducted in accordance with the Racing Act; the Administrative Procedure Act, TEX. GOV’T CODE Ch. 2001; 1 TEX. ADMIN. CODE (“TAC”) Ch. 155; and 16 TAC Chapters 301-323.

This hearing arises out of a timely appeal filed by Appellant pursuant to Section 3.08(a) of the Racing Act, which states that, with limited exceptions, “a final decision of the stewards...may be appealed to the commission in the manner provided for a contested case under the Administrative Procedure...Act.”

III. DATE, TIME, AND PLACE OF HEARING

The hearing will be held before an Administrative Law Judge with the State Office of Administrative Hearings at 9:00 a.m. on June 11, 2014, on the 4th floor of the William P. Clements Building, 300 W. 15th Street, Austin, Texas. If the hearing is not concluded on the day it commences, to the extent possible, it will continue at the same place on each subsequent working day until concluded. To gain access into the building, please be prepared to show photographic identification and this Notice of Administrative Hearing.

The hearing will be held pursuant to the Racing Act, Tex. Rev. Civ. Stat. Art. 179e, §3.08, and 16 TAC §§307.33 and 307.67. Pursuant to §3.15 of the Racing Act, hearings before the

Commission must be conducted in accordance with the Administrative Procedures Act, Chapter 2001, Government Code. State Office of Administrative Hearings Rules of Procedure 1 TAC Chapter 155 and 16 TAC Chapter 307 also govern practice and procedure before the Commission in contested cases.

Appellant is entitled to seek the assistance of an attorney legally authorized to practice in the State of Texas; however, representation by an attorney is not required. All persons admitted as parties have the right to offer and present evidence, cross-examine witnesses, and make oral argument. After the hearing, the Administrative Law Judge will prepare a proposal for decision (PFD). The Commission will consider the proposal for decision and any exceptions and replies to exceptions filed thereto and will enter an order containing findings of fact and conclusions of law.

IV. FACTUAL BASIS FOR COMMISSION ACTION

This proceeding is based on the following facts:

1. The Texas Racing Commission, following the Uniform Classification Guidelines for Foreign Substances developed by the Racing Medication and Testing Consortium and adopted by the Association of Racing Commissioners International (ARCI), has established a maximum permissible concentration of clenbuterol in horses, as tested immediately following a race, of 140 picograms per milliliter (140 pg/mL).

COUNT 1

2. On October 18, 2013, the racehorse "Charvet," trained by Appellant, participated in the fourth race at Lone Star Park in Grand Prairie, Texas.

3. After racing, Charvet provided a urine sample, sample #LS039342, which test barn staff divided into two specimens.

4. One of Charvet's urine specimens was sent to the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) for testing.

5. After testing, TVMDL found that Charvet's clenbuterol level exceeded the maximum permissible concentration of 140 pg/mL of urine.

6. On or about November 7, 2013, Appellant was notified of the positive result and was given the opportunity, pursuant to 22 TAC Section 319.362, Split Specimen, to request that the second specimen (the "split specimen") be sent to a second laboratory for confirmatory testing.

7. Appellant waived her right to have Charvet's split specimen tested.

COUNT 2

8. On October 18, 2013, the racehorse "First Prize Moon," trained by Appellant, participated in the eighth race at Lone Star Park.

9. After racing, First Prize Moon provided a urine sample, sample #LS039350, which test barn staff divided into two specimens.

10. One of First Prize Moon's urine specimens was sent to the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) for testing.

11. After testing, TVMDL found that First Prize Moon's clenbuterol level exceeded the maximum permissible concentration of 140 pg/mL of urine.

12. On or about November 7, 2013, Appellant was notified of the positive result and was given the opportunity, pursuant to 22 TAC Section 319.362, Split Specimen, to request that the split specimen be sent to a second laboratory for confirmatory testing.

13. Appellant waived her right to have First Prize Moon's split specimen tested.

COUNT 3

14. On October 18, 2013, the racehorse "RC Tres Times Seis," trained by Appellant, participated in the ninth race at Lone Star Park.

15. After racing, RC Tres Times Seis provided a urine sample, sample #LS039352, which test barn staff divided into two specimens.

16. One of RC Tres Times Seis's urine specimens was sent to the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) for testing.

17. After testing, TVMDL found that RC Tres Times Seis's clenbuterol level exceeded the maximum permissible concentration of 140 pg/mL of urine.

18. On or about November 7, 2013, Appellant was notified of the positive result and was given the opportunity, pursuant to 22 TAC Section 319.362, Split Specimen, to request that the split specimen be sent to a second laboratory for confirmatory testing.

19. Appellant elected to send RC Tres Times Seis's split specimen to the Veterinary Diagnostic Laboratory at Iowa State University ("Iowa State") for confirmatory testing.

20. Iowa State confirmed that RC Tres Times Seis's urine specimen exceeded the maximum permissible concentration of clenbuterol.

COUNT 4

21. On October 18, 2013, the racehorse "Captain Strawfly," trained by Appellant, participated in the fifth race at Lone Star Park.

22. After racing, Captain Strawfly provided a urine sample, sample #LS039343, which test barn staff divided into two specimens.

23. One of Captain Strawfly's urine specimens was sent to the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) for testing.

24. After testing, TVMDL found that Captain Strawfly's clenbuterol level exceeded the maximum permissible concentration of 140 pg/mL of urine.

25. On or about November 7, 2013, Appellant was notified of the positive result and was given the opportunity, pursuant to 22 TAC Section 319.362, Split Specimen, to request that the split specimen be sent to a second laboratory for confirmatory testing.

26. Appellant elected to send split sample #LS039343 to the Veterinary Diagnostic Laboratory at Iowa State University ("Iowa State") for confirmatory testing.

27. Iowa State confirmed that sample #LS039343 exceeded the maximum permissible concentration of clenbuterol.

COUNT 5

28. On November 9, 2013, Captain Strawfly participated in the tenth race at Lone Star Park.

29. After racing, Captain Strawfly provided a urine sample, sample #LS039559, which test barn staff divided into two specimens.

30. One of Captain Strawfly's urine specimens was sent to the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) for testing.

31. After testing, TVMDL found that Captain Strawfly's clenbuterol level exceeded the maximum permissible concentration of 140 pg/mL of urine.

32. On or about November 7, 2013, Appellant was notified of the positive result and was given the opportunity, pursuant to 22 TAC Section 319.362, Split Specimen, to request that the split specimen be sent to a second laboratory for confirmatory testing.

33. Appellant elected to send split sample #LS039559 to the Veterinary Diagnostic Laboratory at Iowa State University ("Iowa State") for confirmatory testing.

34. Iowa State confirmed that sample #LS039559 exceeded the maximum permissible concentration of clenbuterol.

* * * * *

35. In or about January 2014, the Commission sent Appellant a Notice of Alleged Violation, notifying her of her right to a hearing before the Sam Houston Race Park Board of Stewards regarding alleged violations of 16 TAC §§319.3, Medication Restricted; 319.302, Reasonable Diligence Required; and 311.104, Trainers, in connection with Counts 1-5 above.

36. On February 14, 2014, the Sam Houston Race Park Board of Stewards conducted a hearing in this matter.

37. After considering all of the evidence, the Board of Stewards found that Appellant violated 16 TAC §§319.3, Medication Restricted; 319.302, Reasonable Diligence Required; and 311.104, Trainers.

38. The Board of Stewards ordered Appellant's license suspended for a period of 60 days, imposed a fine of \$4,000, and ordered the purses to be redistributed in the five affected races.

39. On or about February 24, 2014, Appellant filed a timely appeal with the Commission, challenging the stewards' decision to suspend her owner-trainer license, fine her \$4,000 and redistribute the purses.

V. LEGAL BASIS FOR COMMISSION ACTION

1. 16 TAC §319.3, Medication Restricted, provides that a horse participating in a race may not carry in its body a prohibited drug, chemical, or other substance. 16 TAC §319.1 defines "prohibited drugs, chemicals, and other substances" as, in pertinent part, "any stimulants, depressants, tranquilizers, local anesthetics, drugs, [or] other drug metabolites which could affect the health or performance of a race animal, however minimal, except as expressly permitted by this chapter."

2. Pursuant to 16 TAC §319.302, Reasonable Diligence, Appellant, as trainer, had a duty to guard the horses she trains before races in the manner and for the time necessary to prevent the administration of a prohibited drug, chemical, or substance.

3. 16 TAC §311.104(b), known as the "absolute insurer" rule, provides that "a trainer shall ensure that a horse . . . that runs a race while in the care and custody of the trainer . . . is free from all prohibited drugs, chemicals, or other substances."

4. 16 TAC §319.304, Penalties on Positive Test, authorizes the stewards to impose penalties on a horse's trainer upon a finding that a test specimen contained a prohibited drug, chemical, or other substance.

5. Section 3.07(b) of the Racing Act, as it appeared at the time of the incidents giving rise to this matter, authorized the stewards to impose a fine of not more than \$5,000 and to suspend an occupational license for up to one year for each violation of the Racing Act or the Racing Commission Rules.
6. 16 TAC §391.304(b) authorizes the Commission's executive secretary to promulgate medication guidelines, including a classification for prohibited drugs and recommended penalties for various violations.
7. According to the Commission's Equine Medication Classification Policy and Penalty Guidelines, which are based on the national recommendations of ARCI and which the executive secretary promulgated pursuant to 16 TAC §319.304(b), clenbuterol is prohibited at levels in excess of 140 pg/mL.
8. The Equine Medication Classification Policy and Penalty Guidelines in effect at the time of the violation established the penalty for a clenbuterol overage as suspension of one's license for 15 days, a fine of \$500, and loss of the prize purse for the first offense; suspension for 30 days, a fine of \$1,000, and loss of the prize purse for the second offense; and suspension for 60 days, fine of \$2,500, and loss of purse for the third offense. The penalty guidelines also provide the stewards with the discretion to increase or decrease the penalty in the presence of aggravating or mitigating circumstances.

VI. PRAYER FOR RELIEF

Pursuant to 16 TAC §307.67(c), the appellant has the burden of proving that the stewards' decision was clearly in error.

Commission staff prays that the ruling of the Sam Houston Race Park Board of Stewards, which ordered that Appellant be suspended for a term of sixty days, imposed a fine of \$4,000, and redistributed the purses, be upheld in full.

Failure to Appear (Default)

If Appellant fails to appear at the scheduled hearing, the Commission will request a default judgment. The factual allegations in this notice may be deemed admitted as true, and the relief sought by the Commission in this Notice of Administrative Hearing may be granted by default.

Respectfully submitted,
Staff of the Texas Racing Commission



By: Devon V. Bijansky
Deputy General Counsel
Texas Racing Commission
State Bar No. 24043554
P.O. Box 12080
8505 Cross Park Drive, Suite 110
Austin, Texas 78711-2080
Telephone No. (512) 833-6699
Facsimile No. (512) 833-6907

Certificate of Service

I, Devon V. Bijansky, Deputy General Counsel for the Texas Racing Commission, hereby certify that true and correct copies of the foregoing Notice of Hearing were sent via certified mail, return receipt requested to the Appellant and to her counsel, and via fax to the State Office of Administrative Hearings as listed below, on this the 9th day of April, 2014.



Devon V. Bijansky
Deputy General Counsel

Anna Marie Crowson
P.O. Box 12441
Odessa, Texas 79768

Cody Kelley
Kelley Law Offices
315 5th Street NW
Albuquerque, New Mexico 87102

State Office of Administrative Hearings
Rommel Corro - Docketing Clerk
William P. Clements Building
300 West 15th Street, Room 504
Austin, Texas 78711-3025
(512) 322-2061 - Fax

**DOCKET NO. 476-14-3075
TXRC NO. 2014-02-01**

ANNA MARIE CROWSON,	§	BEFORE THE STATE OFFICE
Appellant	§	
	§	
v.	§	OF
	§	
TEXAS RACING COMMISSION,	§	
Appellee	§	ADMINISTRATIVE HEARINGS

**ORDER NO. 1
DISMISSING AND REMANDING CASE**

On June 11, 2014, the hearing on the merits in the above-captioned case was convened before Administrative Law Judge (ALJ) Pratibha J. Shenoy. Deputy General Counsel Devon Bijansky appeared on behalf of Staff of Appellee, the Texas Racing Commission (Commission). Anna Marie Crowson (Appellant) did not appear and was not represented at the hearing.

Staff presented evidence that jurisdiction was proper and that the Notice of Administrative Hearing was properly sent to Appellant at her address of record.¹ Therefore, the ALJ found there was adequate notice and granted Staff's oral motion for default pursuant to 1 Texas Administrative Code § 155.501.

It is ordered that this matter is **DISMISSED** from the docket of the State Office of Administrative Hearings, and the file is remanded to the Commission for informal disposition on a default basis. 1 Tex. Admin. Code § 155.501(d); Tex. Gov't Code § 2001.056.²

SIGNED June 23, 2014.


 PRATIBHA J. SHENOY
 ADMINISTRATIVE LAW JUDGE
 STATE OFFICE OF ADMINISTRATIVE HEARINGS

¹ Staff's Exhibits A-D were admitted. Staff's Exhibit D is a Notice of Administrative Hearing dated April 9, 2014, sent by certified mail to Appellant's address of record with the Commission (as established by Staff's Exhibits A, B, and C), and to an attorney (not licensed to practice in Texas) who represented Appellant in an earlier proceeding, at that attorney's business address. Staff's Exhibit D included the return receipts from the certified mail deliveries, reflecting that the mail had been received at both Appellant's address of record and at the attorney's business address. No attorney filed a notice of appearance at SOAH for this case.

² The ALJ reviewed only the adequacy of the notice and not the sufficiency of the factual allegations.

IN RE: THE APPEAL OF §
ANNA MARIE CROWSON FROM § BEFORE THE
STEWARDS' RULING LSP 2946 § TEXAS RACING COMMISSION
§

ORDER OF THE COMMISSION

On August 12, 2014, the Texas Racing Commission ("Commission") considered in open meeting the appeal of Anna Marie Crowson ("Appellant") from Stewards' Ruling LSP 2946. The Commission hereby makes the following findings based on the record of this matter:

- (a) On or about February 20, 2014, the Lone Star Park Board of Stewards issued Ruling LSP 2946, which found Appellant in violation of 16 TAC Sections 311.104, Trainer/Absolute Insurer; 319.3, Drug Positive or Permitted Medication Violation; and 319.302, Reasonable Oversight of Animal, due to five clenbuterol positives in four horses trained by Crowson arising from races on October 19, 2013, and November 9, 2013. Appellant was fined \$4,000 and suspended for sixty days; the horses were disqualified and declared unplaced and the purses redistributed.
- (b) On or about February 24, 2014, Appellant filed an appeal of Ruling LSP 2946 with the Commission and requested a stay of the suspension while the appeal was pending.
- (c) On or about March 6, 2014, the Commission's Executive Director granted a six-month stay of the suspension.
- (d) On or about June 11, 2014, a hearing in this matter took place before an administrative law judge at the State Office of Administrative Hearings (SOAH).

Although Appellant was duly notified of the hearing, neither she nor anyone acting on her behalf appeared at the hearing.

(e) On or about June 23, 2014, SOAH dismissed the appeal from its docket and remanded the matter to the Commission for disposition on a default basis.

IT IS HEREBY ORDERED that Stewards' Ruling LSP 2946 is upheld in full, with the exception of the following modification to correct a clerical error in the ruling:

The paragraph that reads:

The horse "Captain Strawfly" is hereby disqualified and declared unplaced from the 10th race at Lone Star Park on 11/09/2013 and the purse redistributed as follows:

1. (9) Jody Pops Zoomer
 2. (7) Jetblack Gold Moment
 3. (2) Dashin Brown Streak
 4. (1) RC Tres Times Seis
 5. (4) Rockin Disco
 6. (6) Specialscountrychick
 7. (8) Dash Master Jess
 8. (5) One Handsome Man
 9. (3) Lota PYC
- Unplaced (1A) Captain Strawfly

is modified to read as follows:

The horses "Captain Strawfly" and "RC Tres Times Seis" are hereby disqualified and declared unplaced from the 10th race at Lone Star Park on 11/09/2013 and the purse redistributed as follows:

1. (9) Jody Pops Zoomer
 2. (7) Jetblack Gold Moment
 3. (2) Dashin Brown Streak
 4. (4) Rockin Disco
 5. (6) Specialscountrychick
 6. (8) Dash Master Jess
 7. (5) One Handsome Man
 8. (3) Lota PYC
- Unplaced (1A) Captain Strawfly, (1) RC Tres Times Seis

This correction is necessary because the October 18, 2013, race from which RC Tres Times Seis was disqualified was a qualifying trial for the November 9, 2013, race. As a

result, RC Tres Times Seis's disqualification from the October 18, 2013, race rendered him ineligible to participate in the November 9, 2013, race.

This order takes effect on the date it is entered, and the stay in this matter is hereby lifted. If enforcement of this order is restrained by an order of a court, this order takes effect on a final determination by that court or an appellate court in favor of the Texas Racing Commission.

ISSUED AND ENTERED the _____ day of August, 2014.

Robert Schmidt, M.D., Chair

Ronald F. Ederer, Vice Chair

Gary P. Aber, DVM

Gloria Hicks

Michael F. Martin, DVM

John T. Steen III

Vicki Smith Weinberg

Ann O'Connell

A. Cynthia Leon

VI. PROCEEDINGS ON RULEMAKING

Rule Adoption

- A. Proposal for New Rule 309.13, Temporary License to Conduct Racing

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: May 13, 2014

***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.texas.gov

Contact Information:

Name:	Brian C. Newby	Phone(s):	817 877-2825
E-mail address:	bnewby@canteyhanger.com	Fax number:	817 878-2807
Mailing address:	600 West 6 th Street, Suite 300, Fort Worth, Texas 76102		

Check appropriate box(s)

<input type="checkbox"/>	Personal Submission <i>OR</i>
<input checked="" type="checkbox"/>	Submission on behalf of <u>Saddle Brook Park, LLC</u> (Name of Organization)

<input type="checkbox"/>	If known, Proposed Change to Chapter:	Chapter: _____	Rule: _____
<input checked="" type="checkbox"/>	If known, Proposed Addition to Chapter:	Chapter: <u>309</u>	Rule: <u>309.13</u>
<input type="checkbox"/>	If known, Other Rules Affected by Proposal:	Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____

A. Brief Description of the Issue

Renewal of a Temporary License Prior to its Expiration

According to § 6.15 of the Texas Racing Act, after an association has been granted a license to operate a racetrack and before the completion of construction at the designated place for which the license was issued, the commission may, on application by the association, issue a temporary license that permits the association to conduct races at a location in the same county. The originally granted temporary license allows an association to hold races at a location in the same county for a period of two years. The Act specifies that “after a temporary license has **expired**, no individual, corporation, or association, nor any individual belonging to a corporation or association which has been granted a temporary license, **may get an extension** of the temporary license or a new temporary license.” (emphasis added). A careful reading of the Act clearly shows the Texas legislature gave the Texas Racing Commission (“the Commission”) the authority to set the conditions and standards for issuance of a temporary license. Because the Act only specifies that a temporary license may not be renewed *after it has expired*, the language of the Act reserves the authority for the Commission to renew a license prior to its expiration.

An applicant for license must pay all application fees as set forth in § 6.15 of the Texas Racing Act. Saddle Brook has paid all annual licensing fees in a timely manner since the original Class II license was granted in October 2012. This includes a \$230,000 fee for 2013 (paid in advance) and the monthly fees for 2014, paid monthly, which will total \$230,000 - not an insignificant ongoing financial investment. Additionally, wagering on simulcast races conducted by Saddle Brook has generated approximately \$5 million in total handle since December 2012, generating over \$250,000 in combined purse money and breeder’s awards for our state’s horsemen. This incremental wagering handle and revenue for the industry is being generated from a region of the state whose residents have no other viable in-state access to watch and wager on pari-mutuel racing.

There is no prohibition against renewing a temporary license prior to its expiration in the Act or the Rules. As such, the Commission has the power to renew a temporary license prior to its expiration. In considering whether to renew a temporary license, the Commission should apply the factors it uses to determine whether a license holder has taken actions to demonstrate good faith efforts to conduct live racing. These factors include the following criteria:

- (1) **presently conducting pre-opening simulcasting;**
- (2) **simulcasting or live racing is imminent...**

See *16 Tex. Admin. Code § 309.51*.

Saddle Brook is presently conducting simulcasting and has demonstrated its good faith efforts to conduct live racing. As it has consistently set forth to the Commission, Saddle Brook intends to conduct live racing as soon as it is economically feasible to finance and construct its track. Therefore, in consideration of these factors, the Commission should renew Saddle Brook’s temporary license prior to its expiration in October 2014.

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 State of Racing in Texas

The current state of racing in Texas is no mystery to those in the industry and to state officials, including members of the Commission. As you know, the 81st Legislature passed House Concurrent Resolution 252 (HCR 252) calling for a study of the horse and greyhound racing industry in Texas. Although the measure was vetoed by Governor Perry, the Commission nonetheless conducted the study and filed a report to the Governor, Lieutenant Governor and Speaker of the House of Representatives on January 13, 2011. The report, entitled *The Study of the Current State of Horse and Greyhound Racing in Texas and Industry Recommendations for Improvement*, indicated the Texas racing industry has suffered decline in virtually every measurable category. The report noted that several tracks have shut down, some Class 1 and 2 tracks had ceased operations for live racing and the success of out-of-state race tracks fueled the loss of purse money to nearby states. The report also noted that New Mexico has five race tracks, Oklahoma has three race tracks and Louisiana has four race tracks, all of which also have slot machines. In addition, the states have some form of casino gambling. With the tremendous draw of racing away from the state of Texas, coupled with illegal gaming and internet wagering, Texas lost its position to its neighboring states as a leader in the pari-mutuel racing industry. For example, in 1998, total handle at Texas pari-mutuel tracks stood at over \$477 million. By 2013, per the *2013 Annual Report* of the Commission, the totals had declined to \$316 million, and are declining still today. Annual purse money for Texas owners, breeders and trainers has declined from approximately \$40 million in 1998, to less than \$27 million in 2013. As the industry suffers decline, breeding operations, training and veterinarians continue to leave the state for greener pastures in states with higher purses and greater breeding incentives.

Saddle Brook began simulcasting in December 2012. As a licensed, yet unbuilt track, Saddle Brook must contend with the need to secure reasonable financing for the construction of a \$10 to \$20 million dollar horse race facility in an era of declining revenues. An increase in the time period for pre-opening simulcast was proposed during the 83rd legislative session by Senator Kel Seliger, favorably passed by the Senate Finance Committee, approved by the full Senate and passed out of the House Licensing and Administration Committee. Senate Bill 1340 was a simple change to the Act to allow licensed, but unbuilt horse tracks, to offer pre-opening simulcasting for a period not to exceed six years (4 year extension) before they began live racing. SB 1340 had the support of the Texas-based American Quarter Horse Association, Texas Quarter Horse Association, Texas HORSE, Texas Thoroughbred Association, and Texas Horsemen's Partnership. SB 1340's inevitable final passage into law became a victim of the time constraints experienced at the end of the legislative session.

The Texas Racing Commission has the authority to designate a race track license as an active license or an inactive license under Section 6.0601 of the Texas Racing Act:

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Sec. 6.0601. Designation Of Active And Inactive Racetrack Licenses

(a) The commission shall designate each racetrack license as an active license or an inactive license. The commission may change the designation of a racetrack license as appropriate.

(b) The commission shall designate a racetrack license as an active license if the license holder:

- (1) holds live racing events at the racetrack; or
- (2) makes good faith efforts to conduct live racing.

...

(e) An active license is effective until the license is designated as an inactive license or is surrendered, suspended, or revoked under this Act.

As an active–other license holder, Saddle Brook effectively holds that status of license until it is surrendered, suspended, revoked, or changed to inactive by the Commission, and is required to comply with the Act and the Rules. Approval of the proposed renewal process will not run afoul of statutory license designation. Continuing a licensee’s status is also addressed in the current rules.

RULE §309.1 Racetrack Licenses

...

(b) Duration of License. The Commission may suspend, 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) Conditions.

(1) Except as otherwise provided by this section, a license issued by the Commission is a privilege, not a right, and is conditioned on the licensee's compliance with the Act and the Rules.

(2) If the Act or a rule is amended, the continued holding of a license is conditioned on the licensee's compliance with the Act or rule as amended. ...

Being an active-other license holder comes with a number of specific requirements that must be met by Saddle Brook and the Commission continues to have its oversight.

RULE §309.51 reads in part:

(2) "Active-Other" means the license holder has applied for and received pending live race dates under §303.41 of this title (relating to Allocation of Race Dates), and taken the following actions to demonstrate good faith efforts to conduct live racing:

(A) is presently conducting pre-opening simulcasting;

(B) has demonstrated that the conduct of simulcast or live racing is imminent. Factors the Commission may consider include, but are not limited to, the license holder's:

- (i) securing sufficient financial commitments to fund construction of the racetrack facility;*
- (ii) securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more;*
- (iii) entering into contracts for the construction of the simulcasting and racetrack facilities;*

(iv) securing Commission approval of the racing facility's construction plans;

(v) securing permits and utilities necessary for the construction of the racing facilities;

*(vi) beginning and sustaining construction of the simulcasting or live racing facilities; and
(vii) providing to the Commission a construction and operations management schedule demonstrating that simulcasting is imminent and that the facilities will be ready to conduct live racing by the beginning of the approved live race dates; or
(C) voluntarily providing a bond under subsection (e) of this section to ensure that the license holder conducts pre-opening simulcasting and completes the pending allocated live race dates*

Saddle Brook has been consistent in its position that to be viable in today's horse racing industry, a license holder must be able to prove to potential lenders a reliable and steady revenue stream, from pre-opening simulcasting, in order to secure financing for the construction of a \$10-20 million live racing facility. Saddle Brook has shown a record of success to the Commission and the industry. If racing is to survive, a license renewal must be put in place to allow sufficient time for an Active-Other license holder to show stable revenues and the ability to repay the financial outlays of banks or other investors.

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.*

It is important to the horse racing and breeding industry to continue license holder presence in the Panhandle of Texas. Saddle Brook has been an outstanding Active-Other license holder, experienced, financially viable and willing to work with the Commission to find solutions to issues that are in the best interest of the industry. Allowing a renewal of the license will allow Saddle Brook to continue increasing simulcast revenues while continuing support for purses and breeders awards. Such a renewal will **not** be an expansion of wagering from the current status of legal pari-mutuel wagering in this state. This ability to renew would also positively affect the following entities: (1) Any Active-Other license holder(s) which meet the Commission's criteria for renewal, and be a positive step to ensuring the viability of racing in the state; (2) the Commission, through continued support by licensing fees; and (3) the Texas horse racing and breeding industries through the continued contributions to breeder awards and purses. A reduction of Active-Other license holders will have the opposite effect and continue the declining status of racing in the state.

TRC NOTE: REMAINDER OF ORIGINAL REQUEST FORM, INCLUDING LETTERS OF SUPPORT AND THE REQUESTOR'S ORIGINAL DRAFT OF THE RULE PROPOSAL, HAVE BEEN DELETED FOR BREVITY. PLEASE SEE PACKET FROM PREVIOUS COMMISSION MEETING FOR COMPLETE FORM.

1 **309.13. Temporary License to Conduct Racing.**

2 (a) Issuance of Temporary License. Upon written application by
3 an association, the Commission may issue the association a
4 temporary license to conduct racing at a location other than the
5 designated location if:

6 (1) the association currently holds a valid racing license
7 from the Commission;

8 (2) the association has not completed construction of its
9 facilities at its designated location;

10 (3) the temporary location is located within the same
11 county as the designated location;

12 (4) the conduct of racing at the temporary location
13 complies with all zoning laws;

14 (5) the association owes no outstanding debts to the
15 Commission for fees or bonds;

16 (6) the Commission has granted future live race dates to
17 the association; and

18 (7) the Commission finds that issuing the temporary
19 license is in the public interest.

20 (b) Form of Written Application. An association's written
21 application for a temporary license shall include:

22 (1) a description of the association's existing facilities
23 at its designated location;

24 (2) a description and site map of the proposed temporary
25 location;

26 (3) plans or schematic drawings of the proposed temporary
27 facilities, including parking and any proposed improvements;

28 (4) a management and business plan describing the
29 association's strategy for funding and completing construction
30 of its permanent facility within two years;

1 (5) financial statements reflecting the assets and
2 liabilities of the association;

3 (6) a map and inventory reflecting the current residential,
4 commercial, industrial, religious and government uses for all
5 property within one-half mile of the proposed temporary
6 location;

7 (7) resumes and required background disclosure forms for
8 all key management personnel; and

9 (8) any other information required by the Commission.

10 (c) Expiration of Temporary License. Except as provided in
11 subsection (d) of this section, a temporary license expires two
12 years after the date of issuance of the temporary license to the
13 association or on the completion of the permanent facility,
14 whichever occurs first.

15 (d) Extension of Temporary License. Before the expiration of a
16 temporary license, the Commission may grant an association a
17 two-year extension of the temporary license. To request an
18 extension, the association must submit a request in writing that
19 includes a detailed management and business plan describing the
20 association's strategy for funding and completing construction
21 of its permanent facility within the period of the extension.
22 Any such request filed prior to January 1, 2015, must be
23 submitted no later than thirty (30) days before the expiration
24 of the temporary license. Any such request filed on or after
25 January 1, 2015, must be filed no later than one hundred eighty
26 (180) days prior to the expiration of the temporary license.
27 The timely filing of a request shall extend the temporary
28 license until the Commission acts to either extend or refuse to
29 extend the temporary license. If the Commission approves an
30 extension of the temporary license, the association shall make a

1 progress report to the Commission after one year of the
2 extension.

3 (e) Bond. The Commission may condition the issuance of a
4 temporary license under subsection (a) of this section or the
5 extension of a temporary license under subsection (b) of this
6 section upon the association's submission of a bond under
7 §309.51(e) of this chapter (relating to Designation of Active
8 and Inactive Racetrack Licenses).



2014 JUL 31 PM 1:28

July 28, 2014

Chuck Trout
Texas Racing Commission
P O Box 12080
Austin, TX 78711

Dear Mr. Trout,

The Texas Thoroughbred Association Board of Directors has reviewed the proposed TRC Rule 309.13, Temporary License to Conduct Racing, and has voted to support this rule.

We believe that its passage will be of assistance in growing purses and state-bred funds for all breeds of horses in Texas, and in encouraging the breeding, owning and training of racehorses in Texas. It will also provide much needed financial assistance for the operators of Saddle Brook so that a racetrack for live racing can be constructed in Amarillo, providing opportunities for live racing and promotion of the sport in a vastly underserved region of Texas.

Thank you,

Mary Ruyle
Executive Director

cc: Jeff Hooper



July 28, 2014

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

Dear Mr. Trout,

The Texas Quarter Horse Association supports proposed rule 309.13 and also supports placing this item on the August 12th agenda for adoption.

As proposed, rule 309.13 would allow current "Active/Other" designated racetracks to operate while funding purses for horsemen at other racetracks until they have completed their construction.

Thank you for your consideration.

Sincerely,

Rob Werstler
Director of Racing



CITY OF AMARILLO

2014 AUG -7 AM 11: 53

LEGAL DEPARTMENT

August 5, 2014

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

**RE: Expanded permit for off-track gambling
16 TAC §309.13 (new); Tex. Regis. Vol. 39, pg. 4878 (6/26/14)**

Dear Sir:

The City of Amarillo recently became aware of the referenced proposed rule amendment, to which the City has multiple concerns. The amendment would allow for an indefinite number of renewals of a "temporary" permit to operate an off-track pari-mutuel betting house. Such temporary facilities are intended to be an interim means for raising revenue needed to build a race track, whereupon the temporary site closes and the gambling moves to the track.

Currently, the *only* such temporary facility in the State exists in Amarillo, and its two year temporary permit expires in October, 2014. Thus, your proposed rule change would directly impact our community differently than any other place in the State. The proposed rule is problematic in several ways.

First, amending the rule to allow an *indefinite* number of *automatic* renewals merely upon timely application for same [see, rule 309.13(c),(d)] of a "temporary" permit is disingenuous and disregards the mandate of the Texas Racing Act. Section 3.02 of the Act mandates that the Commission "...shall adopt rules...that are consistent with this Act." Section 1.02 the Act specifies that its purpose is to, "...provide for the *strict* regulation..." of the industry. An agency rule that allows indefinite automatic renewals of a temporary permit violates the statutory mandate that your agency rules must provide strict regulation, rather than endless enabling of an apparently nonviable project.

Second, the proposed rule is ripe for abuse and dishonesty. It is not hard to envision the operator of a temporary off-track gambling facility taking home large sums as personal compensation, while showing marginal or negative revenue generated for the construction of the race track. Thus the temporary off-track betting house will remain open while awaiting the never-to-occur day when it finally generates enough money to build the promised track.

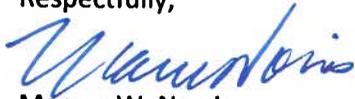
Third, the proposed rule exceeds the Racing Commission's legal authority. This proposal opens the backdoor to *permanent off-track gambling*, without the prior approval of the Texas Legislature, under the guise of renewing a "temporary" permit for an off-track gambling house.

Fourth, the State's only temporary permit for off-track gambling provides two years of experience: there is not adequate financial interest and fan support for a race track (or, apparently, even for off-track betting) in the Amarillo market. The Commission's own map of race tracks and training facilities reveals that none are located west of IH-35. The plain answer for Saddle Brook's as-yet not built track and underperforming off-site gambling house in Amarillo is to either operate by the current rules or

relocate to an area that better supports this industry. The answer is not to seek a statewide rule change that expands a narrow exception to gambling laws, just to prolong this or other nonviable ventures.

We understand the Commission could consider this proposal on or after your meeting of August 12, 2014. The City of Amarillo requests that these comments be considered in all proceedings held on the referenced proposed rule, and that the proposal be rejected.

Respectfully,



Marcus W. Norris

City Attorney

cc: Hon. Sen. Kel Seliger
Hon. Rep. John Smithee
Hon. Rep. Four Price
Hon. Mayor Paul Harpole
City Manager Jarrett Atkinson

Adoption of Proposed Rule Amendments and
New Rules Authorizing Historical Racing
Items B-Y

May 27, 2014

Via Email and Hand Delivery

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

Via Hand Delivery

Advisory Committee on Pari-Mutuel Wagering
Mr. Ronald F. Ederer
Dr. Michael F. Martin
Mr. John T. Steen III
Texas Racing Commission
8505 Cross Park Dr. #110
Austin, Texas 78754

Re: Petition for the Adoption of Proposed Rules Authorizing and Regulating
Pari-Mutuel Wagering on Historical Racing at Licensed Texas Racetracks

Dear Mr. Trout and Members of the Advisory Committee on Pari-Mutuel Wagering:

We, the undersigned representatives of the stakeholders in the Texas racing industry, request that the Commission exercise its authority to adopt the enclosed rules, attached as **Exhibit A**, to authorize and establish the regulatory framework surrounding pari-mutuel wagering on historical races at licensed Texas racetracks that have been granted live race dates. We request that at its June 10, 2014 Open Meeting, the Commission vote to publish for comment the proposed rules in accordance with Rule 307.102, and that they become effective no later than September 1, 2014.

The Texas racing industry requests adoption of these rules to allow Texas to keep pace with recent innovative technological developments in pari-mutuel wagering on horse and greyhound races. A growing number of states have authorized pari-mutuel wagering on horse races that were previously run at licensed pari-mutuel racetracks, were recorded, and are subsequently displayed to patrons on terminals. Most notably, the state of Kentucky, the home of horse racing, through its racing commission, has authorized pari-mutuel wagering using this technology. Significantly, the racing industry's pre-eminent regulatory standards association, the Association of Racing Commissioners International ("ARCI"), recognizes historical race wagering as a new and legitimate form of pari-mutuel wagering, and has promulgated model rules addressing this technological development. The Commission's statutory authority to adopt the proposed rules permitting and regulating pari-mutuel wagering on historical races is set forth in **Exhibit B**.

The fact that other states, including neighboring Arkansas, have authorized pari-mutuel wagering on historical races places the Texas racing industry at a decided and growing competitive disadvantage. In 2004, almost 19,000 Texans were employed in the Texas horse racing industry. Since that time, significant numbers of owners, breeders, and trainers have left Texas for other states in which higher purses are offered. For example, the average daily purses for live Thoroughbred horse races in Texas is \$139,459.00 compared to \$352,235.00 in Kentucky and \$347,796.00 in Arkansas, where pari-mutuel wagering on historical racing is permitted. Also, since 2004, the number of

live races in Texas has declined by 60%; live wagering in Texas has declined by 66%; and the number of Texas bred foals is down by 66%. We believe that permitting pari-mutuel wagering on historical races in Texas would halt and reverse these declines in jobs, purses, live races, and wagering.

On December 10, 2013, Chairman Schmidt established the Advisory Committee on Pari-Mutuel Wagering to explore whether the Commission's rules on pari-mutuel wagering should be updated in light of new developments and to analyze their impact on the competitiveness of the Texas racing industry. The attached proposed rules have been developed in consultation with the Advisory Committee and the Commission's staff.

The proposed rules authorizing and regulating pari-mutuel wagering on historical races in Texas, if adopted, would positively affect all the stakeholders in the Texas racing industry by addressing and helping to reverse the serious problems facing them, in particular, a declining fan base, lower purses, lower quality horses and greyhounds competing in live races, and lower revenues for the racetracks and for the State of Texas. Reliable reports show that pari-mutuel wagering on historical races increases the size of purses and revenues for both the states and the tracks and increases the fan base for racing. This advancement in pari-mutuel wagering on horse and greyhound races also provides money for larger purses for live racing and thereby increases the quality of the horses and greyhounds competing in those races. For example, Oaklawn Park in Arkansas has increased its purses every year since it began offer wagering on historical races, and Kentucky Downs has more than doubled its purses last year after the first full year of offering wagering on historical races. In addition, as required by Section 3.02 of the Texas Racing Act, the Commission should consider the benefits of the proposed rules for the state's agricultural, horse breeding, horse training, greyhound breeding, and greyhound training industries. The additional purse money, increased fan base, and increased competitiveness of the racing industry resulting from the adoption of the proposed rules could save the jobs and livelihoods of thousands of Texans and small businesses across the state, such as veterinarians, farriers, feed suppliers, farmers, and many more. It will also allow Texas and the racetrack industry to keep thousands of acres of open farmland and ranchland in viable and beneficial agricultural production.

Consequently, the fiscal implications of the proposed rules for the State of Texas and the Texas racing industry are positive. The projected increase in revenues from wagering on historical racing will result in increased purses for live racing, which will enhance the quality of the live race meets. The revenues and the growth in the racing fan base resulting from such wagering, together with the higher purses and quality of the horses participating in the live race meets, will help the Texas racetracks, all of whom support the adoption of the proposed rules, to become profitable, which also will benefit the members of the Texas Horsemen's Partnership and of the Texas Greyhound Association as well as the local communities in which those members live.

For these reasons, we respectfully urge the Commission to adopt the proposed rules.

TRC NOTE: REMAINDER OF ORIGINAL REQUEST LETTER, INCLUDING SIGNATURE PAGES, LETTERS OF SUPPORT, AND THE REQUESTOR'S ORIGINAL DRAFT OF THE RULE PROPOSAL, HAVE BEEN DELETED FOR BREVITY. PLEASE SEE PACKET FROM PREVIOUS COMMISSION MEETING FOR COMPLETE LETTER.

A COMPILATION OF THE PUBLIC COMMENTS RECEIVED IN RESPONSE TO PUBLICATION OF THE PROPOSED RULES IN THE TEXAS REGISTER IS AVAILABLE SEPARATELY.



2014 AUG -7 AM 11:55

August 6, 2014

Mr. Mark Fenner
General Counsel
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754

Re: Comments on Proposed Historical Racing Rules

Dear Mr. Fenner:

Following submission of comments on the proposed historical racing rules, the SHRP Group had conversations with the horsemen that highlighted a potential ambiguity in the SHRP Group's proposed revisions to Rule 321.703(f), addressing allocation of breakage. The language proposed in the SHRP Group's initial comments should be revised to specifically state that the portion of the breakage being allocated to the breed registries will be deposited in the breed registry accounts. While this was implied in language the SHRP Group initially suggested, we have added a new clause in the language below to make it explicit that eighty percent of the "total breakage," as defined in the statute and the rule, will be deposited in accounts maintained by the breed registries. The revised language is as follows:

(f)(1) Two percent of the breakage derived from historical racing by a horse racing association shall be allocated to the equine research account under Subchapter F, Chapter 88, Education Code. Pursuant to § 6.08(h) of the Act, the remaining 98 percent of the breakage derived from historical racing constitutes "total breakage" and shall be transferred by the association into accounts maintained by the breed registries. The allocation among the breed registries of breakage derived from historical racing shall be determined within the written agreement described in paragraph (c)(2) of this section. An association shall transfer 80 percent of the total breakage into accounts maintained by the breed registries to be paid out. The appropriate state horse breed registry shall pay out 80 percent of the total breakage as follows:

(A) 40 percent is allocated to the owners of the accredited Texas-bred horses that finish first, second or third;

(B) 40 percent is allocated to the breeders of the accredited Texas-bred horses that finish first, second or third; and

(C) 20 percent is allocated to the owner of the stallion standing in this state at the time of conception whose Texas-bred get finish first, second or third.

We would ask that this language be used instead of the version submitted in the SHRP Group's original comments. Please let me know if you have any questions.

Sincerely,



Andrea B. Young
President

SAM HOUSTON RACE PARK LTD.

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

1 **§301.1.Definitions.**

2 (a) (No change.)

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

6 (1) - (31) (No change.)

7 (32) Historical racing--to present for pari-mutuel
8 wagering, through a totalisator system that meets the
9 requirements of Chapter 321, Subchapter F of this title
10 (relating to Regulation of Historical Racing), a previously run
11 horse or greyhound race that was:

12 (A) authorized by the commission or by another racing
13 jurisdiction;

14 (B) concluded with official results and without
15 scratches, disqualifications or dead-heat finishes; and

16 (C) recorded by video, film, electronic, or similar
17 means of preservation.

18 (33) [~~32~~] Horse--an equine of any breed, including a
19 stallion, gelding, mare, colt, filly, or ridgling.

20 (34) [~~33~~] Horse Race--a running contest between horses
21 for entry fees, purse, prize, or other reward, including the
22 following:

23 (A) Claiming race--a race in which a horse may be
24 claimed in accordance with the Rules.

25 (B) Derby race--a race in which the first condition of
26 eligibility is to be three years old.

27 (C) Futurity race--a race in which the first condition
28 of eligibility is to be two years old.

1 (D) Guaranteed race--a race for which the association
2 guarantees by its conditions a specified purse, which is
3 the limit of its liability.

4 (E) Handicap race--a race in which the weights to be
5 carried by the entered horses are adjusted by the racing
6 secretary for the purpose of equalizing their respective
7 chances of winning.

8 (F) Match race--a race between only two horses that
9 are owned by different owners.

10 (G) Maturity race--a race in which the first condition
11 of eligibility is to be four years of age or older.

12 (H) Optional claiming race--a claiming race in which
13 there is an option to have horses entered to be claimed for
14 a stated price or not eligible to be claimed.

15 (I) Progeny race--a race restricted to the offspring
16 of a specific stallion or stallions.

17 (J) Purse or overnight race--a race for which owners
18 of horses entered are not required by its conditions to
19 contribute money toward its purse.

20 (K) Stakes race--a race to which nominators of the
21 entries contribute to a purse.

22 (L) Starter race--an overnight race under allowance or
23 handicap conditions, restricted to horses which have
24 previously started for a designated claiming price or less,
25 as stated in the conditions of the race.

26 (M) Walkover race--a stakes race in which only one
27 horse starts or all the starters are owned by the same
28 interest.

1 (N) Weight for age race--a race in which weights are
2 assigned in keeping with the scale of weights in these
3 rules.

4 (35) [~~(34)~~] In today horse--a horse that is in the body of
5 a race program which is entered into a race on the next
6 consecutive race day.

7 (36) [~~(35)~~] Kennel area--an area on association grounds for
8 the boarding or training of greyhounds.

9 (37) [~~(36)~~] Lead out--an individual who handles a greyhound
10 from the lockout kennel to the starting box.

11 (38) [~~(37)~~] Locked in the gate--a horse or greyhound that
12 is prevented from leaving the starting gate or box due to the
13 failure of the front door of the gate or box to open
14 simultaneously with the other doors.

15 (39) [~~(38)~~] Lure--a mechanical apparatus at a greyhound
16 racetrack consisting of a stationary rail installed around the
17 track, a motorized mechanism that travels on the rail, and a
18 pole that is attached to the mechanism and extends over the
19 track, and to which a decoy is attached.

20 (40) [~~(39)~~] Maiden--a horse or greyhound that has never won
21 a race at a recognized race meeting authorized by the Commission
22 or by another racing jurisdiction.

23 (41) [~~(40)~~] Minus pool--a pool in which there are
24 insufficient net proceeds to pay the minimum price to holders of
25 the winning tickets.

26 (42) [~~(41)~~] Mutuel field--a group of horses joined as a
27 single betting interest in a race due to the limited numbering
28 capacity of the totalisator.

1 (43) [~~(42)~~] No race--a race that is canceled after being
2 run due to a malfunction of the starting gate or box or any
3 other applicable reason as determined by the Rules.

4 (44) [~~(43)~~] Nominator--the person in whose name a horse or
5 greyhound is entered for a race.

6 (45) [~~(44)~~] Occupational licensee--an individual to whom
7 the Commission has issued a license to participate in racing
8 with pari-mutuel wagering.

9 (46) [~~(45)~~] Odds--a number indicating the amount of profit
10 per dollar wagered to be paid to holders of winning pari-mutuel
11 tickets.

12 ~~[(46) Tote board--a facility at a racetrack that is easily~~
13 ~~visible to the public on which odds, payoffs, advertising, or~~
14 ~~other pertinent information is posted.]~~

15 (47) - (79) (No change.)

16 (80) Tote board--a facility at a racetrack that is easily
17 visible to the public on which odds, payoffs, advertising, or
18 other pertinent information is posted.

19 (81) [~~(80)~~] Tote room--the room in which the totalisator
20 equipment is maintained.

21 (82) [~~(81)~~] Tout--an individual licensed to furnish
22 selections on a race in return for a set fee.

23 (83) [~~(82)~~] Trial--a race designed primarily to determine
24 qualifiers for finals of a stakes race.

25 (84) [~~(83)~~] Uplink--an earth station broadcasting facility,
26 whether mobile or fixed, which is used to transmit audio-visual
27 signals and/or data emanating from a sending racetrack, and
28 includes the electronic transfer of received signals from the
29 receiving antenna to TV monitors within the receiving location.

1 (85) [~~84~~] Weigh in--the process by which a jockey is
2 weighed after a race or by which a greyhound is weighed before
3 being placed in the lockout kennel.

4 (86) [~~85~~] Weighing in weight--the weight of a greyhound
5 on weighing in to the lockout kennel.

6 (87) [~~86~~] Weigh out--the process by which a jockey or
7 greyhound is weighed before a race.

8 (88) [~~87~~] Weighing out weight--the weight of a greyhound
9 on weighing out of the lockout kennel immediately before post
10 time for the race in which the greyhound is entered.

11 (89) [~~88~~] Win--to finish first in a race.

12 (90) [~~89~~] Winner--

13 (A) for horse racing, the horse whose nose reaches the
14 finish line first, while carrying the weight of the jockey
15 or is placed first through disqualification by the
16 stewards; and

17 (B) for greyhound racing, the greyhound whose muzzle,
18 or if the muzzle is lost or hanging, whose nose reaches the
19 finish line first or is placed first through
20 disqualification by the judges.

21 (91) [~~90~~] Active license--a racetrack license designated
22 by the commission as active.

23 (92) [~~91~~] Inactive license--a racetrack license
24 designated by the commission as inactive.

1 **§303.31.Regulation of Racing**

2 The commission shall regulate each [~~live and simulcast~~] race
3 meeting conducted in this state and supervise the operation of
4 racetracks and the persons other than patrons who participate in
5 a race meeting.

6
7 **§303.42.Approval of Charity Race Days.**

8 (a) An association shall conduct charity days as required by the
9 Act. A greyhound association shall conduct at least five charity
10 race days each year. A Class 1 or Class 2 horse racetrack that
11 is not conducting historical racing shall conduct at least two
12 and not more than five charity race days each year. A Class 1 or
13 Class 2 horse racetrack that is conducting historical racing
14 shall conduct at least three and not more than five charity race
15 days each year.

16 (b) During each application period in which an association
17 applies for live race dates, the association shall also apply
18 for charity race dates as necessary to comply with subsection
19 (a) of this section. [~~An association shall apply to the~~
20 ~~commission not later than July 1 of each year for charity race~~
21 ~~dates to be conducted in the next calendar year.~~] The
22 application must be in writing and contain:

23 (1) - (4) (No change.)

24 (c) An association shall pay [~~to the charity~~] at least 2.0% of
25 the total pari-mutuel handle generated at the association's
26 racetrack on [~~live races and imported simulcast races on~~] the
27 charity race day.

28 (d) Charities.

29 (1) At least one percent of the pari-mutuel handle from
30 live racing and simulcasting on charity racing days shall be

1 contributed to a [~~of the charity days must be conducted for a~~
2 charity that directly benefits the persons who work in the
3 stable or kennel area of the racetrack, and at least one percent
4 shall be contributed to [~~. At least one of the charity days must~~
5 ~~be conducted for~~] a charity that primarily benefits research
6 into the health or safety of race animals.

7 (2) For a horse racing association conducting historical
8 racing, at least 1.5% of the pari-mutuel handle from historical
9 racing on charity racing days shall be contributed to a charity
10 that directly funds veterinary research beneficial to promoting
11 the health and soundness of horses; and at least one-half of one
12 percent of the pari-mutuel handle from historical racing on
13 charity racing days shall be contributed to a charity that
14 facilitates youth participation in equestrian sports and
15 activities.

16 (3) For a greyhound association conducting historical
17 racing, at least two percent of the pari-mutuel handle from
18 historical racing on charity racing days shall be contributed to
19 a charity that provides for the medical care and rehabilitation
20 of injured greyhounds.

1 **§309.8. Racetrack License Fees.**

2 (a) Purpose of Fees. An association shall pay a license fee to
3 the Commission to pay the Commission's costs to administer and
4 enforce the Act, and to regulate, oversee, and license [~~live and~~
5 ~~simulcast~~] racing and pari-mutuel wagering at racetracks.

6 (b) Annual License Fee.

7 (1) (No change.)

8 (2) An association that is conducting live racing,
9 historical racing or simulcasting shall pay its annual license
10 fee by remitting to the Commission 1/12th of the fee on the
11 first business day of each month. For the State Fiscal Year that
12 begins on September 1, 2011, the monthly remittance shall begin
13 in the month of January.

14 (3) An association that is not conducting live racing,
15 historical racing or simulcasting shall pay its annual license
16 fee on September 1 of each fiscal year. For the State Fiscal
17 Year that begins on September 1, 2011, the annual license fees
18 shall be paid in two separate payments. The first payment will
19 be of \$100,000 and is due on September 1, 2011. The second
20 payment will be of the remaining unpaid balance and shall be
21 paid on January 1, 2012.

22 (c) (No change.)

1 **§309.297. Purse Accounts.**

2 (a) All money required to be set aside for purses [~~, whether from~~
3 ~~wagering on live races or on simulcast wagering,~~] are trust
4 funds held by an association as custodial trustee for the
5 benefit of horsemen. No more than three business days after the
6 end of each week's wagering, the association shall deposit the
7 amount set aside for purses into purse accounts maintained as
8 trust accounts for the benefit of horsemen by breed by the
9 horsemen's organization in one or more federally or privately
10 insured depositories.

11 (b) - (f) (No change.)
12

13 **§309.299. Horsemen's Representative.**

14 (a) Findings. The Commission finds a need for horse owners and
15 trainers to negotiate and covenant with associations as to the
16 conditions of live race meetings, the distribution of purses not
17 governed by statute, simulcast transmission and reception, and
18 other matters relating to the welfare of the owners and trainers
19 participating in live racing at an association. To ensure the
20 uninterrupted, orderly conduct of racing in this state, the
21 Commission shall recognize one organization to represent horse
22 owners and trainers on matters relating to the conduct of [~~live~~]
23 racing [~~and simulcasting~~] at Texas racetracks.

24 (b) (No change.)

25 (c) Authority and Responsibilities.

26 (1) An organization recognized under this section shall
27 negotiate with each association regarding the association's
28 [~~live~~] racing program, including but not limited to the
29 allocation of purse money to various live races, the exporting

1 of simulcast signals, issues related to historical racing, and
2 the importing of simulcast signals during live race meetings.

3 (2) - (6) (No change.)

1 **§309.361. Greyhound Purse Account and Kennel Account.**

2 (a) Greyhound Purse Account.

3 (1) All money required to be set aside for purses [~~whether~~
4 ~~from wagering on live races or simulcast races,~~] are trust funds
5 held by an association as custodial trustee for the benefit of
6 kennel owners and greyhound owners. No more than three business
7 days after the end of each week's wagering, the association
8 shall deposit the amount set aside for purses into a greyhound
9 purse account maintained in a federally or privately insured
10 depository.

11 (2) (No change.)

12 (b) (No change.)

13 (c) The Texas Greyhound Association ("TGA") shall negotiate with
14 each association regarding the association's [~~live~~] racing
15 program, including but not limited to the allocation of purse
16 money to various live races, the exporting of simulcast signals,
17 issues related to historical racing, and the importing of
18 simulcast signals during live race meetings.

19 (d) - (f) (No change.)

1 **§321.5.Pari-mutuel Auditor.**

2 (a) (No change.)

3 (b) The pari-mutuel auditor shall verify the wagering pool
4 totals for each live and simulcast performance and any
5 historical racing pools. The pari-mutuel auditor's verification
6 of the pool totals is the basis for computing the amount of
7 money to be set aside from each pool for the following:

8 (1) - (6) (No change.)

9 (c) (No change.)

10

11 **§321.12.Time Synchronization.**

12 (a) Display and verification of the accurate off time and start
13 of a live or simulcast race is critical. To ensure accurate
14 verification of off time with the close of betting on all live
15 and simulcast races, the association shall ensure:

16 (1) - (3) (No change.)

17 (b) (No change.)

18

19 **§321.13. Pari-mutuel Track Report.**

20 (a) Daily Pari-Mutuel Summary Report.

21 (1) - (3) (No change.)

22 (4) The report must contain, by each live and simulcast
23 performance, and for each day historical racing is conducted,
24 the following:

25 (A) - (D) (No change.)

26 (E) all purses earned, broken out by source, such as
27 live, historical racing, simulcast, cross species, and
28 export;

29 (F) - (H) (No change.)

1 (b) (No change.)
2

1 **§321.23. Wagering Explanations.**

2 (a) (No change.)

3 (b) Historical racing terminals operated by an association must
4 provide:

5 (1) an explanation of the rules of the various types of
6 wagers offered through that terminal; and

7 (2) information about the expiration date of vouchers
8 issued by the terminal, which must be printed on the vouchers.

9 (c) [~~(b)~~] Wagering explanations must be reviewed and approved by
10 the executive secretary before publication.

11

12 **§321.25. Wagering Information.**

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

14 (d) Wagering information for historical racing must be audited
15 by an independent third party approved by the executive
16 secretary before the information is displayed or wagers taken on
17 the associated race.

18

19 **§321.27. Posting of Race Results.**

20 An association shall submit to the executive secretary for
21 approval a plan for providing [~~live and simulcast~~] race results
22 to the wagering public. The plan must include:

23 (1) methods by which the results will be provided;

24 (2) types of results to be provided; and

25 (3) the retention period of the race results.

1 **§321.701.Purpose.**

2 The Commission finds that pari-mutuel wagering on historical
3 horse and greyhound races falls within its statutory grant of
4 authority to regulate pari-mutuel wagering in connection with
5 horse and greyhound racing. The mode and manner of pari-mutuel
6 wagering on horse and greyhound races continues to evolve as the
7 result of new technologies and innovations. Historical racing is
8 distinct from live or simulcast racing. The Commission finds
9 that its rulemaking authority can and should be used to respond
10 to the changing technological, commercial, and societal needs,
11 conditions, and patterns of the horse and greyhound racing
12 industry. The primary advantage of historical racing is the
13 additional revenue it provides for purses for live races
14 conducted in this state. The Commission further finds it is in
15 the public interest to encourage live racing, which promotes
16 economic development in a variety of racing-related industries.
17 Therefore, it is the Commission's intent to adopt and enforce
18 rules relating to historical racing in a manner that will
19 encourage live racing and enhance the state's agricultural,
20 horse breeding, horse training, greyhound breeding, and
21 greyhound training industries.

22
23 **§321.703.Historical Racing.**

24 (a) A license to operate a pari-mutuel racetrack in this state
25 held by an association that has been granted live race dates
26 includes as a part of its privileges the privilege of conducting
27 historical racing, subject to meeting the requirements of this
28 subchapter and any other applicable Commission rules. Historical
29 racing may only be conducted at times when wagering on live or
30 simulcast racing is offered.

1 (b) Deductions from Association's Commission.

2 (1) A horse racing association may not begin conducting
3 historical racing until it executes:

4 (A) a valid contract with the horsemen's
5 representative authorized under §309.299 of this title
6 (relating to Horsemen's Representative) that establishes
7 the portion of the association's commission that will be
8 set aside for purses; and

9 (B) a valid contract with the official breed
10 registries that establishes the portion of the
11 association's commission that will be set aside for breeder
12 incentives.

13 (2) The contracts required by this subsection shall not
14 specify how deductions for purses and breeder incentives will be
15 allocated among the various breeds.

16 (3) If a contract executed under paragraph (1)(A) or (B) of
17 this subsection is terminated, expires, or otherwise lapses, and
18 is not immediately replaced by a new contract, an association
19 conducting historical racing shall continue paying purse
20 contributions and breeder incentives at the levels provided for
21 in the expired, terminated or lapsed contract until a new
22 contract is executed. The new contract shall address the
23 treatment of the payments made during the period in which a
24 contract was not in place.

25 (c) Allocation of Deductions.

26 (1) Each horse racing association shall transfer the amount
27 set aside for purses from historical racing into the purse
28 accounts maintained by breed by the horsemen's representative
29 under the Act, §6.08(b)(3). The allocation of purse amounts
30 among the breeds shall be determined by a separate written

1 agreement between the horsemen's organization and the
2 association. A copy of the executed written agreement must be
3 submitted to the executive secretary. If at any time an
4 agreement under this subsection is not in place, the association
5 shall notify the executive secretary in writing and shall
6 subsequently hold the amount set aside for purses from
7 historical racing in escrow until an agreement is submitted.

8 (2) Each horse racing association shall transfer the amount
9 set aside for breeder incentives from historical racing into
10 accounts maintained by the breed registries. The allocation of
11 breeder incentives among the breed registries shall be
12 determined by a separate written agreement among the official
13 state breed registries. A copy of the executed written agreement
14 shall be submitted to the executive secretary and to the
15 association. If at any time an agreement under this subsection
16 is not in place, the association shall hold the amount set aside
17 for breeder incentives from historical racing in escrow until an
18 agreement is submitted.

19 (d) A greyhound racing association may not conduct historical
20 racing unless it has a valid contract in place with the Texas
21 Greyhound Association governing the portion of the association's
22 commission that will be set aside for purses and breeder
23 incentives. If a contract executed under this paragraph is
24 terminated, expires, or otherwise lapses, and is not immediately
25 replaced by a new contract, an association conducting historical
26 racing shall continue paying purse contributions and breeder
27 incentives at the levels provided for in the expired, terminated
28 or lapsed contract until a new contract is executed. The new
29 contract shall address the treatment of the payments made during
30 the period in which a contract was not in place.

1 (e) To minimize the risk of business interruptions, the
2 contracts required by subsections (b) and (d) of this section
3 shall specify a process by which the parties will resolve
4 disputes about the terms of any successor contracts.

5 (f) Breakage from historical racing shall be allocated pursuant
6 to this subsection. The use and distribution of the amounts
7 transferred under this subsection are subject to audit by the
8 Commission.

9 (1) Two percent of the breakage derived from historical
10 racing by a horse racing association shall be allocated to the
11 equine research account under Subchapter F, Chapter 88,
12 Education Code. Pursuant to §6.08(h) of the Act, the remaining
13 98 percent of the breakage derived from historical racing
14 constitutes "total breakage" and shall be transferred by the
15 association into accounts maintained by the breed registries.

16 The allocation among the breed registries of breakage derived
17 from historical racing shall be determined within the written
18 agreement described in subsection (c) (2) of this section. An
19 association shall transfer 80 percent of the total breakage into
20 accounts maintained by the breed registries to be paid out. The
21 appropriate state horse breed registry shall pay out 80 percent
22 of the total breakage as follows:

23 (A) 40 percent is allocated to the owners of the
24 accredited Texas-bred horses that finish first, second or
25 third;

26 (B) 40 percent is allocated to the breeders of the
27 accredited Texas-bred horses that finish first, second or
28 third; and

CHAPTER 321. PARI-MUTUEL WAGERING

SUBCHAPTER F. REGULATION OF HISTORICAL RACING

1 (C) 20 percent is allocated to the owner of the
2 stallion standing in this state at the time of conception
3 whose Texas-bred get finish first, second or third.

4 (2) Fifty percent of the breakage derived from historical
5 racing by a greyhound racing association shall be shall be
6 transferred by the association into accounts maintained by the
7 Texas Greyhound Association. Of that portion of the breakage,
8 one-half is to be used in stakes races. The breakage received by
9 the Texas Greyhound Association under this paragraph is subject
10 to the grant program requirements §303.101(b) of this title
11 (relating to Greyhound Breed Registry).

12 (g) An association seeking to conduct historical racing shall
13 submit the form of the contracts required by subsection (b) or
14 (d) of this section to the executive secretary for review and
15 approval. The association shall provide a copy of the executed
16 contracts required by subsection (b) or (d) of this section to
17 the Commission.

18
19 **§321.705.Request to Conduct Historical Racing.**

20 (a) In addition to the requirements of §309.162 of this title
21 (relating to Management, Totalisator Companies, and
22 Concessionaires Contracts), §321.15 of this title (relating to
23 License to Provide Totalisator Services) and §321.101 of this
24 title (relating to Totalisator Requirements and Operating
25 Environment), an association must submit a written request to
26 the Commission to receive approval to conduct historical racing,
27 to offer new types of wagers, or to change the presentation or
28 appearance of previously-approved wager types.

29 (1) The request must identify the types of wagers that will
30 be offered, the presentation and appearance of the wagers, the

1 types and numbers of historical racing terminals that the
2 association will operate, the area(s) within the association's
3 enclosure where the terminals will be placed, and the date that
4 operations will begin. The request may identify the number of
5 historical racing terminals to be installed as a range, rather
6 than a specific number.

7 (2) The request must be accompanied by a certification and
8 the associated report from an independent testing laboratory
9 verifying that the proposed historical racing totalisator system
10 has been tested to ensure its integrity and proper working
11 order, and that the system and the proposed wagers meets
12 jurisdictional rules for historical racing. When all other
13 requirements for conducting historical racing have been met, the
14 Commission shall issue a conditional approval to allow an
15 association to install the historical racing totalisator system.
16 An independent testing laboratory must test the installed system
17 to ensure its compliance with the Commission's rules and
18 technical standards, and the association shall submit the
19 results of this testing and the associated report to the agency
20 to obtain final approval to operate the historical racing
21 totalisator system.

22 (3) The Commission may require the association to submit
23 additional information if the Commission determines that such
24 information is necessary to effectively evaluate the request.

25 (b) In considering whether or not to approve a request to
26 conduct historical racing, the Commission shall consider, but is
27 not limited to, the following factors:

28 (1) whether the historical racing totalisator system and
29 the proposed wagers comply with the applicable requirements for

1 pari-mutuel wagering in connection with horse and greyhound
2 racing as set forth in these rules and the Texas Racing Act;

3 (2) the regulatory compliance and conduct of the
4 association, the financial stability of the association and the
5 effect that allowing pari-mutuel wagering on historical races
6 will have on the economic viability of the association;

7 (3) the impact of historical racing on purses and breeder
8 incentives; and

9 (4) the public interest that will be served by historical
10 racing.

11 (c) The Commission shall not approve any wager that would
12 violate the prohibitions in Article III, Section 47 of the Texas
13 Constitution.

14 (d) An association conducting historical racing shall submit a
15 request for approval to the executive secretary before:

16 (1) updating the software for the historical racing
17 totalisator system; or

18 (2) installing new equipment to be operated as part of the
19 historical racing totalisator system that was not included in
20 the original request under subsection (a) of this section.

21 (e) The executive secretary shall provide a written response to
22 a request under subsection (d) of this section within ten (10)
23 days. If the executive secretary does not approve the request
24 after ten (10) days, the executive secretary shall provide a
25 written response identifying any unresolved issues that are
26 preventing approval. The executive secretary may request a new
27 certification and report pursuant to subsection (a)(2) of this
28 section to evaluate a change requested under subsection (d) of
29 this section. The executive secretary shall notify the
30 association if a new report and certification will be required

1 within ten (10) days of receiving the request under subsection
2 (d) of this section. If a new report and certification are
3 requested, the executive secretary shall provide a written
4 response to a request under subsection (d) of this section
5 within ten (10) days of receiving the new report and
6 certification.

7 (f) The executive secretary may require an association to
8 provide access to inspect and test a historical racing
9 totalisator system for compliance with commission rules at any
10 time.

11 (g) The Commission shall not limit an association's ability to
12 conduct historical racing based on the brand of historical
13 racing terminal, as long as the totalisator system meets the
14 requirements of the subchapter and any other applicable
15 commission rules.

16
17 **§321.707. Requirements for Operating a Historical Racing**
18 **Totalisator System.**

19 (a) A historical racing totalisator system may be operated only
20 within an association's enclosure.

21 (b) Once a patron deposits the wagered amount in the historical
22 racing terminal, a race shall be chosen at random for
23 presentation to the patron.

24 (c) Prior to the patron making wager selections, the terminal
25 shall not display any information that would allow the patron to
26 identify the race on which he or she is wagering, including the
27 location of the race, the date on which the race was run, the
28 names of the animals in the race, or the names of the jockeys
29 that participated in the race.

1 (d) The terminal shall make available true and accurate past
2 performance information on the race to the patron prior to
3 making his or her wager selections. The information shall be
4 current as of the day the race was run. The information may be
5 displayed on the terminal in data or graphical form.

6 (e) After a patron finalizes his or her wager selections, the
7 terminal shall show the race, or a portion thereof, and the
8 official results and identity of the race.

9 (f) If there is a complete breakdown of a historical racing
10 terminal, the association offering the wager shall make a full
11 refund of the patron's balance on the terminal at the time of
12 the breakdown, as verified by the historical racing totalisator
13 system.

14
15 **§321.709.Types of Pari-mutuel Wagers for Historical Racing.**

16 In addition to the types of pari-mutuel wagers authorized for
17 live racing in subchapter C of this chapter, an association
18 conducting historical racing may offer the types of pari-mutuel
19 wagers for historical racing identified in the Association of
20 Racing Commissioners International Model Rules, ARCI-004-155, as
21 approved by the ARCI Board on July 31, 2013. Copies of ARCI-004-
22 155 are available at the Texas Racing Commission, P.O. Box
23 12080, Austin, Texas 78711, or at the Commission office at 8505
24 Cross Park Dr., #110, Austin, Texas 78754. The Commission may
25 also approve additional types of pari-mutuel wagers for
26 historical racing on a case-by-case basis.

27
28 **§321.711.Historical Racing Pools; Seed Pools.**

29 (a) Except as specified in subsection (c) of this section, all
30 payouts to winning historical racing wagers shall be paid

1 exclusively from the pools of historical racing wagers. An
2 association shall not conduct historical racing in a manner that
3 allows patrons to wager against the association, or in a manner
4 such that the association's commission depends upon the outcome
5 of any particular race or the success of any particular wager.
6 Payment of a winning wager shall not exceed the amount available
7 in the applicable pool and must be paid to the patron using cash
8 or cash vouchers only.

9 (b) Seed pools shall be maintained and funded so that the amount
10 available at any given time is sufficient to ensure that a
11 patron will be paid the minimum payout for a winning wager as
12 specified by the historical racing terminal through which the
13 wager is placed. An association may assign a percentage of each
14 historical racing wager to fund seed pools.

15 (c) An association shall provide the funding for the initial
16 seed pool for each type of wager. The funding for the initial
17 seed pool shall be non-refundable.

18
19 **§321.713.Deductions from Pari-mutuel Pools.**

20 (a) Each association conducting historical racing may deduct a
21 portion of each historical racing pool as its commission.

22 (b) The agreements required pursuant to §321.703(b) and (d) of
23 this title (relating to Historical Racing) shall apply to the
24 portion of the association's commission that remains after
25 deduction of all licensing fees, royalties, expenses, and any
26 other costs charged to the association by the Commission, by the
27 providers of the equipment and technology used by the
28 association, or by third parties who own rights to the races
29 used by the historical racing totalisator system.

30

1 **§321.715.Contract Retention; Pari-mutuel Wagering Record**

2 **Retention.**

3 (a) In addition to any other applicable approval requirements,
4 all contracts executed by an association regarding historical
5 racing are subject to inspection by the executive secretary. An
6 association shall maintain each contract regarding historical
7 racing for at least one year after the end of the term of the
8 contract. An association must provide a copy of the contract to
9 the executive secretary on request.

10 (b) Each association shall maintain complete records of all
11 wagering on historical races, including the amounts wagered at
12 each terminal in a historical racing totalisator system, for at
13 least two (2) years.

14
15 **§321.717.Effect of Conflict.**

16 To the extent that a provision of this subchapter conflicts with
17 Subchapter A of this chapter (relating to Mutuel Operations) or
18 requirements contained elsewhere in the Commission's rules, this
19 subchapter controls with respect to historical racing.

20
21 **§321.719.Severability.**

22 If any part of this subchapter or its application to any person
23 or circumstance is held invalid, the invalidity does not affect
24 other parts or applications of the rules that can be given
25 effect without the invalid part or application, and to this end,
26 the rule is severable.

Adoption of Proposed Rule Amendments and
New Rules Authorizing Historical Racing
Items B-Y

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: May 12, 2014

***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.texas.gov

Contact Information:

Name:	TXRC Staff	Phone(s):	(512) 833-6699
E-mail address:	info@txrc.texas.gov	Fax number:	(512) 833-6907
Mailing address:	8505 Cross Park Drive, Suite 110, Austin, Texas 78754		

Check appropriate box(s)

Personal Submission *OR*

Submission on behalf of TXRC Staff
(Name of Organization)

If known, Proposed Change to Chapter: Chapter: 319 Rule: 364

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

Commission Rule 319.364, Testing for Androgenic-Anabolic Steroids, establishes specific urine threshold concentrations for the steroids Winstrol, Boldenone, Nandrolone, and Testosterone. This rule was originally adopted in 2009, and at the time, the Association of Racing Commissioners International (ARCI) had adopted model rules specifying thresholds in urine only. However, at its meeting on December 9, 2013, ARCI adopted revisions to the model rules that eliminated Winstrol as a permissible steroid and establishing thresholds in urine, plasma, and serum for the remaining steroids.

B. Discussion of the Issue and Problem

The Commission recently adopted changes to Rule 319.3, Medication Restricted, that allows the executive director to determine the threshold levels for most permissible therapeutic medications. This change allows the Commission to regulate these medications more effectively by providing the flexibility to adopt ARCI's changes more quickly. The approach taken in Rule 319.364, which establishes specific thresholds by rule, is inconsistent with the approach taken in Rule 319.3.

In addition, the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) has recently expressed interest in conducting tests for steroids using plasma and/or serum, rather than using urine only. TVMDL expressed this interest because testing in plasma or serum is faster and more cost-effective than testing in urine alone.

C. Possible Solutions and Impact

The proposed change would remove the specific thresholds for steroids from Rule 319.364 and allow the executive director to establish thresholds under the authority provided by Rule 319.3. This will provide more flexibility to follow the guidance provided by ARCI through its model rules and its Uniform Classification of Foreign Substances.

As a result of these changes, the list of permissible medications maintained under Rule 319.3 would be modified to add the following language, which is adapted from ARCI Model Rule ARCI-011-020 Medications and Prohibited Substances, Subpart I, Androgenic-Anabolic Steroids.

No Androgenic-Anabolic Steroids (AAS) shall be permitted in test samples collected from racing horses except for endogenous concentrations of the naturally occurring substances boldenone, nandrolone, and testosterone at concentrations less than the indicated thresholds.

Concentrations of these AAS shall not exceed the following free (*i.e.*, not conjugated) steroid concentrations in plasma or serum:

(a) Boldenone – A confirmatory threshold not greater than 25 picograms/milliliter for all horses, regardless of sex;

(b) Nandrolone – A confirmatory threshold not greater than 25 picograms/milliliter for fillies, mares, and geldings; males horses other than geldings shall be tested for Nandrolone in urine;

(c) Testosterone – A confirmatory threshold not greater than 25 picograms/milliliter for fillies, mares, and gelding.

(3) Total concentrations of these AAS shall not exceed the following total concentrations in urine after hydrolysis of conjugates:

(a) Boldenone - A confirmatory threshold not greater than 1 nanogram/milliliter for fillies, mares, and geldings; a confirmatory threshold not greater than 15 nanograms/milliliter in male horses other than geldings;

(b) Nandrolone - A confirmatory threshold not greater than 1 nanogram/milliliter for fillies, mares, and geldings; a confirmatory threshold not greater than 45 nanograms/milliliter (as 5 α -estrane-3 β ,17 α -diol) of urine in male horses other than geldings;

(c) Testosterone – A confirmatory threshold of not greater than 55 nanograms/milliliter of urine in fillies and mares (unless in foal); a confirmatory threshold of not less than 20 nanograms/milliliter in geldings

D. Support or Opposition

Staff is not aware of any opposition to this proposal. The proposal was proposed by the Commission at its June 10, 2014, meeting and published in the June 27, 2014, edition of the *Texas Register*.

E. Proposal

See next page.

1 **Sec. 319.364. Testing for Androgenic-Anabolic Steroids (AAS).**

2 (a) No androgenic-anabolic steroids shall be permitted in test
3 samples collected from racing horses except as permitted on the
4 written list of therapeutic drugs maintained under §319.3 of
5 this chapter (relating to Medication Restricted). [~~for residues~~
6 ~~of the major metabolite of stanozolol, nandrolone, and the~~
7 ~~naturally occurring substances boldenone and testosterone at~~
8 ~~concentrations less than the indicated thresholds.]~~

9 [~~(b) Concentrations of these androgenic-anabolic steroids shall~~
10 ~~not exceed the following urine threshold concentrations for~~
11 ~~total (i.e., free drug or metabolite and drug or metabolite~~
12 ~~liberated from its conjugates):]~~

13 [~~(1) 16 β -hydroxystanozolol (metabolite of stanozolol~~
14 ~~(Winstrol))--1 ng/ml in urine for all horses regardless of sex;]~~

15 [~~(2) Boldenone (Equipoise[®] is the undecylenate ester of~~
16 ~~boldenone) in male horses other than geldings--15 ng/ml in~~
17 ~~urine. No boldenone shall be permitted in geldings or female~~
18 ~~horses.]~~

19 [~~(3) Nandrolone (Durabolin[®] is the phenylpropionate ester~~
20 ~~and Deca-Durabolin[®] is the decanoate ester)]~~

21 [~~(A) In geldings--1 ng/ml in urine]~~

22 [~~(B) In fillies and mares--1 ng/ml in urine]~~

23 [~~(4) Testosterone]~~

24 [~~(A) In geldings--20 ng/ml in urine]~~

25 [~~(B) In fillies and mares--55 ng/ml in urine]~~

26 (b) [(e)] Any other anabolic steroids are prohibited in racing
27 horses.

28 (c) [(d)] The sex of the horse must be identified to the
29 laboratory on all pre-race and post-race samples designated for
30 AAS testing. [~~Post-race urine samples must have the sex of the~~
31 ~~horse identified to the laboratory.]~~

1 (d) [(e)] If an anabolic steroid has been administered to a horse
2 in order to assist in its recovery from illness or injury, that
3 horse may be placed on the Veterinarian's List in order to
4 monitor the concentration of the drug or metabolite in urine or
5 blood. [Any horse to which an anabolic steroid has been
6 administered in order to assist in the recovery from illness or
7 injury may be placed on the veterinarian's list in order to
8 monitor the concentration of the drug or metabolite in urine.]
9 After the concentration has fallen below the designated
10 threshold for the administered androgenic-anabolic steroids,
11 the horse is eligible to be removed from the list.

Closing of Rule Reviews

- A. Chapter 313, Officials and Rules of Horse Racing
- B. Chapter 315, Officials and Rules for Greyhound Racing

Opening of Rule Reviews

- C. Chapter 307, Proceedings Before the Commission
- D. Chapter 323, Disciplinary Action and Enforcement

CURRENT RULE REVIEWS CHAPTERS 313 AND 315

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

On October 8, 2013, the Commission opened the reviews of Chapter 313, Officials and Rules of Horse Racing, and Chapter 315, Officials and Rules for Greyhound Racing. Notice of the reviews was published in the October 25, 2013, edition of the *Texas Register* (38 *TexReg* 7479). The Commission received no comments on the rule review in response to the notice other than the comments received in response to individual rule proposals.

The Table of Contents for Chapters 313 and 315 are attached below. A notation has been placed beside each rule that has been repealed, added, or amended during the review process.

Staff recommends that the Commission readopt the remaining rules of Chapters 313 and 315.

CHAPTER 313. OFFICIALS AND RULES OF HORSE RACING

TABLE OF CONTENTS

Subchapter A. Officials

Division 1. General Provisions

- Sec. 313.1. Racetrack Officials
- Sec. 313.2. Duties
- Sec. 313.4. Approval of Officials

Division 2. Duties of Stewards

- Sec. 313.21. Eligibility for Appointment
- Sec. 313.22. General Duties
- Sec. 313.23. Supervision of Entries
- Sec. 313.24. Records and Reports
- Sec. 313.25. Steward's List
- Sec. 313.26. Posting of Track Condition

Division 3. Duties of Other Officials

- Sec. 313.41. Racing Secretary
- Sec. 313.42. Morning Clocker
- Sec. 313.43. Official Timer
- Sec. 313.44. Paddock Judge
- Sec. 313.45. Clerk of Scales
- Sec. 313.46. Placing Judges
- Sec. 313.47. Patrol Judges
- Sec. 313.48. Commission Veterinarians
- Sec. 313.49. Starter
- Sec. 313.50. Horse Identifier
- Sec. 313.52. Jockey Room Custodian
- Sec. 313.53. Mutuel Manager
- Sec. 313.54. Track Superintendent
- Sec. 313.55. Assistant Racing Secretary
- Sec. 313.56. Stable Superintendent
- Sec. 313.57. Announcer
- Sec. 313.58. Outriders
- Sec. 313.59. Assistant Starters
- Sec. 313.60. Test Barn Technicians
- Sec. 313.61. Horsemen's Bookkeeper

Subchapter B. Entries, Scratches, and Allowances

Division 1. Entries

- Sec. 313.101. Entry Procedure
- Sec. 313.102. Intent and Authority
- Sec. 313.103. Eligibility Requirements (*Amended March 16, 2014*)

- Sec. 313.104. Registration Certificates
- Sec. 313.105. Changes in Ownership
- Sec. 313.106. Closing Entries
- Sec. 313.107. Draw for Post Position
- Sec. 313.108. Preferred List
- Sec. 313.109. Change in Conditions
- Sec. 313.110. Coupled Entries (*Amended July 7, 2014*)
- Sec. 313.111. Age Restrictions
- Sec. 313.112. Objection to Entry

Division 2. Scratches

- Sec. 313.131. Scratch Procedure
- Sec. 313.132. Scratch Time
- Sec. 313.133. Scratch Irrevocable
- Sec. 313.134. Obligation to Start
- Sec. 313.135. Scratch by Stewards
- Sec. 313.136. Scratches in Stakes Races

Division 3. Allowances and Penalties

- Sec. 313.161. Responsibility for Correct Weight
- Sec. 313.162. Claim for Allowance
- Sec. 313.163. Improper Claim for Allowance
- Sec. 313.164. Records Conclusive
- Sec. 313.165. Sex Allowance
- Sec. 313.166. Apprentice Allowance
- Sec. 313.167. Prohibited Allowances
- Sec. 313.168. Scale of Weights for Age

Subchapter C. Claiming Races

- Sec. 313.301. Eligibility to Claim
- Sec. 313.302. Claim Procedure
- Sec. 313.303. Effective Time of Claim
- Sec. 313.304. Claim Irrevocable
- Sec. 313.305. Amounts on Deposit
- Sec. 313.306. Transfer of Claimed Horse
- Sec. 313.307. Responsibility for Testing
- Sec. 313.308. Restrictions on Subsequent Use
- Sec. 313.310. Restrictions on Claims
- Sec. 313.312. Protests
- Sec. 313.313. Removal to Avoid Claim
- Sec. 313.314. Disclosure of Mare in Foal

Subchapter D. Running of the Race

Division 1. Jockeys

- Sec. 313.401. Jockeys to Report
- Sec. 313.402. Weighing Out

- Sec. 313.403. Maximum Overweight
- Sec. 313.404. Items Included in Weight
- Sec. 313.405. Whips and Other Equipment
- Sec. 313.406. Colors and Number
- Sec. 313.407. Duty to Fulfill Jockey Engagements
- Sec. 313.409. Jockey Mount Fees
- Sec. 313.411. Suspended Jockeys

Division 2. Pre-Race Procedure

- Sec. 313.421. Horses to Pre-Race Holding Area
- Sec. 313.422. Saddling and Equipment
- Sec. 313.423. Parade
- Sec. 313.424. Leaving the Race Course
- Sec. 313.425. At the Starting Gate
- Sec. 313.426. Toe Grabs Prohibited

Division 3. The Race

- Sec. 313.441. The Start
- Sec. 313.442. Interference
- Sec. 313.443. Action by Jockeys
- Sec. 313.444. Dismounting
- Sec. 313.445. Weigh In
- Sec. 313.446. Claim of Interference
- Sec. 313.447. Ramifications of Disqualification
- Sec. 313.448. Dead Heat
- Sec. 313.449. Official Order of Finish
- Sec. 313.450. Time Trial Qualifiers

Subchapter E. Training Facilities

- Sec. 313.501. Training Facility License
- Sec. 313.502. Application for License
- Sec. 313.503. Physical Plant
- Sec. 313.504. Operational Requirements
- Sec. 313.505. Workout Requirements
- Sec. 313.506. Discretion of Officials
- Sec. 313.507. Employees of Training Facilities

CHAPTER 315. OFFICIALS AND RULES FOR GREYHOUND RACING

TABLE OF CONTENTS

Subchapter A. Officials

Division 1. Appointment of Officials

- Sec. 315.1. Required Officials
- Sec. 315.2. Racing Judges
- Sec. 315.3. Substitute Officials
- Sec. 315.4. Dual Appointments
- Sec. 315.5. General Duties

Division 2. Duties

- Sec. 315.31. Racing Judges
- Sec. 315.32. Commission Veterinarian
- Sec. 315.33. Paddock Judge
- Sec. 315.34. Starter
- Sec. 315.35. Clerk of Scales
- Sec. 315.36. Mutuel Manager
- Sec. 315.37. Racing Secretary
- Sec. 315.38. Assistant Racing Secretary
- Sec. 315.39. Chart Writer
- Sec. 315.40. Kennel Master
- Sec. 315.41. Photofinish Operator and Timer
- Sec. 315.42. Association Veterinarian
- Sec. 315.43. Track Superintendent
- Sec. 315.44. Brakeman

Subchapter B. Entries and Pre-Race Procedures

- Sec. 315.101. Registration
- Sec. 315.102. Entry Procedure
- Sec. 315.103. Eligibility to Enter or Start
- Sec. 315.104. Sales and Transfers
- Sec. 315.105. Stakes Race
- Sec. 315.106. Liability for Fees in Stakes Races
- Sec. 315.107. Payments of Nominating, Sustaining and Starting Fees
- Sec. 315.108. Qualifying Time
- Sec. 315.109. Objection to Entry
- Sec. 315.110. Scratches
- Sec. 315.111. Schooling

Subchapter C. Race Procedures

- Sec. 315.201. Racing Weight
- Sec. 315.202. Changes in Established Weight
- Sec. 315.203. Placement in Lockout
- Sec. 315.204. Paddock to Post

Sec. 315.205. Equipment
Sec. 315.206. Operation of Lure
Sec. 315.207. Leaving the Course
Sec. 315.208. Interference
Sec. 315.209. No Race
Sec. 315.210. Prize Distribution in Dead Heats
Sec. 315.211. Objections

Subchapter D. Greyhound Breeding Farms

Sec. 315.250. Standards for Greyhound Breeding Farms

PROPOSED RULE REVIEWS CHAPTERS 307 AND 323

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

To formally initiate the rule review process, the Commission must vote at a public meeting to publish notice in the *Texas Register* of the Commission's intention to review specific rules. After the time for public comment has passed, the Commission will take one of the following actions in regard to the rules in Chapter 307 and Chapter 323: readoption, repeal, or readoption with revisions.

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

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

The *Table of Contents* for Chapters 307 and 323 are attached below.

CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION

TABLE OF CONTENTS

Subchapter A. General Provisions

- Sec. 307.1. Applicability
- Sec. 307.2. Definitions
- Sec. 307.3. Types of Proceedings
- Sec. 307.4. Decision-making Proceedings
- Sec. 307.5. Special Provisions regarding Racetrack License Applications
- Sec. 307.6. Probation
- Sec. 307.7. Ejection and Exclusion

Subchapter B. Contested Cases

- Sec. 307.31. Prehearing Procedures
- Sec. 307.32. Nonparty Participation
- Sec. 307.33. Hearing
- Sec. 307.34. Exceptions and Replies
- Sec. 307.35. Oral Argument
- Sec. 307.36. Consideration by Commission
- Sec. 307.37. Final Order
- Sec. 307.38. Rehearing
- Sec. 307.39. Judicial Review

Subchapter C. Proceedings By Stewards And Racing Judges

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

Subchapter D. Rulemaking

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

CHAPTER 323. DISCIPLINARY ACTION AND ENFORCEMENT

TABLE OF CONTENTS

Subchapter A. General Provisions

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

Subchapter B. Civil Remedies

- Sec. 323.101. Administrative Penalties

Subchapter C. Criminal Enforcement

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