TEXAS RACING COMMISSION
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Austin, TX 78711-2080
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Texas Racing Commission
Wednesday, December 20, 2017
10:00 a.m.
Department of Public Safety, Criminal Law Enforcement
6100 Guadalupe, Building E, First Floor Auditorium
Austin, TX 78752

AGENDA

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

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

1. Budget and finance
2. Wagering statistics
3. Enforcement

B. Discussion and possible action regarding the following matters:

1. Approval of internal audit plan for Fiscal Year 2018
2. Update to internal audit charter

C. Discussion of process for election of vice chair

IV. PROCEEDINGS ON MATTERS RELATED TO AGENCY FUNDING

A. Discussion regarding agency funding situation and cost-cutting measures that have been undertaken

B. Discussion and possible action to propose new Rule 309.13, Supplemental Fee, regarding funding of third-party economy, efficiency, and effectiveness audit

V. OTHER PROCEEDINGS ON RULES

A. Discussion and possible action on the following rule proposals. If approved by the Commission, these rule proposals will be published in the *Texas Register* for public comment:

   1. Proposal of Amendment to Rule 303.93, Quarter Horse Rules
   2. Proposal of Amendment to Rule 321.30, Super Hi-Five

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

   1. Closure of rule reviews of Chapter 301, Definitions, Chapter 303, General Provisions, Chapter 319, Veterinary Practices and Drug Testing, and Chapter 321, Pari-mutuel Wagering
   2. Opening rule reviews of Chapter 309, Racetrack Licenses and Operations, and Chapter 311, Other Licenses

VI. PROCEEDINGS ON RACETRACKS

Discussion and possible action on the following matters:

A. Allocation of live race dates for horse racetracks under Commission Rule 303.41 for the period beginning January 1, 2018, and ending August 31, 2019

B. Allocation of funds for the Texas Bred Incentive Program under Commission Rule 321.505(b)

C. Allocation of purses as provided under Commission Rule 321.505(a)

D. Distribution of funds in the Escrowed Purse Account among the various breeds of horses under Commission Rule 321.509

E. Allocation of live race dates for greyhound racetracks under Commission Rule 303.41 for the period beginning January 1, 2018, and ending August 31, 2019

F. Allocation of interstate cross-species purse money under Commission Rule 303.102(d)

VII. EXECUTIVE SESSION

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

A. Under Texas Government Code § 551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.

B. Under Texas Government Code § 551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.

C. Under Texas Government Code § 551.074(a)(1), the Commission may enter an executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the executive director.

VIII. SCHEDULING OF NEXT COMMISSION MEETING

IX. ADJOURN

III. GENERAL BUSINESS

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

   1. Budget and Finance Update
   2. Report on Wagering Statistics
   3. Enforcement Report

B. Discussion and possible action regarding the following matters:

   1. Approval of internal audit plan for Fiscal Year 2018
   2. Update to internal audit charter

C. Discussion of process for election of vice chair

Texas Racing Commission

FYE 08/31/2017
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-1

Strategy	Program Description		FY 2017 Annual Budget	FY 2017 Expended Thru 8/31/2017	FY 2017 Unexpended Bal 8/31/2017	With 100% of Year Lapsed % of Budget Expended
Appropriated	- FTE's = 4.50					
A.1.1.	Regulate Racetrack Owners					
Base Appr =	1001	Salaries and Wages	347,310.39	346,466.51	843.88	99.76%
$ 359,975.00	1002	Other Personnel Cost	10,311.51	8,877.10	1,434.41	86.09%
Sup Appr =	2001	Prof Fees and Services	250.00	199.00	51.00	
$ 8,218.11	2003	Consumables	-	-	-	
Total Appr =	2004	Utilities	-	-	-	
$ 368,193.11	2005	Travel	1,750.00	1,712.65	37.35	97.87%
Budgeted =	2006	Rent Building	-	-	-	
$ 366,680.00	2007	Rent Machine	-	-	-	
Difference	2009	Other Operating Cost	7,058.10	5,685.66	1,372.44	80.56%
(1,513.10)	CB	Computer Equipment	-	-	-	
-0.42%	Total	Strategy A.1.1.	366,680.00	362,940.92	3,739.08	98.98%
Appropriated	0 FTE's = 0					
A.2.1.	Texas Bred Incentive					
	ATB Money Expended		3,475,000.00	3,028,615.82	446,384.18	87.15%
3,475,000.00	Total	Strategy A.2.1.	3,475,000.00	3,028,615.82	446,384.18	87.15%
Appropriated	(1.90) FTE's = 7.40					
A.3.1.	Supervise Racing and Licensees					
Base Appr =	1001	Salaries and Wages	402,007.68	402,007.67	0.00	100.00%
$ 692,204.00	1002	Other Personnel Cost	17,519.78	17,519.78	(0.00)	100.00%
Sup Appr =	2001	Prof Fees and Services	30,000.00	29,565.65	434.35	98.55%
$ 8,232.86	2003	Consumables	-	-	-	-
Total Appr =	2004	Utilities	-	-	-	
$ 700,436.86	2005	Travel	63,960.46	62,147.24	1,813.22	97.17%
Budgeted =	2006	Rent Building	-	-	-	
$ 518,348.01	2007	Rent Machine	-	-	-	
Difference	2009	Other Operating Cost	4,860.10	4,091.35	768.75	84.18%
(182,088.85)	CB	Computer Equipment	-	-	-	
-26.31%	Total	Strategy A.3.1.	518,348.01	515,331.69	3,016.32	99.42%
Appropriated	0.15 FTE's = 3.45					
A.3.2.	Monitor Occupational Licensee Act.					
Base Appr =	1001	Salaries and Wages	276,848.03	253,804.06	23,043.97	91.68%
$ 243,522.00	1002	Other Personnel Cost	18,519.76	17,394.19	1,125.57	93.92%
Sup Appr =	2001	Prof Fees and Services	2,000.00	1,786.12	213.88	89.31%
$ -	2003	Consumables	1,396.23	1,396.23	-	100.00%
Total Appr =	2004	Utilities	-	-	-	
$ 243,522.00	2005	Travel	49,583.00	49,583.00	-	100.00%
Budgeted =	2006	Rent Building	-	-	-	
$ 352,473.45	2007	Rent Machine	-	-	-	
Difference	2009	Other Operating Cost	4,126.42	4,126.42	0.00	100.00%
$ 108,951.45	CB	Computer Equipment	-	-	-	
44.74%	Total	Strategy A.3.2.	352,473.45	328,090.02	24,383.43	93.08%
Appropriated	0.50 FTE's = 3.60					
A.4.1.	Inspect and Provide Emerg. Care					
Base Appr =	1001	Salaries and Wages	217,851.77	217,851.77	(0.00)	100.00%
$ 341,149.00	1002	Other Personnel Cost	5,651.52	5,651.52	0.00	100.00%
Sup Appr =	2001	Prof Fees and Services	128,588.57	129,232.46	(643.89)	100.50%
$ 2,121.60	2003	Consumables	200.00	48.08	151.92	24.04%
Total Appr =	2004	Utilities	-	-	-	
$ 343,270.60	2005	Travel	22,423.94	22,423.94	-	100.00%
Budgeted =	2006	Rent Building	-	-	-	
$ 379,143.39	2007	Rent Machine	-	-	-	
Difference	2009	Other Operating Cost	4,427.59	4,607.95	(180.36)	104.07%
$ 35,872.79	CB	Computer Equipment	-	-	-	
10.52%	Total	Strategy A.4.1.	379,143.39	379,815.72	(672.33)	100.18%

Texas Racing Commission

FYE 08/31/2017
Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description		FY 2017 Annual Budget	FY 2017 Expended Thru 8/31/2017	FY 2017 Unexpended Bal 8/31/2017	With 100% of Year Lapsed % of Budget Expended
Appropriated	(0.60) FTE's =	3.70				
A.4.2.	Administer Drug Testing					
Base Appr =	1001 Salaries and Wages		176,390.71	176,390.71	0.00	100.00%
$ 284,898.00	1002 Other Personnel Cost		1,176.75	1,141.99	34.76	97.05%
Sup Appr =	2001 Prof Fees and Services		16,000.00	16,000.00	-	100.00%
$ 3,489.82	2003 Consumables		500.00	148.81	351.19	29.76%
Total Appr =	2004 Utilities		-	-	-	
$ 288,387.82	2005 Travel		18,170.67	16,787.44	1,383.23	92.39%
Budgeted =	2006 Rent Building		-	-	-	
$ 216,351.00	2007 Rent Machine		-	-	-	
Difference	2009 Other Operating Cost		4,112.87	3,131.12	981.75	76.13%
$ (72,036.82)	CB Computer Equipment		-	-	-	
-25.29%	Total Strategy A.4.2.		216,351.00	213,600.07	2,750.93	98.73%
Appropriated	(0.80) FTE's =	6.30				
B.1.1.	Occupational Licensing					
Base Appr =	1001 Salaries and Wages		236,061.18	223,329.37	12,731.81	94.61%
$ 513,044.00	1002 Other Personnel Cost		8,211.15	8,066.51	144.64	98.24%
Sup Appr =	2001 Prof Fees and Services		-	-	-	
$ 3,025.75	2003 Consumables		2,979.66	2,979.66	-	100.00%
Total Appr =	2004 Utilities		-	-	-	
$ 516,069.75	2005 Travel		34,088.87	32,088.87	2,000.00	94.13%
Budgeted =	2006 Rent Building		-	-	-	
$ 465,523.15	2007 Rent Machine		1,861.09	1,861.09	-	100.00%
Difference	2009 Other Operating Cost		182,321.21	96,936.96	85,384.25	53.17%
$ (50,546.61)	CB Computer Equipment		-	-	-	
-9.85%	Total Strategy B.1.1.		465,523.15	365,262.46	100,260.70	78.46%
Appropriated	- FTE's =	0				
B.1.2.	Texas OnLine					
Base Appr =	1001 Salaries and Wages		-	-	-	
$ 22,500.00	1002 Other Personnel Cost		-	-	-	
Sup Appr =	2001 Prof Fees and Services		-	-	-	
$ -	2003 Consumables		-	-	-	
Total Appr =	2004 Utilities		-	-	-	
$ 22,500.00	2005 Travel		-	-	-	
Budgeted =	2006 Rent Building		-	-	-	
$ 22,500.00	2007 Rent Machine		-	-	-	
Difference	2009 Other Operating Cost		22,500.00	17,212.00	5,288.00	76.50%
$ -	CB Computer Equipment		-	-	-	
0.00%	Total Strategy B.1.2.		22,500.00	17,212.00	5,288.00	76.50%
Appropriated	(0.55) FTE's =	4.25				
C.1.1.	Monitor Wagering and Audit					
Base Appr =	1001 Salaries and Wages		249,346.11	249,346.11	-	100.00%
$ 327,375.00	1002 Other Personnel Cost		15,604.21	13,604.21	2,000.00	87.18%
Sup Appr =	2001 Prof Fees and Services		-	-	-	
$ 5,405.48	2003 Consumables		1,000.00	-	1,000.00	0.00%
Total Appr =	2004 Utilities		-	-	-	
$ 332,780.48	2005 Travel		12,048.12	10,667.26	1,380.86	88.54%
Budgeted =	2006 Rent Building		-	-	-	
$ 291,341.44	2007 Rent Machine		-	-	-	
Difference	2009 Other Operating Cost		13,343.00	12,812.79	530.21	96.03%
$ (41,439.03)	CB Computer Equipment		-	-	-	
-12.66%	Total Strategy C.1.1.		291,341.44	286,430.37	4,911.07	98.31%

Texas Racing Commission

FYE 08/31/2017
Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2017 Annual Budget	FY 2017 Expended Thru 8/31/2017	FY 2017 Unexpended Bal 8/31/2017	With 100% of Year Lapsed % of Budget Expended
Appropriated	(1.00) FTE's = 2.00				
C.1.2.	Wagering & Compliance Inspections				
Base Appr =	1001 Salaries and Wages	81,100.06	81,099.96	0.10	100.00%
$ 167,631.00	1002 Other Personnel Cost	2,119.50	2,125.48	(5.98)	100.28%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
$ 1,948.78	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
$ 169,579.78	2005 Travel	730.00	37.00	693.00	5.07%
Budgeted =	2006 Rent Building	-	-	-	
$ 85,648.56	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	1,699.00	811.08	887.92	47.74%
$ (83,931.22)	CB Computer Equipment	-	-	-	
-50.07%	Total Strategy C.1.2.	85,648.56	84,073.52	1,575.04	98.16%
Appropriated	- FTE's = 7.00				
D.1.1.	Central Administration				
Base Appr =	1001 Salaries and Wages	409,251.36	398,889.79	10,361.57	97.47%
$ 756,949.00	1002 Other Personnel Cost	26,329.19	26,308.28	20.91	99.92%
Sup Appr =	2001 Prof Fees and Services	22,856.96	22,856.96	-	100.00%
$ 6,897.68	2003 Consumables	11,300.00	10,042.24	1,257.76	88.87%
Total Appr =	2004 Utilities	48,800.00	47,956.02	843.98	98.27%
$ 763,846.68	2005 Travel	11,089.96	11,089.96	-	100.00%
Budgeted =	2006 Rent Building	97,678.31	95,833.84	1,844.47	98.11%
$ 702,966.00	2007 Rent Machine	1,900.00	1,230.12	669.88	64.74%
Difference	2009 Other Operating Cost	73,760.21	70,274.56	3,485.65	95.27%
$ (60,880.68)	CB Computer Equipment	-	-	-	
-8.04%	Total Strategy D.1.1.	702,966.00	684,481.77	18,484.23	97.37%
Appropriated	- FTE's = 4.80				
D.1.2.	Information Resources				
Base Appr =	1001 Salaries and Wages	296,062.76	255,673.00	40,389.76	86.36%
$ 538,500.00	1002 Other Personnel Cost	29,910.04	12,808.68	17,101.36	42.82%
Sup Appr =	2001 Prof Fees and Services	91,094.15	75,938.71	15,155.44	83.36%
$ 2,411.73	2003 Consumables	3,250.00	3,178.42	71.58	97.80%
Total Appr =	2004 Utilities	200.00	9.99	190.01	5.00%
$ 540,911.73	2005 Travel	3,500.00	1,604.58	1,895.42	45.85%
Budgeted =	2006 Rent Building	444.00	444.00	-	100.00%
$ 544,928.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	96,916.05	75,585.28	21,330.77	77.99%
$ 4,016.27	CB Computer Equipment	23,551.00	13,268.80	10,282.20	56.34%
0.75%	Total Strategy D.1.2.	544,928.00	438,511.46	106,416.54	80.47%
Appropriated	(4.20) FTE's = 47.00				
D.1.3.	Other Support Services				
Base Appr =	1001 Salaries and Wages	-	-	-	
$ 7,722,747.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
$ 41,751.81	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
$ 7,764,498.81	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
$ 7,420,903.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
$ (343,595.80)	CB Computer Equipment	-	-	-	
-4.45%	Total Strategy D.1.3.	-	-	-	
$ 4,289,499	Regulatory Program Operating Budget	3,945,903.00	3,675,749.98	270,153.01	93.15%
$ 3,475,000	TX Bred Program Operating Budget	3,475,000.00	3,028,615.82	446,384.18	87.15%
	Total M.O.F. (TXRC Acct. 597 & GR)				
$ 7,764,499	Total All Programs Operating Budget	7,420,903.00	6,704,365.80	716,537.19	90.34%

Texas Racing Commission

FYE 08/31/2017
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2017 Annual Budget	FY 2017 Expended Thru 8/31/2017	FY 2017 Unexpended Bal 8/31/2017	With 100% of Year Lapsed % of Budget Expended
$ -	(4.20) FTE's = 47.00				
Appropriated	Direct Expense of Regulatory Programs				
	1001 Salaries and Wages	2,692,230.05	2,604,858.95	87,371.10	96.75%
	1002 Other Personnel Cost	135,353.42	113,497.74	21,855.68	83.85%
	2001 Prof Fees and Services	290,789.68	275,578.90	15,210.78	94.77%
	2003 Consumables	20,625.89	17,793.44	2,832.45	86.27%
	2004 Utilities	49,000.00	47,966.01	1,033.99	97.89%
	2005 Travel	217,345.02	208,141.94	9,203.08	95.77%
	2006 Rent Building	98,122.31	96,277.84	1,844.47	98.12%
	2007 Rent Machine	3,761.09	3,091.21	669.88	82.19%
	2009 Other Operating Cost	415,124.56	295,275.17	119,849.39	71.13%
	CB Computer Equipment	23,551.00	13,268.80	10,282.20	56.34%
$ 4,289,499	Total Direct Expense of Regulatory Program	3,945,903.00	3,675,749.98	270,153.01	93.15%
	FTE's = -				
$ 3,475,000	Direct Expense of TX Bred Program	3,475,000.00	3,028,615.82	446,384.18	87.15%
	(4.20) FTE's = 47.00				
$ 7,764,499	Total Direct Expense of All Programs	7,420,903.00	6,704,365.80	716,537.19	90.34%
$ -					
Un-Appropriated	Indirect Expense of All Programs				
	OASI Match	213,419.64	198,205.16	15,214.48	92.87%
	Group Insurance	261,500.00	281,367.34	(19,867.34)	107.60%
	State Retirement	221,230.33	198,299.47	22,930.86	89.63%
	Benefit Replacement	6,000.00	4,107.44	1,892.56	68.46%
	ERS Retiree Insurance	345,000.00	386,066.14	(41,066.14)	111.90%
	SWCAP GR Reimburse	30,000.00	-	30,000.00	0.00%
	Unemployment Cost	10,000.00	-	10,000.00	0.00%
	Other	-	-	-	
$ 1,087,150	Total Indirect Expense of All Programs	1,087,149.97	1,068,045.55	19,104.42	98.24%
$ 8,851,649	Total Direct and Indirect Expense of All Programs	8,508,052.97	7,772,411.35	735,641.61	91.35%

Source Of Funds	Agency Method Of Finance	FY 2017 Projected Revenue	FY 2017 Actual Revenue Thru 8/31/2017	N/A	With 100% of Year Lapsed % of Revenue Collected
	Regulatory Program MOF:				
Acct. 597	Cash Balance Carry Forward	$ 385,156.68	$ 385,156.68		n/a
Acct. 597	Live Race Day Fees	$ -	$ -		
Acct. 597	Simulcast Race Day Fees	$ -	$ -		
Acct. 597	Annual License Fees (Active & Inactive)	$ 3,501,240.00	$ 3,666,073.00		104.71%
Acct. 597	Outs	$ -	$ -		
Acct. 597	Occupational License Fees and Fines	$ 679,558.00	$ 713,289.50		104.96%
Acct. 597	Other Revenue	$ 23,867.00	$ 23,806.35		99.75%
Acct. 1	GR Funds	$ -	$ -		
	Sub-Total Regulatory Prgm. MOF	$ 4,589,821.68	$ 4,788,325.53		104.32%
	Texas Bred Program MOF:				
Acct. 597	Cash Balance Carry Forward	$ -	$ -		
Acct. 597	Breakage and 1% Exotic	$ 3,475,000.00	$ 3,028,615.82		87.15%
Acct. 597	Other	$ -	$ -		
	Sub-Total Texas Bred Prgm. MOF	$ 3,475,000.00	$ 3,028,615.82		87.15%
All Sources	**Total MOF**	$ 8,064,821.68	$ 7,816,941.35		96.93%
MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget		$ (443,231.29)	$ 44,530.00		

Fiscal Year 2017
Operational Budget

Updated: October 30, 2017

Thru: August 31, 2017

Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspensed	Uncollected Balance	%
Account 597 - Racing Commission - GRD	$ 8,064,822	$ 7,816,941	$ -	$ 247,880	3%
Account 1 - State of Texas - GR	$ -	$ -	$ -	$ -	
TOTAL - ALL REVENUES	$ 8,064,822	$ 7,816,941	$ -	$ 247,880	3%

Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended Balance	%
1001 - Salaries and Wages:	$ 2,692,230	$ 2,604,859	$ -	$ 87,371	3%
1002 - Other Personnel Cost:	$ 135,353	$ 113,498	$ -	$ 21,856	16%
2001 - Professional Fees and Services:	$ 290,790	$ 275,579	$ -	$ 15,211	5%
2003 - Consumable Supplies:	$ 20,626	$ 17,793	$ -	$ 2,832	14%
2004 - Utilities:	$ 49,000	$ 47,966	$ -	$ 1,034	2%
2005 - Travel:	$ 217,345	$ 208,142	$ -	$ 9,203	4%
2006 - Rent Building:	$ 98,122	$ 96,278	$ -	$ 1,844	2%
2007 - Rent Machine and Other:	$ 3,761	$ 3,091	$ -	$ 670	18%
2009 - Other Operating Expense:	$ 415,125	$ 295,275	$ -	$ 119,849	29%
4000 - Grants	$ 3,475,000	$ 3,028,616	$ -	$ 446,384	13%
5000 - Capital Expenditures:	$ 23,551	$ 13,269	$ -	$ 10,282	44%
TOTAL - ALL APPROPRIATED EXPENDITURES	$ 7,420,903	$ 6,704,366	$ -	$ 716,537	10%

Unappropriated Operating Expenses

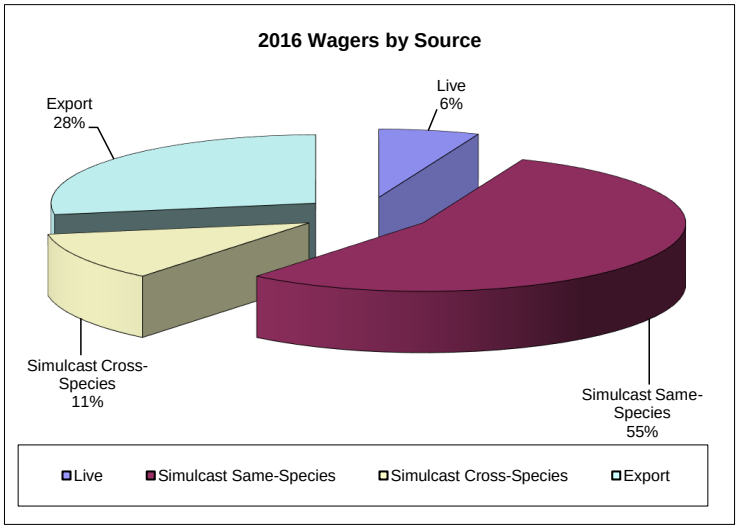
Type:	Budget	Expended	Encumbered	Unexpended Balance	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	$ 1,087,150	$ 1,068,046	$ -	$ 19,104	2%
TOTAL - ALL EXPENDITURES	$ 8,508,053	$ 7,772,411	$ -	$ 735,642	9%
OPERATING SURPLUS / (DEFICIT)	$ (443,231)	$ 44,530			

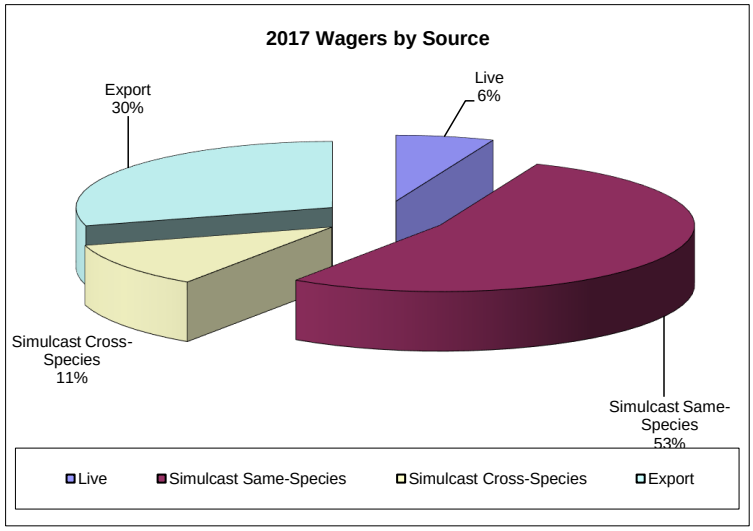
Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	51.20	51.20	51.20	51.20
Budgeted FTE's	47.00	47.00	47.00	47.00
Actual FTE's	43.90	43.30	42.90	43.20
Actual FTE's Over / (Under) Budget	(3.10)	(3.70)	(4.10)	(4.10)
Actual FTE's Over / (Under) Authorization	(7.30)	(7.90)	(8.30)	(8.30)

Texas Pari-Mutuel Racetracks Wagering Statistics
Comparison Report on Total Wagers Placed in Texas & on Texas Races
For the Period of January 1 through November 5

	Year 2016 Wagers (Handle)			Year 2017 Wagers (Handle)			Percentage Change Wagers (Handle)	
	# Days	Total	Average per day	# Days	Total	Average per day	Total	Average per day
Greyhound Racetracks								
Live	0	$ -	$ -	20	$ 417,563	$ 20,878	N/A	N/A
Simulcast Same-Species	801	$ 19,824,221	$ 24,749	754	$ 17,784,277	$ 23,587	-10.29%	-4.70%
Simulcast Cross-Species	801	$ 17,504,238	$ 21,853	754	$ 14,256,104	$ 18,907	-18.56%	-13.48%
Export	0	$ -	$ -	20	$ 399,684	$ 19,984	N/A	N/A
Total Wagers		**$ 37,328,459**			**$ 32,857,628**		**-11.98%**	
Horse Racetracks								
Live	177	$ 22,683,808	$ 128,157	177	$ 21,563,240	$ 121,826	-4.94%	-4.94%
Simulcast Same-Species	1,108	$ 181,812,832	$ 164,091	1,086	$ 171,464,973	$ 157,887	-5.69%	-3.78%
Simulcast Cross-Species	1,109	$ 24,997,763	$ 22,541	1,084	$ 24,942,795	$ 23,010	-0.22%	2.08%
Export	169	$ 102,085,281	$ 604,055	170	$ 104,228,865	$ 613,111	2.10%	1.50%
Total Wagers		**$ 331,579,684**			**$ 322,199,873**		**-2.83%**	
All Racetracks								
Live	177	$ 22,683,808	$ 128,157	197	$ 21,980,803	$ 111,578	-3.10%	-12.94%
Simulcast Same-Species	1,909	$ 201,637,053	$ 105,624	1,840	$ 189,249,249	$ 102,853	-6.14%	-2.62%
Simulcast Cross-Species	1,910	$ 42,502,001	$ 22,252	1,838	$ 39,198,899	$ 21,327	-7.77%	-4.16%
Export	169	$ 102,085,281	$ 604,055	190	$ 104,628,549	$ 550,677	2.49%	-8.84%
Total Wagers		**$ 368,908,143**			**$ 355,057,501**		**-3.75%**	
Total Wagers Placed in Texas		**$ 266,822,862**			**$ 250,428,951**		**-6.14%**	
Total Wagers Placed on Texas Races		**$ 124,769,089**			**$ 126,609,352**		**1.47%**	

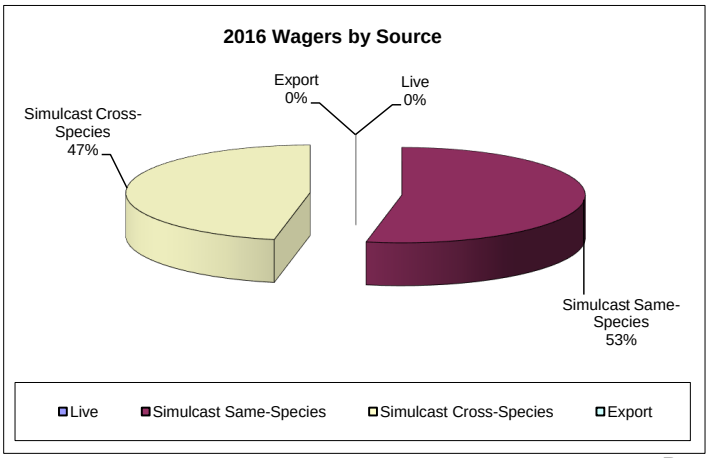


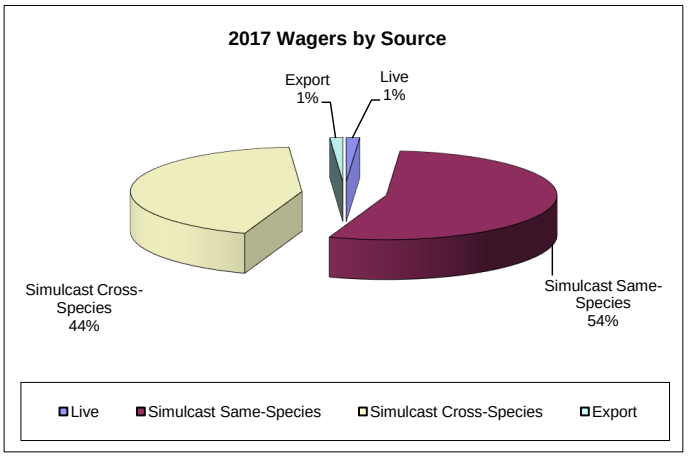


Greyhound Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed in Texas & on Texas Races

For the Period of January 1 through November 5

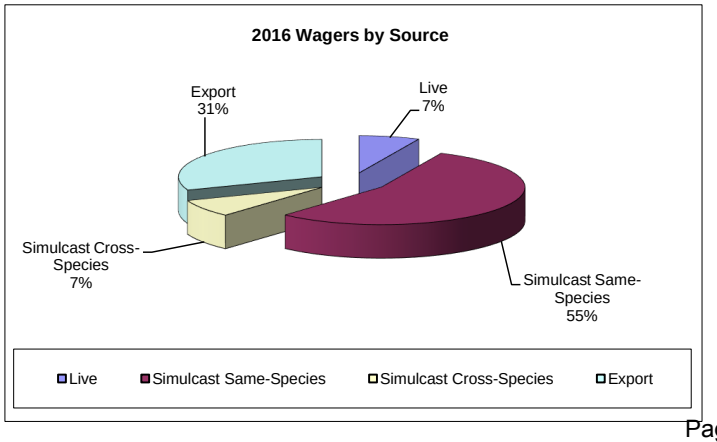
	Year 2016			Year 2017			Percentage Change	
		Wagers (Handle)			Wagers (Handle)		Wagers (Handle)	
	# Days	Total	Average per day	# Days	Total	Average per day	Total	Average per day
Gulf Coast Racing								
Live	0	$ -	$ -	0	$ -	$ -	0.00%	0.00%
Simulcast Same-Species	225	$ 5,863,752	$ 26,061	205	$ 5,246,375	$ 25,592	-10.53%	-1.80%
Simulcast Cross-Species	225	$ 3,303,836	$ 14,684	205	$ 2,653,389	$ 12,943	-19.69%	-11.85%
Export	0	$ -	$ -	0	$ -	$ -	0.00%	0.00%
Total Wagers		**$ 9,167,587**			**$ 7,899,764**		**-13.83%**	
Gulf Greyhound Park								
Live	0	$ -	$ -	0	$ -	$ -	0.00%	0.00%
Simulcast Same-Species	310	$ 8,665,879	$ 27,954	283	$ 7,657,047	$ 27,057	-11.64%	-3.21%
Simulcast Cross-Species	310	$ 9,041,367	$ 29,166	283	$ 7,059,274	$ 24,944	-21.92%	-14.47%
Export	0		$ -	0	$ -	$ -	0.00%	0.00%
Total Wagers		**$ 17,707,245**			**$ 14,716,320**		**-16.89%**	
Valley Race Park								
Live	0	$ -	$ -	20	$ 417,563	$ 20,878	N/A	N/A
Simulcast Same-Species	266	$ 5,294,591	$ 19,904	266	$ 4,880,855	$ 18,349	-7.81%	-7.81%
Simulcast Cross-Species	266	$ 5,159,036	$ 19,395	266	$ 4,543,441	$ 17,081	-11.93%	-11.93%
Export	0	$ -	$ -	20	$ 399,684	$ 19,984	N/A	N/A
Total Wagers		**$ 10,453,627**			**$ 10,241,544**		**-2.03%**	
All Greyhound Tracks								
Live	0	$ -	$ -	20	$ 417,563	$ 20,878	N/A	N/A
Simulcast Same-Species	801	$ 19,824,221	$ 24,749	754	$ 17,784,277	$ 23,587	-10.29%	-4.70%
Simulcast Cross-Species	801	$ 17,504,238	$ 21,853	754	$ 14,256,104	$ 18,907	-18.56%	-13.48%
Export	0	$ -	$ -	20	$ 399,684	$ 19,984	N/A	N/A
Total Wagers		**$ 37,328,459**			**$ 32,857,628**		**-11.98%**	
Total Wagers Placed in Texas		**$ 37,328,459**			**$ 32,457,944**		**-13.05%**	
Total Wagers Placed on Texas Races		**$ -**			**$ 817,247**		**N/A**	

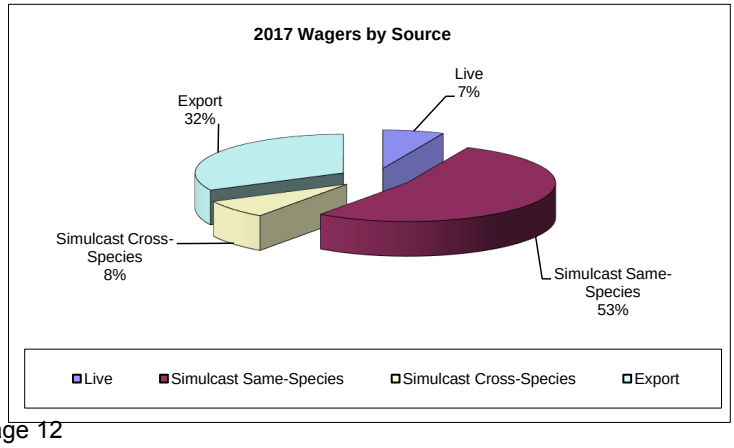




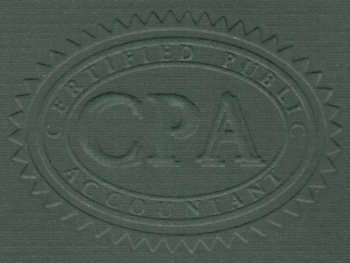
Horse Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed in Texas & on Texas Races
For the Period of January 1 through November 5

	Year 2016 Wagers (Handle)			Year 2017 Wagers (Handle)			Percentage Change Wagers (Handle)	
	# Days	Total	Average per day	# Days	Total	Average per day	Total	Average per day
Gillespie County Fair								
Live	8	$ 1,123,083	$ 140,385	7	$ 970,082	$ 138,583	-13.62%	-1.28%
Simulcast Same-Species	180	$ 2,553,652	$ 14,187	164	$ 2,512,355	$ 15,319	-1.62%	7.98%
Simulcast Cross-Species	180	$ 357,783	$ 1,988	164	$ 384,037	$ 2,342	7.34%	17.81%
Export	0	$ -	$ -	0	$ -	$ -	0.00%	0.00%
Total Wagers		**$ 4,034,518**			**$ 3,866,474**		**-4.17%**	
Lone Star Park								
Live	73	$ 13,145,820	$ 180,080	73	$ 13,226,175	$ 181,180	0.61%	0.61%
Simulcast Same-Species	310	$ 90,592,638	$ 292,234	309	$ 89,233,210	$ 288,781	-1.50%	-1.18%
Simulcast Cross-Species	310	$ 4,893,329	$ 15,785	306	$ 5,159,227	$ 16,860	5.43%	6.81%
Export	73	$ 36,884,044	$ 505,261	73	$ 41,030,196	$ 562,057	11.24%	11.24%
Total Wagers		**$ 145,515,832**			**$ 148,648,808**		**2.15%**	
Retama Park								
Live	40	$ 2,953,140	$ 73,829	40	$ 2,571,535	$ 64,288	-12.92%	-12.92%
Simulcast Same-Species	310	$ 31,813,953	$ 102,626	308	$ 28,823,726	$ 93,584	-9.40%	-8.81%
Simulcast Cross-Species	310	$ 5,973,631	$ 19,270	308	$ 5,345,725	$ 17,356	-10.51%	-9.93%
Export	40	$ 11,002,816	$ 275,070	40	$ 10,715,189	$ 267,880	-2.61%	-2.61%
Total Wagers		**$ 51,743,540**			**$ 47,456,176**		**-8.29%**	
Sam Houston Race Park								
Live	56	$ 5,461,764	$ 97,532	57	$ 4,795,448	$ 84,131	-12.20%	-13.74%
Simulcast Same-Species	308	$ 56,852,589	$ 184,586	305	$ 50,895,681	$ 166,871	-10.48%	-9.60%
Simulcast Cross-Species	309	$ 13,773,019	$ 44,573	306	$ 14,053,807	$ 45,927	2.04%	3.04%
Export	56	$ 54,198,421	$ 967,829	57	$ 52,483,480	$ 920,763	-3.16%	-4.86%
Total Wagers		**$ 130,285,794**			**$ 122,228,415**		**-6.18%**	
All Horse Tracks								
Live	177	$ 22,683,808	$ 128,157	177	$ 21,563,240	$ 121,826	-4.94%	-4.94%
Simulcast Same-Species	1,108	$ 181,812,832	$ 164,091	1,086	$ 171,464,973	$ 157,887	-5.69%	-3.78%
Simulcast Cross-Species	1,109	$ 24,997,763	$ 22,541	1,084	$ 24,942,795	$ 23,010	-0.22%	2.08%
Export	169	$ 102,085,281	$ 604,055	170	$ 104,228,865	$ 613,111	2.10%	1.50%
Total Wagers		**$ 331,579,684**			**$ 322,199,873**		**-2.83%**	
Total Wagers Placed in Texas		**$ 229,494,403**			**$ 217,971,008**		**-5.02%**	
Total Wagers Placed on Texas Races		**$ 124,769,089**			**$ 125,792,105**		**0.82%**	





Internal Audit Plan
Fiscal Year 2018
Texas Racing Commission



MONDAY RUFUS & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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MONDAY RUFUS & CO., P.C.
Certified Public Accountants & Advisors

Member: American Institute of Certified Public Accountants

October 3, 2017

Commissioners of the
Texas Racing Commission
Austin, Texas

Dear Commissioners:

As required by the Internal Auditing Act (Texas Government Code, Section 2102.008), we have prepared the audit plan for Fiscal Year 2018.

We prepared a risk assessment to determine the areas in the Texas Racing Commission that should be considered for audit. Based on that risk assessment, our audit plan for Fiscal Year 2018 is shown below:

• Texas Bred Incentive Programs – Associations	80
• Texas Bred Incentive Programs – TxRC's Policies & Procedures	80

Total Hours	**160**

Your approval of the audit plan is required.

Sincerely,

Monday N. Rufus, CISA, CPA
Audit Director
MONDAY RUFUS & CO., P.C.

I. Purpose

The Purpose of this internal audit plan is to document the development, risk assessment, scope of assignments, and implementation timetable for fiscal year 2018 internal audit activities. This document will serve as a primary tool to carry out internal audit responsibilities in an efficient manner and prioritize the audit areas based on risk assessments agreed to by the Commissioners of the Texas Racing Commission (Agency). Due to the nature, scope and timing of audit procedures contemplated here, planning for specific aspects of the audits is a continuing process. Accordingly, the plan will be revised as necessary and reviewed at least annually.

This plan has been prepared to meet planning guidelines as required by both generally accepted auditing standards and the standards for the Professional Practice of Internal Auditing as determined by the Institute of Internal Auditors, Inc.

II. Background Information

The Texas Racing Commission regulates all aspects of pari-mutuel horse and greyhound racing through licensing, on-site monitoring, and enforcement. Statute and rule require the Commission to:

- License racetracks that offer racing and the people directly involved with pari-mutuel wagering who work at the racetracks or own race animals.
- Allocate race dates, supervise the conduct of all races, monitor the health and safety of the race animals, and conduct drug tests to ensure the animals race without prohibited substances.
- Oversee all pari-mutuel wagering activity, approve simulcasts, test the totalisator systems (complex computer systems that tally and calculate pari-mutuel wagers), and ensure the proper allocation and distribution of revenue generated by pari-mutuel wagering.
- Administer the Texas Bred Incentive Programs, which provides economic incentives to support a healthy and vigorous breeding industry in the state.

The Racing Act allows pari-mutuel wagering on horse and greyhound racing and provides for the strict regulation and control of pari-mutuel wagering in connection with that racing.

Principal responsibilities of the Commission are to:

1. Adopt rules and regulations for conducting racing involving wagering;
2. Administer and enforce all laws, rules, and regulations affecting horse racing, greyhound racing, and pari-mutuel wagering;
3. Adjudicate disciplinary matters arising from the enforcement of those laws and regulations dealing with horse racing and greyhound racing and pari-mutuel wagering; and
4. Regulate and supervise each racing meeting conducted in the state of Texas, the operations of racetracks, and the participants in a race meeting.

Extensive rulemaking authority is granted to the Commission throughout the Racing Act. The rulemaking authority vested in the Texas Racing Commission is authorized for administration and enforcement purposes.

The Racing Commission consists of seven members appointed by the governor with the advice and consent of the Senate to serve overlapping six-year terms. Five members must represent the general public and have general knowledge of business or agribusiness. At least one of those appointed members may be a veterinarian, and being licensed as a veterinarian satisfies the requirement that the person have general knowledge of business or agribusiness. One member must have special knowledge or experience related to horse racing and one member must have special knowledge or experience related to greyhound racing. In addition to the appointed members, there are two ex-officio members, the Chair of the Public Safety Commission and the Commissioner of Agriculture. The Governor appoints the chair and the members elect the vice-chair.

The Commission appoints an Executive Director who serves at the pleasure of the Commission. The Agency's operating budget is prepared and approved by the Commission on an annual basis, whereas the State legislative appropriation request is determined every two years. Both the budget and appropriations are reviewed and approved by the State Legislature.

The 82nd Legislature, Regular Session, passed House Bill 2271 which altered the Commission's method of finance eliminating outstanding uncashed winning tickets as a source of revenue. The Commission is now self-funded from fees assessed to racetracks and occupational licenses from the entities it regulates and is typically appropriated only General Revenue – Dedicated funds. Approximately 46% of the expenditures are passed through the Agency to the official breed registries for the Texas Bred Incentive Programs. Funds collected by the Agency are directly utilized for operations, and not passed on to the State.

The agency's structure consists of an executive group and support staff headed by the Executive Director and a Deputy Executive Director responsible for regulating field staff.

A. Executive Group

i. Executive Director - The Executive Director supervises agency activities as a whole and manages the Finance, Information Technology and Racing Oversight operations. The Executive Director oversees development of agency operating policies and procedures and ensures that the agency's regulatory responsibilities are carried out. The Executive Director represents the agency before the Legislature and other governmental agencies and serves a primary role in external relations with industry stakeholders, regulators in other states, and a national regulatory association.

The Executive Director, with the assistance of the General Counsel's staff oversees coordination of the evaluation of racetrack license applications, the race date allocation process, and assesses administrative penalties against racetrack licensees. The Executive Director's office is also responsible for other

administrative functions including responding to public information and media requests.

ii. **General Counsel** – The General Counsel advises the Commissioners and staff on legal and regulatory enforcement issues affecting the agency. The General Counsel coordinates all aspects of Commission meetings and rulemaking proceedings and also represents the agency before the State Office of Administrative Hearings when prosecuting appeals from decisions made by the Board of Stewards/Judges and disciplinary cases initiated by the Executive Director.

iii. **Finance –** This department is responsible for agency finance and administrative functions to include budget, accounting, purchasing, personnel, human resources, travel coordination and related administrative functions.

Staff members prepare the biennial Legislative Appropriations Request, (LAR), the operating budget, the annual financial report, reports on performance measures, and other administrative reports. Staff members in this area are responsible for the agency's purchasing, personnel, human resources and travel coordination activities.

iv. **Department of Information Technology (IT)**
The IT department develops and maintains the agency's network, database and Web site. IT recommends and supports all hardware and software necessary for the day-to-day activities of the Commission. The Commission's custom programs and database operate twenty-four hours a day, seven days a week, providing staff, licensees, the Department of Public Safety (DPS), the Texas A&M Veterinary Medical Diagnostic Laboratory and the general public with up-to-date information regarding all aspects of the Commission's regulatory programs.

B. Divisional Information

The Agency's operational staff is organized into different departments within Racing Oversight which have specific duties and responsibilities in carrying out the overall mission of the Agency. The racing oversight is focused on enforcement and oversight of day-to-day racetrack operations. The members of this division make up the agency's presence at Texas tracks. The Deputy Executive Director supervises personnel directly responsible for regulating the conduct of live racing and is responsible for the following teams: Licensing, Investigations, Stewards/Judges, Veterinarians/Drug Testing and Pari-mutuel Auditors.

- Licensing

Staff in licensing issue occupational licenses to all people in positions that afford the person an opportunity to influence pari-

mutuel wagering and to those who will likely have significant access to the restricted areas of a racetrack. Licensing staff at each racetrack help maintain the integrity of the industry by ensuring that all appropriate participants are licensed and in good standing.

To ensure that all participants in racing are properly licensed, the Commission has more than fifty categories of occupational licenses. Stable and kennel area occupations – jockeys, owners, kennel owners, trainers and grooms – must secure licenses, as must racetrack employees.

- Investigations

The investigators, coordinate enforcement of the Commission's Rules and the Texas Racing Act.

Investigations are conducted on animal drug positives, criminal histories returned on license applicants, illegal wagering, use and possession of contraband, drug abuse and narcotics trafficking, and other illicit activities that could affect the integrity of pari-mutuel racing.

Drug testing of licensees suspected of using illegal drugs while performing their duties has become an important aspect of regulating the industry. If a licensee tests positive for an illegal controlled substance or alcohol, the licensee faces a suspension and must seek professional help.

- Stewards/Judges

The department includes stewards at horse tracks and judges at greyhound tracks. The judges and stewards monitor the conduct of live races and enforce the Racing Act and the Commission's Rules of Racing. The stewards and judges have broad authority to resolve matters arising during a race meeting. They may redistribute purses, issue fines up to $25,000 and suspend licensees for up to five years.

- Veterinarians

The Veterinary Medical Director oversees this department, supervising the veterinarians and test barn supervisors working at the racetracks.

Employees in this department inspect all race animals before a race to ensure they are sound to compete, inspect the stable and kennel

areas for animal health and safety issues, and implement the Commission's race animal drug testing program.

The Veterinary Medical Director also serves as a liaison between the Commission and veterinary-related organizations and agencies, such as the Texas Animal Health Commission, the American Association of Equine Practitioners, and the Texas Veterinary Medical Association.

- Pari-mutuel Auditors

The pari-mutuel auditors protect the interest of the wagering public and industry participants by assuring the proper collection and distribution of funds in accordance with the Act and providing reliable information on wagering. The auditors review, verify and report all live and simulcast wagering activity at the racetracks to ensure the public is paid the correct amount on each winning wager. The auditors perform daily audits and verifications of handle, earned purse, paid purse, outs balances, deposit reports and requests for simulcast approval in compliance with the Interstate Horse Racing Act (IHA). The audit staff ensures the daily collection of the escrowed horse purse funds earned from interstate cross-species wagers placed at greyhound racetracks and the allocation of these funds to the various horse racetracks based on Commission-approved formulas.

C. The Agency's Legislative Appropriations Request for fiscal year 2018 is as follows:

	August 31, 2018
License/Regulate Racetracks	$ 385,941
Texas Bred Incentive Program	3,325,343
Supervise & Conduct Live Races	545,741
Monitor Licensee Activities	235,247
Inspect & Provide Emergency Care	364,152
Administer Drug Tests	215,181
Occupational Licensing Program	412,016
TEXASONLINE	19,185
Monitor Wagering and Compliance	373,795

Central Administration & Other Support Services	753,512
Information Resources	509,511
Supplemental Appropriation made in Riders	0
Total	$ 7,139,624

III. Internal Audit Plan Methodology

This section summarizes the methodology used in preparing the fiscal year 2018 internal audit plan. In order to understand the Agency and develop our risk assessment process, we reviewed the Agency's:

- Enabling Legislation
- Strategic plan
- Legislative appropriations request/operating budget
- Prior internal audit reports
- Reports from the State Auditor's Office
- Sunset Commission Report
- Other documents available to us

In planning internal audit procedures, financial, operational, as well as compliance issues are considered in determining processes/systems of interest. Functional areas that cross many divisions and the interaction between divisions are key criteria in the process of identifying areas of interest. Agency financial reports, planning documents, laws, rules, and regulations, in addition to soliciting input from management and commission members, were all considered in developing the list of areas of interest. Upon completion of this list, each area was subjected to our risk analysis process.

The following Agency processes/systems have been considered during the development of the areas of interest list:

- Cash receipts and fee processing
- Cash Disbursements
- Payroll and Personnel Processes
- Reporting – Key Performance Measures
- Budgeting and Reporting
- Licensing application and registrations
- Complaints/Investigation process
- Pari-mutuel Auditing Process
- EDP Wagering Reviews/Audits
- Business Continuity/Disaster Recovery
- Information Systems - Security
- Information Technology System Development

- Drug testing
- Inspection Program
- Compliance Administrator
- Racing Administration
- Texas Bred Incentive Programs – Associations
- Texas Bred Incentive Programs – TxRC's Policies and Procedures
- Equine Research
- Historically Underutilized Businesses (HUB)
- Fixed Asset Management

There are numerous other areas that may be identified during the process of performing internal audit procedures during the year. Continuing input from both the Commissioners and management will be essential in identifying additional or new areas of risk that should be considered in the future.

Our risk assessment was performed through the consideration of various factors, including:

1. Exposure Level (Adverse impact of errors within the process/unit)
2. Complexity of unit (Volatility of activities)
3. Materiality (Financial and Non Financial Impact)
4. Results of last audit (Positive, Some Findings, Negative)
5. Extent of other coverage or oversight (More coverage, Some coverage, No coverage)
6. Quality of internal controls/adherence to laws (Excellent, Good, & Poor controls)
7. Changes in systems and processes (More changes, Some changes, No changes)
8. Normal audit interval (Audited in last 1 year, 2-4 years, >4 years or Never)

All of the above factors were considered in assessing risk and were taken into consideration for each process/system as to their impact on the Agency. Once each area of interest was evaluated, it was assigned a risk factor of high, moderate or low. The following is the result of our risk assessment process.

<u>Processes Identified as High Overall Risk</u>
Texas Bred Incentive Programs – Associations
Texas Bred Incentive Programs – TxRC's Policies and Procedures
Racing Administration
Personnel Processes
Business Continuity/Disaster Recovery
Reporting – Key Performance Measures
Information Systems – Security

<u>Processes Identified as Moderate Overall Risk</u>
Cash Receipts and Fee Processing
Inspection Program

Pari-mutuel Auditing Process
Complaints/Investigation Process
Cash Disbursements
EDP Wagering Reviews/Audits
Historically Underutilized Businesses (HUB)
Budgeting and Reporting
Drug Testing
Information Technology System Development

Processes Identified as Low Overall Risk
Fixed Asset Management
Equine Research
Compliance Administrator

IV. Internal Audit Plan

The internal audit plan is designed to provide a review of all areas considered risky. Although the plan is structured in this manner, it should not prevent the review of areas on a more frequent basis, in the case of future restructuring or development of new processes/systems. Also, special reviews might be added in the future as requested by the Commissioners or when deemed necessary by the internal audit function after performance of in-depth review of the specific divisions/systems and approval by the Commission.

Internal audit activities will be primarily concerned with documenting, testing and evaluating each division or system's internal control policies and procedures and the quality of performance in carrying them out. This will include reporting conditions and suggestions to management and evaluating management's response and plans for corrective actions. Opportunities for improved efficiency identified as a result of performing internal activities will be communicated to management and the Commissioners as part of the reporting process. Internal Audit reviews for the fiscal year ending 2018 are planned for the following processes/systems:

Fiscal Year 2018	Hours
• Texas Bred Incentive Programs – Association	80
• Texas Bred Incentive Programs – TxRC's Policies & Procedures	80

Total Hours	**160**

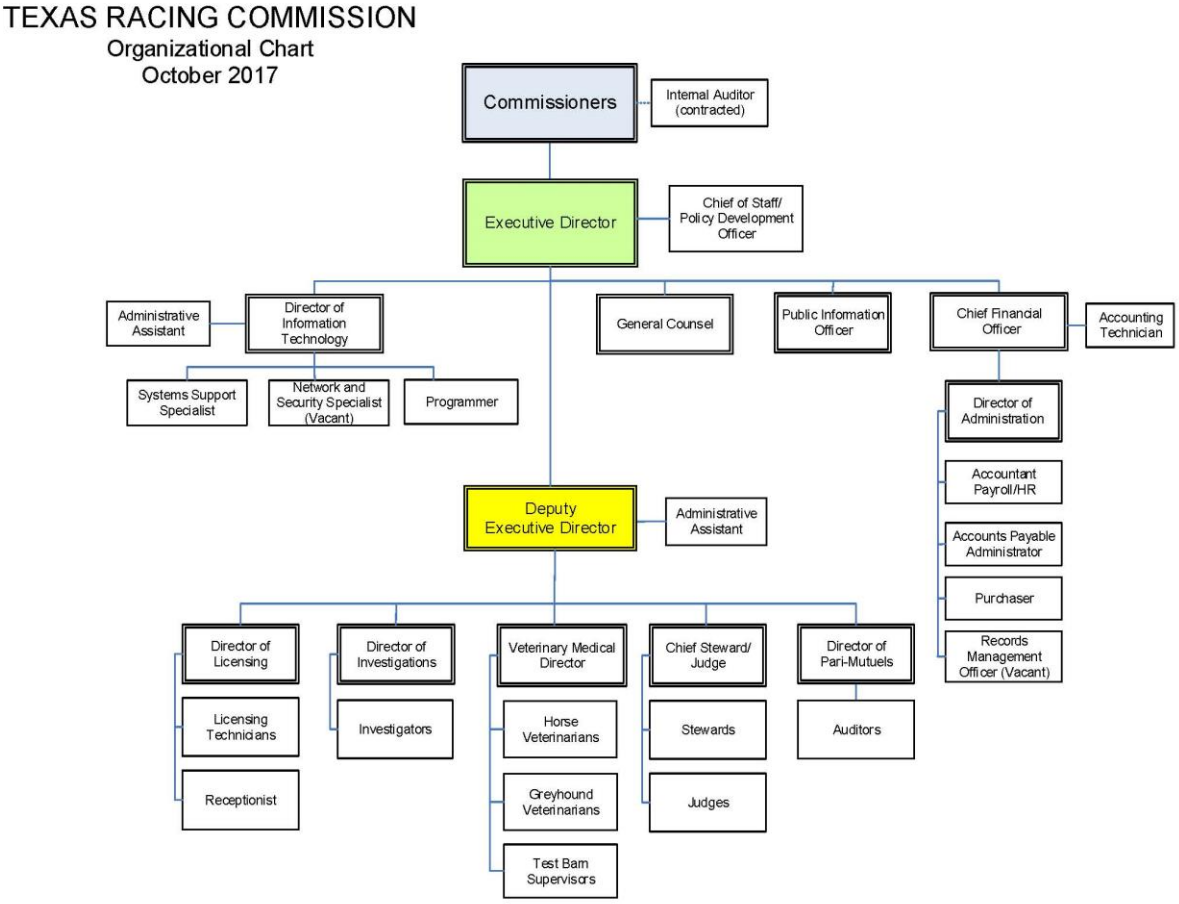
This audit will take place from October 2017 through August 2018 with final reporting occurring in September 2018. The above plan does not preclude the internal audit function from identifying and assessing risk relating to new divisions or systems added to the Agency.

These processes/systems were identified for review through risk assessment methodology. As discussed above, this methodology included personnel inquiries, identifying financial and non-financial risk, identifying interaction of divisions amongst each other, identifying rules and regulations various divisions must comply with and identifying the volume of transactions and personnel involved with each division.

V. Reporting

In compliance with the Texas Internal Auditing Act, the annual internal audit report will be filed with the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor, the Commissioners of the Agency, and the Agency's Executive Director by November 1, 2018. The annual internal audit report will be in the form specified by the State Auditor.

Appendix A: Organizational Chart



Appendix B: Risk Assessment

High = 38 and up
Med = 30-37
Low = less than 30

	Weighed Risk
Texas Bred Incentive Programs – Associations	39
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TEXAS RACING COMMISSION

Internal Audit Charter

TEXAS RACING COMMISSION

INTERNAL AUDITING CHARTER

MISSION

The mission of the internal audit function is to provide independent, objective assurance, and consulting services designed to add value and improve the Texas Racing Commission's operations. The internal audit function helps Texas Racing Commission accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the internal audit function is to determine whether the Texas Racing Commission's network of risk management, control, and governance, processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed
- The systems of internal control established to ensure compliance with Texas Racing Commission's policies, procedures, laws, and regulations are adequate and functioning as intended.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Resources are acquired economically, used efficiently, and adequately protected.
- Program, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the Texas Racing Commission's control processes.
- Significant governmental or regulatory issues impacting the organization are recognized and addressed properly.

ESTABLISHMENT

The internal auditing function is established for the Texas Racing Commission ("Agency") in accordance with Texas Government Code, Title 10, Chapter 2102, and the Texas Internal Auditing Act. The Agency governing Commission ("Commission") shall appoint the Internal Auditor. The Internal Auditor shall report directly to the Commission or Audit Committee on all matters, other than administrative matters, that require the decision of the Executive Director.

The Internal Auditor shall establish those internal auditing policies and procedures necessary to assist management in the accomplishment of the Agency's objectives and to ensure compliance with applicable laws and regulations.

PROFESSIONALISM

The internal audit function will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

ATTRIBUTE STANDARDS

Purpose, Authority and Responsibility - 1000

Purpose

The internal auditing function is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Assurance services are defined as objective examinations of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Consulting services are advisory and related client service activities, the nature and scope of which are agreed upon with the client and which are intended to add value and improve an organization's operations. Examples include counsel, advice, facilitation, research, and training.

Authority

The Internal Auditor is authorized to direct a broad, comprehensive program of internal auditing within the Agency. The internal auditing function is authorized to have full, free, and unrestricted access to all of the agency's functions, facilities, personnel, property, records (in any form) or other resources deemed by the Internal Auditor to be relevant to the subject under review. Agency personnel shall cooperate with the internal auditing function by providing access to records and other resources and by assisting in compiling information within their purview. Due consideration shall be given to the benefits and costs of gathering audit evidence so that optimal use will be made of the Agency's resources.

Responsibility

The Internal Auditor is responsible for ensuring that the internal auditing function conforms to the internal auditing requirements of the *Texas Internal Auditing Act,* generally accepted governmental auditing standards established by the Comptroller General of the United States, and the mandatory elements of the International Professional Practices Framework as promulgated by the Institute of Internal Auditors: Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, *International Standards for the Professional Practice of Internal Auditing (Standards)*, and the Definition of Internal Auditing.

Definitions

The Internal Auditor should discuss the Definitions of Internal Auditing, the Code of Ethics, the Standards, and the Core Principles for the Professional Practice of Internal Auditing with senior management and the Commission:

- Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

- Code of Ethics are principles relevant to the profession and practice of internal auditing, and Rules of Conduct that describe behavior expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services. The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

- Standards are professional pronouncements promulgated by the Institute of Internal Auditors that delineate the requirements for performing a broad range of internal audit activities, and for evaluating internal audit performance.

- The Internal audit function is required to demonstrate integrity, competence and due professional care, be objective and free from undue influence (independence), align with the strategies, objectives, and risk of the Commission, appropriately positioned and adequately resourced, demonstrate quality and continuous improvement, communicate effectively, provide risk-based assurance, be insightful, proactive, and future-oriented, and promote organizational improvement.

Standards of Conduct

The Internal Auditor will respect the value and ownership of information that he or she receives and will not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

The Internal Auditor shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the Agency.

Independence and Objectivity - 1100

The internal audit activity must be independent, and internal auditors must be objective in performing their work. Independence is the freedom from conditions that threaten the ability of the internal audit activity or the Internal Auditor to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Internal Auditor has direct and unrestricted access to senior management and the Commission. The internal auditing function shall be free of all operational and management responsibilities that would impair the ability to independently review all aspects of the Agency's operations. The internal auditing function shall not develop or install procedures, prepare records, or engage in any other activity normally subject to internal auditing review.

The Internal Auditor shall not have authority or responsibility over any of the activities or persons under review so that objectivity will not be impaired. Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made.

Organizational Independence - 1110

The Internal Auditor shall dual-report to the Executive Director and the Commission or Audit Committee to allow the internal audit activity to fulfill its responsibilities. The Internal Auditor must confirm to the Commission, at least annually, the organizational independence of the internal audit activity. The internal audit activity and Internal Auditor must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The Internal Auditor must communicate and interact directly with the Commission.

Direct Interaction with the Commission - 1111

The internal auditor must communicate and interact directly with the Commission or its designated Committee.

Internal Auditor's Roles Beyond Internal Auditing – 1112

If the roles and/or responsibilities of the internal auditor fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.

Individual Objectivity – 1120

Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest. A conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfill his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity, and the profession. A conflict of interest could impair an individual's ability to perform his or her duties and responsibilities objectively.

Impairment to Independence or Objectivity – 1130

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment. Impairment to organizational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations, such as funding**.**

Proficiency and Due Professional Care – 1200

Engagements must be performed with proficiency and due professional care.

Proficiency - 1210

The Internal Auditor shall maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications, or supplement with contract services, to meet the requirements of this charter.

Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

The Internal Auditor must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the Agency, but are not expected to have the

expertise of a person whose primary responsibility is detecting and investigating fraud.

Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.

The Internal Auditor must decline the consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

Due Professional Care – 1220

Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.

Internal auditors must exercise due professional care by considering the:

- Extent of work needed to achieve the engagement's objectives;
- Relative complexity, materiality, or significance of matters to which assurance procedures are applied;
- Adequacy and effectiveness of governance, risk management, and control processes;
- Probability of significant errors, fraud, or noncompliance; and
- Cost of assurance in relation to potential benefits.

In exercising due professional care, internal auditors must consider the use of technology-based audit and other data analysis techniques.

Internal auditors must be alert to the significant risks that might affect objectives, operations, or resources. However, assurance procedures alone, even when performed with due professional care, do not guarantee that all significant risks will be identified.

Internal auditors must exercise due professional care during a consulting engagement by considering the:

- Needs and expectations of clients, including the nature, timing, and communication of engagement results;

- Relative complexity and extent of work needed to achieve the engagement's objectives; and

- Cost of the consulting engagement in relation to potential benefits.

Continuing Professional Development – 1230

Internal Audit shall conform to The Professional Practices Framework as promulgated by the Institute of Internal Auditors which includes The International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, and to generally accepted government auditing standards. In addition, Internal Audit shall conform to requirements found under the Texas Internal Auditing Act (Chapter 2102, Texas Government Code). Internal Audit shall also comply with all policies and procedures of the Agency.

The professional staff of the Internal Audit Division shall maintain technical competence by attending a minimum of 40 hours annually of continuing professional education courses as required by the governing Commissions which regulate the professional designations of Certified Public Accountant and Certified Internal Auditor as appropriate. Ordinary and necessary expenses of maintaining the above-named professional designations will be paid for by the Agency. Other relevant certification programs may also be supported on a case-by-case basis.

Quality Assurance and Improvement Program - 1300

The Internal Auditor shall maintain an effective quality assurance and improvement program to include supervision, training, internal reviews, and periodic comprehensive external peer reviews to ensure compliance with the Texas Internal Auditing Act and professional standards.

The quality assurance and improvement program must include both internal and external assessments. The internal assessments must include:

- Ongoing monitoring of the performance of the internal audit activity; and
- Periodic reviews performed through self-assessment or by other persons within the Agency with sufficient knowledge of internal audit practices.

External assessments must be conducted at least every three years in accordance with Government Auditing Standards by a qualified, independent reviewer or review team from outside the Agency. The Internal Auditor must discuss with the Commission:

- The need for more frequent external assessments; and
- The qualifications and independence of the external reviewer or review team, including any potential conflict of interest.

The Internal Auditor must communicate the results of the quality assurance and improvement program to senior management and the Commission.

Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing" - 1321

The Internal Auditor shall conduct his or her activities in a manner that is consistent with the following standards:

- International Standards for the Professional Practice of Internal Auditing, the Institute of Internal Auditors, Inc.
- Code of Ethics, the Institute of Internal Auditors, Inc.
- Government Auditing Standards
- Texas Internal Auditing Act
- Policies of the Agency

The Internal Auditor may state that the internal audit activity conforms with the *International Standards for the Professional Practice of Internal Auditing, Code of Ethics,* and generally accepted governmental auditing standards only if the results of the quality assurance and improvement program support this statement.

When nonconformance with the Standards or Code impacts the overall scope or operation of the internal audit, the Internal Auditor must disclose the nonconformance and the impact to senior management and the Commission.

Disclosure of Nonconformance – 1322

When nonconformance with the Code of Ethics or the *Standards* impacts the overall scope or operation of the internal audit activity, the Internal Auditor must disclose the nonconformance and the impact to senior management and the Commission.

PERFORMANCE STANDARDS

Managing the Internal Audit Activity – 2000

The Internal Auditor must effectively manage the internal audit activity to ensure that it adds value to the Agency.

The Internal Auditor must:

- establish risk-based plans to determine the priorities of the internal audit activity, undertaken at least annually.

- communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the Commission for review and approval. The Internal Auditor must also communicate the impact of resource limitations.
- ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.

- establish policies and procedures to guide the internal audit activity.

Consulting Engagements – 2010.c1

The internal auditor should consider accepting propose consulting engagements based on the engagement's potential to improve management risks, add value, and improve the Texas Racing Commission's operations. Accepted engagements must be included in the Internal Audit Plan.

Coordination – 2050

The Internal Auditor should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.

Reporting to Senior Management and the Commission – 2060

The Internal Auditor must report periodically to senior management and the Commission on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Commission. For reporting purpose, Senior Management shall consist of the Executive Director and Chief Financial Officer.

External Service Provider and Organizational Responsibility for Internal Auditing - 2070

When an external service provider serves as the internal audit activity, the provider must make the Agency aware that the Agency has the responsibility for maintaining an effective internal audit activity.

Nature of Work - 2100

The Internal Auditor shall evaluate the effectiveness and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.

The scope of the internal auditing function shall encompass examination and evaluation of the adequacy and effectiveness of both the Agency's systems of internal control and the quality of performance in carrying out assigned responsibilities. Periodic audits of the Agency's major systems and controls, including accounting systems and controls, administrative systems and controls, and electronic data processing systems and controls shall be conducted. Internal auditing activities include, but are not limited to:

- Reviewing and appraising the reliability and integrity of accounting, financial, and operating information, and the means used to identify, measure, classify, and report such information.

- Reviewing and appraising the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining the extent of compliance.

- Reviewing and appraising the means of safeguarding assets and, as appropriate, verifying the existence of such assets.

- Reviewing and appraising operations and programs to determine whether results are consistent with established objectives and goals and whether the operations and programs are carried out as planned.

- Appraising the economy and efficiency with which resources are employed.

- Appraising the Agency's effectiveness in meeting its statutory duties.

- Reviewing the planning, design, development and implementation of major information systems to determine whether adequate controls are incorporated in the systems.

- Reviewing for the potential existence of fraud and abuse, and reporting to proper authorities when detected.

Governance - 2110

The Internal Auditor must assess and make appropriate recommendations for improving the Agency's governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the Agency;

- Ensuring effective organizational performance management and accountability;

- Communicating risk and control information to appropriate areas of the Agency; and

- Coordinating the activities of and communicating information among the Commission, external and internal auditors, and management.

The internal audit activity must evaluate the design, implementation, and effectiveness of the Agency's ethics-related objectives, programs, and activities.

The internal audit activity must assess whether the information technology governance of the Agency supports the Agency's strategies and objectives.

Consulting engagement objectives must be consistent with the overall values and goals of the Agency.

Risk Management – 2120

The Internal Auditor shall assist the Agency in identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.

The Internal Auditor shall evaluate risk exposures relating to the Agency's governance, operations, and information systems regarding the:

- Achievement of the organization's strategic objectives;

- Reliability and integrity of financial and operation information;

- Effectiveness and efficiency of operations and programs;

- Safeguarding of assets; and

- Compliance with laws, regulations, policies, procedures, and contracts.

The Internal Auditor must evaluate the potential for the occurrence of fraud and how the Agency manages fraud risk.

During consulting engagements, the Internal Auditor shall address risk consistent with the engagement's objectives and should be alert to the existence of other significant risks. Internal auditors must incorporate knowledge of risks gained from consulting engagements into their evaluation of the agency's risk management processes.

When assisting management in establishing or improving risk management processes, internal auditors must refrain from assuming any management responsibility by actually managing risks.

2130 – Control

The Internal Auditor must assist the Agency in maintaining effective controls by evaluating its effectiveness and efficiency and by promoting continuous improvement. The Internal Auditor must evaluate the adequacy and effectiveness of controls in responding to risks within the Agency's governance, operations, and information systems regarding the:

- Achievement of the organization's strategic objectives;
- Reliability and integrity of financial and operation information;
- Effectiveness and efficiency of operations and programs;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures, and contracts.

The Internal Auditor should ascertain the extent to which operating and program goals and objectives have been established and conform to those of the Agency.

The Internal Auditor should review operations and programs to ascertain the extent to which results are consistent with established goals and objectives to determine whether operations and programs are being implemented or performed as intended.

During consulting engagements, the Internal Auditor must address controls consistent with the engagement's objectives and be alert to significant control issues.

Engagement Planning - 2200

Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations.

In planning the engagement, internal auditors must consider:

- The objectives of the activity being reviewed and the means by which the activity controls its performance;
- The significant risks to the activity, its objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level;
- The adequacy and effectiveness of the activity's governance, risk management, and control processes compared to a relevant control framework or model; and
- The opportunities for making significant improvements to the activity's

governance, risk management, and control processes.

Objectives must be established for each engagement and the established scope must be sufficient to satisfy the objectives of the engagement.

Internal auditors must determine appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.

Internal auditors must develop and document work programs that achieve the engagement objectives.

Performing the Engagement - 2300

Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement's objectives.

Internal auditors must consider concerns relating to the protection of personally identifiable information gathered during audit engagements as advances in information technology and communications continue to present privacy risks and threats. Privacy controls are legal requirements in many jurisdictions.

Internal auditors may use analytical procedures to obtain audit evidence. Analytical procedures involve studying and comparing relationships among both financial and nonfinancial information. The application of analytical procedures is based on the premise that, in the absence of known conditions to the contrary, relationships among information may reasonably be expected to exist and continue. Examples of contrary conditions include unusual or nonrecurring transactions or events; accounting, organizational, operational, environmental, and technological changes; inefficiencies; ineffectiveness; errors; fraud; or illegal acts.

Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement's objectives and must base conclusions and engagement results on appropriate analyses and evaluations. Internal auditors must document relevant information to support the conclusions and engagement results.

Engagements must be properly supervised to ensure that objectives are achieved, quality is assured, and staff is developed.

The Internal Auditor must control access to engagement records. The Director must obtain the approval of senior management and/or legal counsel prior to releasing such records to external parties, as appropriate.

Communicating Results, Criteria for Communicating, and Quality of Communications – 2400, 2410 and 2420

The Internal Auditor must communicate the results of engagements to the appropriate parties. The Director is responsible for communicating the final results to parties who can ensure that the results are given due consideration.

The Internal Auditor shall report directly to the Commission or Audit Committee. The Internal Auditor shall report to the Executive Director for administrative matters.

The Internal Auditor must communicate audit findings and recommendations with appropriate levels of management prior to issuing final reports. Communications must include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans. Communication of the progress and results of consulting engagements will vary in form and content depending upon the nature of the engagement and the needs of the Agency. Communications must be accurate, objective, clear, concise, constructive, complete, and timely.

The Internal Auditor must exercise caution when communicating noncompliance with laws, regulations, and other legal issues. Developing policies and procedures regarding the handling of those matters as well as a close working relationship with other appropriate areas (e.g., legal counsel and compliance) is strongly encouraged.

The Internal Auditor shall issue a final written report that incorporates management's responses to audit findings and recommendations. Copies of the final report shall be provided to appropriate members of management, the Executive Director, the Audit Committee, and Commissioners.

Final communication of engagement results must, where appropriate, contain the auditors' opinion and/or conclusions. When issued, an opinion or conclusion must take account of the expectations of senior management, the Commission, and other stakeholders and must be supported by sufficient, reliable, relevant, and useful information. Internal auditors are encouraged to acknowledge satisfactory performance in engagement communications.

If a final communication contains a significant error or omission, the Internal Auditor must communicate corrected information to all parties who received the original communication.

If the Internal Auditor comes into possession of critically sensitive information that is substantial to the Agency and poses significant potential consequences, and deems the new information substantial and credible, the Internal Auditor shall communicate the information – in a timely manner – to senior management and the Commission. If the Director, after those discussions, concludes that senior management is exposing the Agency to an unacceptable risk and is not taking appropriate action, he or she must present the information and the differences of opinion to the Commission. The typical chain-of-command communication scenario may be accelerated for certain types of sensitive occurrences because of laws,

regulations, or common practices, and Director may communicate the information to persons outside the normal chain of command or even outside the Agency.

The Internal Auditor shall follow-up on reported findings to ensure that appropriate and timely management resolution of audit issues has occurred. Management shall be responsible for deciding the appropriate actions to be taken in response to reported audit findings. The Internal Auditor shall provide follow-up reports on all significant findings to the Executive Director, Audit Committee, and Commissioners. Follow-up reports shall include significant audit findings where senior management has decided to assume the risk of not correcting the reported condition because of cost or other considerations.

When releasing engagement results to parties outside the Agency, the communication must include limitations on distribution and use of the results. If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the Agency the Internal Auditor must assess the potential risk to the Agency, consult with senior management and/or legal counsel as appropriate, and control dissemination by restricting the use of the results.

The Internal Auditor is responsible for communicating the final results of consulting engagements to the Agency. During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the Agency, they must be communicated to senior management and the Commission.

Engagement Disclosure of Nonconformance – 2431

When nonconformance with the Definition of Internal Auditing, the Code of Ethics, or the Standards impacts a specific engagement, communication of the results must disclose the:

- Principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved;
- Reason(s) for nonconformance; and
- Impact of nonconformance on the engagement and the communicated engagement results.

Overall Opinions - 2450

When an overall opinion is issued, it must take into account the expectations of senior management, the Commission, and other stakeholders and must be supported by sufficient, reliable, relevant, and useful information.

Monitoring Progress - 2500

The Internal Auditor must establish and maintain a system to monitor the disposition of results communicated to management.

The Internal Auditor must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

The internal audit activity must monitor the disposition of results of consulting engagements to the extent agreed upon with the client.

Communication of Risks – 2600

When the internal auditor concludes that senior management has accepted a level of residual risk that may be unacceptable to the organization, the internal auditor must discuss the matter with senior management. If the internal auditor determines that the matter has not been resolved, the internal auditor must communicate the matter to the Commission.

_____
Adrianne Courtney
Chief Financial Officer
Texas Racing Commission

_____
Chuck Trout
Executive Director
Texas Racing Commission

This Charter was approved by the Texas Racing Commission
on _____, and replaces any previously approved versions.

_____
John T. Steen III, Chair
Texas Racing Commission

<<Prev Rule Next Rule>>

Texas Administrative Code

TITLE 16	ECONOMIC REGULATION
PART 8	TEXAS RACING COMMISSION
CHAPTER 303	GENERAL PROVISIONS
SUBCHAPTER A	ORGANIZATION OF THE COMMISSION
RULE §303.6	Commission Officers

Historical

(a) In January of even-numbered years, the commission shall elect one of the members to serve as vice-chair for a term of two years.

(b) In the event of a vacancy in the office of vice-chair, the vacancy shall be filled for the unexpired term on majority vote of the commission at the next regular meeting of the commission.

(c) In the absence of the chair and vice-chair from a meeting of the commission, the remaining members shall elect a pro-tem presiding officer who shall serve until the conclusion of the meeting or until the arrival of the chair or vice-chair.

Source Note: The provisions of this §303.6 adopted to be effective November 15, 1988, 13 TexReg 5557; amended to be effective June 1, 1992, 17 TexReg 3728; amended to be effective January 1, 1999, 23 TexReg 12911

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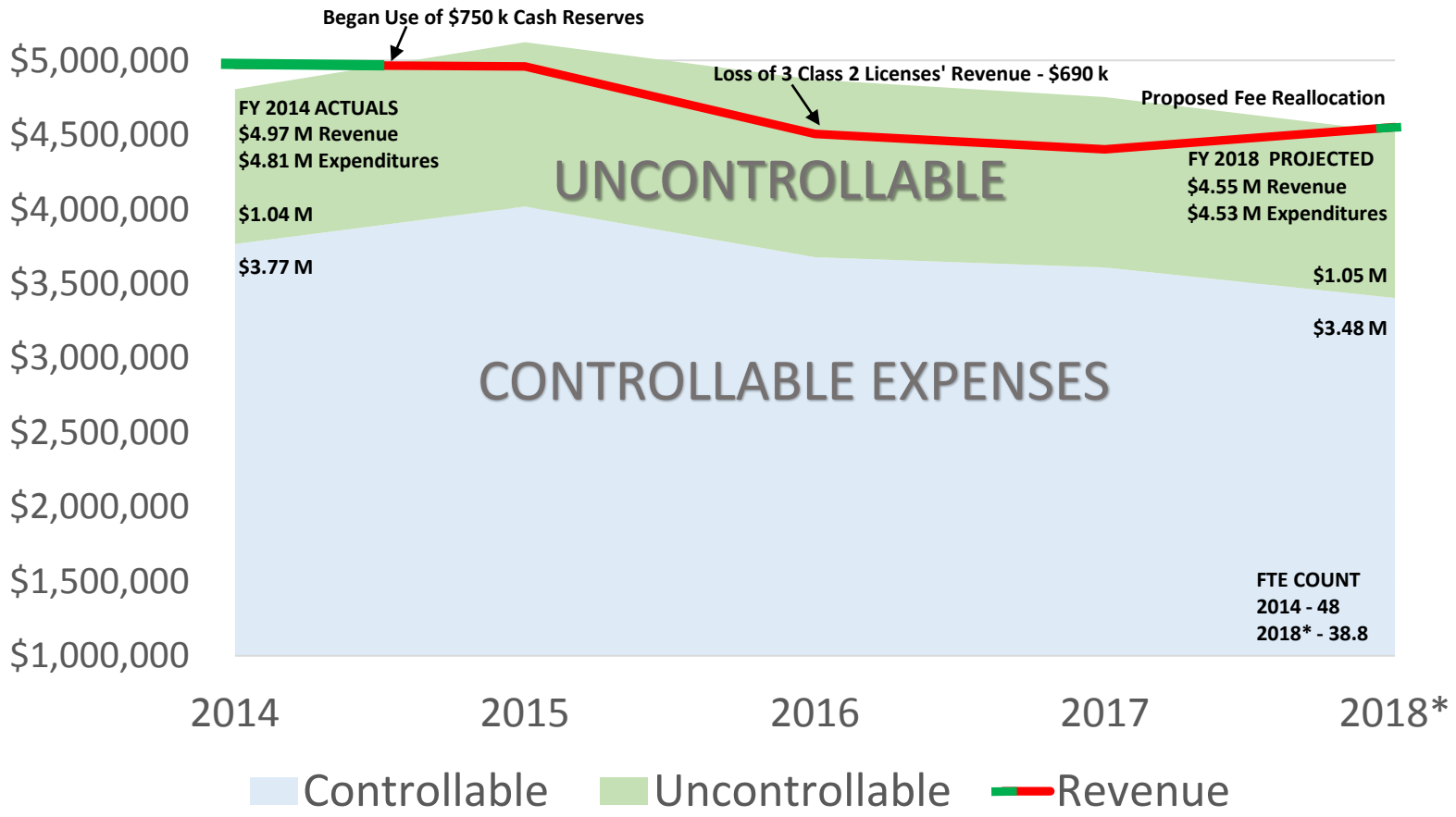
IV. PROCEEDINGS ON MATTERS RELATED TO AGENCY FUNDING

A. Discussion regarding agency funding situation and cost-cutting measures that have been undertaken

B. Discussion and possible action to propose new Rule 309.13, Supplemental Fee, regarding funding of third-party economy, efficiency, and effectiveness audit

TxRC Cash Flow History – FY2014 – FY2018*



*Projected

FY2016 - FY2017
COST SAVING ACTIONS

ACTION	EFFECTIVE DATE	SAVINGS
Reduction in travel, professional fees, and equipment purchases	FY2016	$54,110
Eliminated Licensing Clerk position at Retama Park	FY2016	$36,945
Overall reduction in staff hours	FY2016-2017	$40,398
Reduction in costs due to Gulf Greyhound Park ending live racing	FY2016-2017	$205,745
Merged Director of Pari-Mutuels & Director of Internal Audit & Compliance into one position	FY2016-2017	$61,425
One position not filled during FY2017 due to statewide hiring freeze. (Position will remain unfilled during FY 2018/2019.)	FY2017	$28,825
Reduction in costs in IT	FY2017	$80,998
TOTAL COST SAVING ACTIONS		**$508,446**
OFFSET BY:		
Mandatory salary increases	FY2017	-$51,251
Increases in benefit costs	FY2017	-$81,837
TOTAL SAVINGS		**$375,358**

FY2018 PROJECTED COST-SAVING ACTIONS

ACTION	EFFECTIVE DATE	SAVINGS
2.5 FTEs (Full Time Employees) eliminated	FY2018	$109,173
Position not filled during FY2017 due to statewide hiring freeze will remain unfilled in FY 2018/2019	FY2018	$45,715
Reduced hours for one full-time position	FY2018	$5,000
Reduction in Racing Department due to proposed reduction in overlapping race days and Chief Steward working live meet	FY2018	$25,000
Reduction in Veterinarian Department due to proposed reduction in overlapping race days	FY2018	$55,000
Reduction in benefits due to reduced staffing	FY2018	$22,989
TOTAL PROJECTED COST-SAVING ACTIONS		**$262,877**

Texas Racing Commission

DRAFT

INDEPENDENT INTERNAL AUDIT – PROPOSED SCOPE AND OBJECTIVES

In accordance with the national standards of internal auditing, the audit scope and objectives encompass the examination and evaluation of the economy, effectiveness and efficiency of the Texas Racing Commission's financial management and operations in carrying out statutory responsibilities. The audit scope and objectives are as follows:

SCOPE

Overall this audit will assess the Texas Racing Commission service and operational measures on economy, efficiency and effectiveness, in relation to state statutory requirements, within current Biennial 2018-19 budget projections. The audit will include findings in these three areas followed by recommendations.

The scope of the audit will review human resources and internal and external operational system resources to see if they are of the right quality and quantity to fulfill the Commission's statutory functions at the most reasonable possible cost (*Economy*). Also, the audit will assess if the Commission is achieving the best output of services and operations with the resources used to produce them (*Efficiency*). The audit will also assess if the Commission regularly achieves its policy objectives, operational goals and other intended effects as required by the Texas Racing Act and other state or federal regulations (*Effectiveness*).

OBJECTIVES

- **Reliability and Integrity of Financial and Operational Information –** Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

- **Compliance with Policies, Procedures, Laws, Regulations, and Contracts –** Review the systems established to ensure compliance with those policies, procedures, laws, regulations, and contracts which could have a significant impact on operations and reports, and determine whether the organization is in compliance.

- **Effectiveness and Efficiency of Operations and Programs –** Appraise the effectiveness and efficiency with which resources are employed.

- **Achievement of the Organization's Strategic Objectives –** Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

Detail of audit components to be reviewed for an Economy, Efficiency and Effectiveness audit in accordance with the Texas Internal Auditing Act (Gov. Code, Title 3, Legislative Branch, Subtitle C. Legislative Agencies and Oversight Committees, Chapter 321, State Auditor)

Sec. 321.0133. ECONOMY AND EFFICIENCY AUDIT. An economy and efficiency audit is an audit to determine:

(1) whether the audited entity is managing or utilizing its resources, including state funds, personnel, property, equipment, and space, in an economical and efficient manner;

(2) causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, purchasing, policies, and equipment; and

(3) whether financial, program, and statistical reports of the audited entity contain useful data and are fairly presented.

Sec. 321.0134. EFFECTIVENESS AUDIT. (a) An effectiveness audit is an audit to determine, according to established or designated program objectives, responsibilities or duties, statutes and regulations, program performance criteria, or program evaluation standards:

(1) whether the objectives and intended benefits are being achieved efficiently and effectively; and

(2) whether the program duplicates, overlaps, or conflicts with another state program.

(b) An effectiveness audit may be scheduled only when the audited entity is not scheduled for review under the Texas Sunset Act (Chapter 325).

TEXAS RACING COMMISSION
COMMITTEE ON RULES

Date of Request: 25 October 2017

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(es):

[ ] Personal Submission *OR*

[X] Submission on Behalf of Texas Racing Commission
(Name of Organization)

[ ] Proposed Change to (if known): Chapter: _____ Rule: _____

[X] Proposed Addition to (if known): Chapter: 309 Rule: 13

Other Rules Affected by Proposal (if any): Chapter: _____ Rule: _____
Chapter: _____ Rule: _____
Chapter: _____ Rule: _____
Chapter: _____ Rule: _____

Statutory Authority for Proposed Change: §5.01

A. Brief Description of the Issue
The agency funding proposal presented to the Commission by nine of the ten licensed racing associations includes a request that the Commission undertake an independent audit of the agency's operations. This rule proposal would provide a vehicle for funding that audit.

B. Discussion of the Issue and Problem
The proposal regarding fees presented to the Commission by nine of the ten licensed racing associations includes a request that the Commission undertake an independent audit of the agency's operations. Such an audit may be performed by the State Auditor's Office (SAO), or the SAO may authorize the Commission to engage a private firm to conduct it (subject to State of Texas procurement requirements). If the Commission engages a private firm, the cost is estimated to be between $50,000 and $100,000 but could be as high as $200,000. As the Commission lacks the funds to pay for this additional expense, this rule would provide authority to assess a supplemental license fee to pay for it.

C. Possible Solutions and Impact
A supplemental fee rule would provide authority to assess a supplemental license fee to pay for an outside audit. The proposal allows the Commission to charge associations an amount less than the maximum provided by the rule depending on the winning bid and provides for refunds in the event that the total cost is ultimately less than the amount collected.

D. Support or Opposition
The industry has expressed support for this proposal.

E. Proposal
See next page.

309.13. Supplemental Fee

(a) Purpose of Fee. The fee in this section is necessary to pay the Commission's costs to procure an independent audit of the economy, efficiency and effectiveness of its operations, as requested by the racing industry, and the fees collected under this section shall only be used for this purpose.

(b) Amount of Fee. In addition to the license fees prescribed by Section 309.8, Racetrack License Fees, a licensed racing association shall pay a supplemental license fee to the Commission in an amount that equals the total cost of the audit, not to exceed $200,000, divided by the number of racing associations in good standing in Texas.

(c) The supplemental fee shall be due 15 days after the Commission sends an invoice to the association.

(d) Refunds. In the event that the total amount the Commission collects under this section exceeds its actual costs, any amount remaining shall be refunded to paying associations in equal shares not later than December 31, 2018.

V. OTHER PROCEEDINGS ON RULES

A. Discussion and possible action on the following rule proposals. If approved by the Commission, these rule proposals will be published in the *Texas Register* for public comment:

1. Proposal of Amendment to Rule 303.93, Quarter Horse Rules
2. Proposal of Amendment to Rule 321.30, Super Hi-Five

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

1. Closure of rule reviews of Chapter 301, Definitions, Chapter 303, General Provisions, Chapter 319, Veterinary Practices and Drug Testing, and Chapter 321, Pari-mutuel Wagering
2. Opening rule reviews of Chapter 309, Racetrack Licenses and Operations, and Chapter 311, Other Licenses

TEXAS RACING COMMISSION
COMMITTEE ON RULES

Date of Request: 08/18/2017

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:	Rob Werstler	Phone(s):	512-458-5202
E-mail address:		Fax number:	512-458-1713
Mailing address:	706 W. 11th St. Elgin, TX 78621		

Check appropriate box(es):

[ ] Personal Submission *OR*

[X] Submission on Behalf of Texas Quarter Horse Association
(Name of Organization)

[ ] Proposed Change to (if known): Chapter: 303 Rule: 93

[ ] Proposed Addition to (if known): Chapter: _____ Rule: _____

Other Rules Affected by Proposal (if any): Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Chapter: _____ Rule: _____

Statutory Authority for Proposed Change: TRA § 9.01

A. Brief Description of the Issue
The current rule allows an Accredited Texas Bred Broodmare to leave the state but still maintain accreditation by returning to Texas no later than August 15. However, this date is too early to allow these mares to compete in some of the more prestigious races that run during September through December in other states.

B. Discussion of the Issue and Problem
By using embryo transfers and surrogate mares, breeders enable successful Quarter Horse mares to produce Texas-bred offspring while continuing to race throughout the calendar year. The TQHA believes that this activity is economically beneficial to the horse breeding industry and should be supported.

C. Possible Solutions and Impact
The proposal would change the date a Texas-bred Quarter Horse broodmare must return to Texas in order to keep its Texas-bred accreditation from August 15 to December 31.

D. Support or Opposition
This proposal is proposed and supported by the Texas Quarter Horse Association, and should have no adverse affect on any other horse breeds or breed organizations.

E. Proposal
See next page.

303.93. QUARTER HORSE RULES

(a) (No change.)

(b) Eligibility for Accreditation.

(1) (No change.)

(2) ATB Broodmares.

(A)-(C) (No change.)

(D) A mare may leave Texas for [~~breeding, medical, or~~] racing purposes without losing its accreditation provided the mare returns to Texas each year before December 31 [~~August 15~~] and remains in Texas until foaling. A mare may leave Texas for breeding or medical purposes without losing its accreditation provided the mare returns to Texas each year before August 15 and remains in Texas until foaling. All foals of an ATB broodmare are eligible to be accredited as ATB horses provided the mare is bred to an ATB stallion at least every other breeding. TQHA may require documentation regarding breeding activity to prove eligibility for accreditation.

(3) (No change.)

(c)-(f) (No change.)

TEXAS RACING COMMISSION
COMMITTEE ON RULES

Date of Request: 8/22/2017

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

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

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

Contact Information:

Name:	Frank Hopf	Phone(s):	281.807.8803
E-mail address:		Fax number:	281.807.8719
Mailing address:	7575 N. Sam Houston Pkwy W. Houston, TX 77064		

Check appropriate box(s)

[ ] Personal Submission *OR*

[X] Submission on behalf of Sam Houston Race Park
(Name of Organization)

[x] If known, Proposed Change to Chapter:	Chapter: 321	Rule:	320
[ ] 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

Under SEC 321.320 Subsection the rule does not allow for an unique payout option for the Super Hi-Five.

B. Discussion of the Issue and Problem

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

- *Currently the option does not exist and this option would allow an association the opportunity to offer an "unique" payout.*

C. Possible Solutions and Impact

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

- *Add verbiage to the existing rule to offer a fourth payout option to the Super Hi-Five.*

D. Support or Opposition

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

- *Support from Lone Star Park and Retama Park*

E. Proposal

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

(a) no change

(b) no change

(c) no change

(d) Unique Winning Ticket Option

(1) The net super hi-five pool shall be distributed to winning wagers in the following precedence, based on the official order of finish:

(A) As a single price pool, including any applicable carry-over, to the holder of a unique winning ticket whose combination finished in correct sequence as the first five betting interests, but if there is no such unique winning ticket, then

(B) The net pool shall be divided into two separate pools. The major pool of the net pool shall be paid as a carryover into the next regularly scheduled Super hi-five pool. The remaining minor pool shall be paid as a Super hi-five consolation pool, which shall be equally divided among those ticket holders who correctly select the first five interests in exact order, but if there are no such wagers, then

(C) The entire net pool shall be carried over into the next regularly scheduled Super hi-five pool.

(2) Unique winning ticket, as used in this subsection (d), shall be defined as having occurred when there is one and only one winning ticket whose combination finished in correct sequence as the first five betting interests, to be verified by the unique serial number assigned by the totalisator company that issued the winning ticket. In the event that there is more than one winning ticket whose combination finished in correct sequence as the first five betting interests, ~~the~~ a unique winning ticket shall be deemed to not have occurred.

(3) The association shall specify the minimum monetary amount of a unique winning ticket wager with prior approval of the executive secretary.

(4) Prior to the start of the race meet, the association shall specify the percentages for a major and minor pool with prior approval of the executive secretary.

(5) A written request to distribute the Super hi-five pool plus any carryover on a specific date and performance may be submitted by the association to the executive secretary for approval. The request must be for a specified date no greater than one year from the date the request is submitted and contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution. Should the Super hi-five net pool and any applicable carryover be designated for distribution on a specified date and performance in which there is no unique winning ticket, the entire pool shall be distributed using the method described in subsection (i).

(6) Unless otherwise stated in writing by the Commission under paragraph 5, on the last Super hi-five race on the final day of the meeting, the net pool, including any applicable carryover, shall be distributed using the method described in subsection (i).

(e) The minimum number of wagering interests required to offer super hi-five wagering in any one race shall be seven actual starters. If a race scratches below seven actual starters, then the super hi-five pool for that race shall be canceled.

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

(g) If less than five animals finish and the race is declared official by the stewards or judges, then pay off shall be made to ticket holders selecting the finishing animals in order of finish as provided above. The balance of any selection on any ticket beyond the number of betting interests completing the contest shall be ignored.

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

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

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

(i) If on the final day of a race meeting or on a designated mandatory payout date the pool has not been distributed under subsection (b), (c), or (d) of this section, then the net pool for that performance plus any carryover from previous performances shall be paid out in the following manner:

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

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

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

(4) To those who selected the first-place finisher.

(j) If the final or designated mandatory payoff performance is canceled or the pool has not been distributed under subsection (i) of this section the pool shall be deposited in an interest-bearing account approved by the executive secretary. The pool plus all accrued interest shall then be carried over and added to the super hi-five pari-mutuel pool in the following race meeting on a date and performance designated by the executive secretary.

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

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

(m) The association may select a distinctive name for the super hi-five, with prior approval of the executive secretary.

321.320. Super Hi-Five

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

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

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

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

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

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

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

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

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

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

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

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

(d) Unique winning ticket option.

(1) Unique winning ticket, as used in this subsection, shall be defined as having occurred when there is one and only one winning ticket whose combination finished in correct sequence as the first five betting interests, to be verified by the unique serial number assigned by the totalisator company that issued the winning ticket. In the event that there is more than one winning ticket whose combination finished in correct sequence as the first five betting interests, a unique winning ticket shall be deemed to not have occurred.

(2) If an association elects to offer the unique winning ticket option, the net super hi-five pool shall be distributed to winning wagers in the following order of precedence, based on the official order of finish:

(A) as a single price pool, including any applicable carry-over, to the holder of a unique winning ticket whose combination finished in correct sequence as the first five betting interests, but if there is no such unique winning ticket, then

(B) the net pool shall be divided into two separate pools. The major pool of the net pool shall be paid as a carryover into the next regularly scheduled super hi-five pool. The remaining minor pool shall be paid as a super hi-five consolation pool, which shall be equally divided among those ticket holders who correctly select the first five interests in order, but if there are no such wagers, then

(C) the entire net pool shall be carried over into the next regularly scheduled super hi-five pool.

(3) The association shall specify the minimum monetary amount of a unique winning ticket wager with prior approval of the executive secretary.

(4) Prior to the start of the race meet, the association shall specify the percentages for a major and minor pool with prior approval of the executive secretary.

(5) A written request to distribute the super hi-five pool plus any carryover on a specific date and performance may be submitted by the association to the executive secretary for approval. The request must be for a specified date no greater than one year from the date the request is submitted and contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution. Should the super hi-five net pool and any applicable carryover be designated for distribution on a specified date and performance in which there is no unique

winning ticket, the entire pool shall be distributed using the method described in subsection (i).

(6) Unless otherwise stated in writing by the Commission under paragraph (5), on the last super hi-five race on the final day of the meeting, the net pool, including any applicable carryover, shall be distributed using the method described in subsection (i).

(e) The minimum number of wagering interests required to offer super hi-five wagering in a race shall be seven actual starters. If scratches cause the number of horses in a race to fall below seven, then the super hi-five pool for that race shall be canceled.

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

(g) [~~(f)~~] If fewer [~~less~~] than five animals finish and the race is declared official by the stewards or judges, payout [~~then pay off~~] shall be made to ticket holders selecting the finishing animals in order of finish as provided above, disregarding any selections beyond the number of betting interests.

(h) [~~(g)~~] In the event of a dead heat in any finishing position, the wagers shall be paid as follows:

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

(2) payouts [~~Payouts~~] will be calculated by splitting the pool equally between each winning combination, then dividing split pools by the number of winning tickets. A dead heat will produce

separate and distinct payouts respective to each winning combination.

(i) [~~(h)~~] If on the final day of a race meeting or on a designated mandatory payout date the pool has not been distributed under subsection (b), [~~or~~] (c), or (d) of this section, then the net pool for that performance plus any carryover from previous performances shall be paid out in the following manner:

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

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

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

(4) To those who selected the first-place finisher.

(j) [~~(i)~~] If the final or designated mandatory payoff performance is canceled or the pool has not been distributed under subsection (i) [~~(h)~~] of this section the pool shall be deposited in an interest-bearing account approved by the executive secretary. The pool plus all accrued interest shall then be carried over and added to the super hi-five pari-mutuel pool in the following race meeting on a date and performance designated by the executive secretary.

(k) [~~(j)~~] If an animal is scratched or declared a nonstarter, no further tickets may be issued designating such animal and all super hi-five tickets previously issued designating such animal shall be refunded and the money deducted from the gross super hi-five pool.

(l) [~~(k)~~] For purposes of statutory deductions and commissions, the net amount does not include any amounts carried over from any previous super hi-five pool.

(m) [~~(l)~~] The association may select a distinctive name for the super hi-five, with prior approval of the executive secretary.

CURRENT RULE REVIEWS
CHAPTERS 301, 303, 319 AND 321

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 December 15, 2015, the Commission opened the reviews of Chapter 301, Definitions, Chapter 303, General Provisions, Chapter 319, Veterinary Practices and Drug Testing, and Chapter 321, Pari-mutuel Wagering. Notice of the reviews was published in the March 31, 2017, edition of the *Texas Register* (42 *TexReg* 1801). The Commission received no comments on the rule review.

The Table of Contents for Chapters 301, 303, 319, and 321 are attached below.

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

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CHAPTER 303. GENERAL PROVISIONS

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Subchapter B. Powers and Duties of the Commission
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§303.34. Certified Documents.
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§303.41. Allocation of Race Dates.
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Subchapter C. Powers and Duties of the Comptroller of Public Accounts
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CHAPTER 309, RACETRACK LICENSES AND OPERATIONS, AND CHAPTER 311, OTHER LICENSES

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

To formally initiate the rule review process, the Commission must vote at a public meeting to publish notice in the *Texas Register* of the Commission's intention to review specific rules. After the time for public comment has passed, the Commission will take one of the following actions in regard to the rules in Chapters 309 and 311: 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.

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B. Allocation of funds for the Texas Bred Incentive Program under Commission Rule 321.505(b)

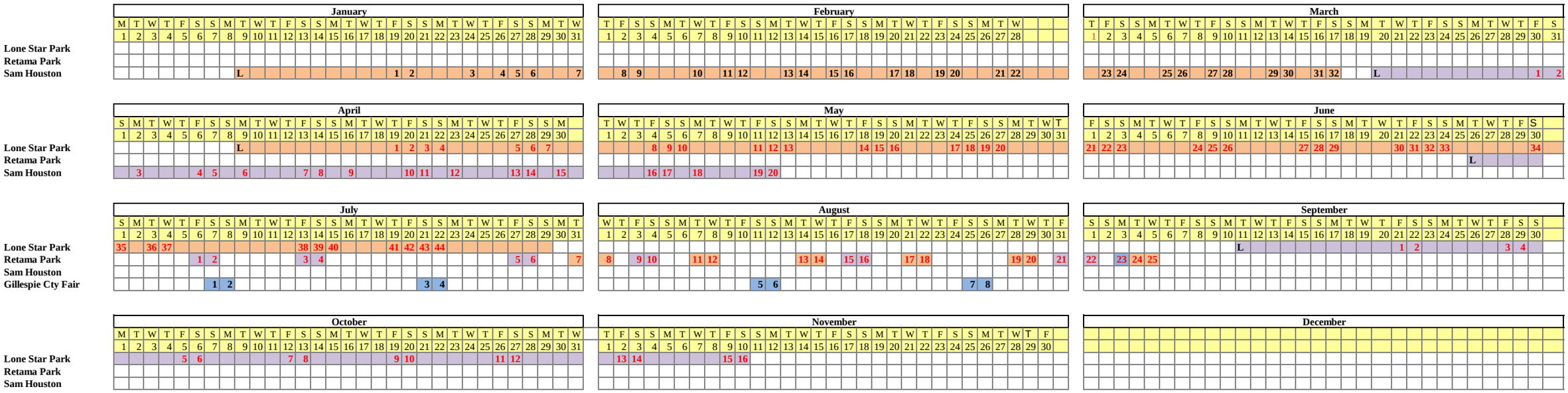
C. Allocation of purses as provided under Commission Rule 321.505(a)

D. Distribution of funds in the Escrowed Purse Account among the various breeds of horses under Commission Rule 321.509

E. Allocation of live race dates for greyhound racetracks under Commission Rule 303.41 for the period beginning January 1, 2018, and ending August 31, 2019

F. Allocation of interstate cross-species purse money under Commission Rule 303.102(d)

2018 Granted and Requested Horse Race Dates *(As of August 11, 2016)*



	January	February	March	April	May	June	July	August	September	October	November	December	Total By Type			Total
	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T	Q	M	Days
Lone Star Park	- - -	- - -	- - -	7 - -	13 - -	14 - -	10 - -	- - -	- 4 -	- 8 -	- 4 -	- - -	44	16	-	**60**
Retama Park	- - -	- - -	- - -	- - -	- - -	- - -	1 6 -	9 5 -	2 1 1	- - -	- - -	- - -	12	12	1	**25**
Sam Houston	7 - -	15 - -	10 2 -	- 13 -	- 5 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	32	20	-	**52**
Laredo Downs	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	-	**0**
Laredo Race Park	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	-	**0**
Longhorn Downs	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	-	**0**
Manor Downs	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	-	**0**
Saddle Brook Park	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	-	**0**
Valle de los Tesoros	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	-	**0**
Gillespie County Fair	- - -	- - -	- - -	- - -	- - -	- - -	- - 4	- - 4	- - -	- - -	- - -	- - -	-	-	8	**8**
Total By Type	- - -	15 - -	10 2 -	7 13 -	13 5 -	14 - -	11 6 4	9 5 4	2 5 1	- 8 -	- 4 -	- - -	88	48	9	**145**
Total By Month	**7**	**15**	**12**	**20**	**18**	**14**	**21**	**18**	**8**	**8**	**4**	**0**				

Legends

TB Dates

QH Dates

Mixed Dates

L = Lock Down

2019 Requested Horse Race Dates

	January	February	March	April	May	June	July	August	September	October	November	December	Total By Type	Total
	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	T Q M	Days
Lone Star Park	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Retama Park	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Sam Houston	7 - -	15 - -	10 2 -	- 13 -	- 5 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	32 20 -	52
Laredo Downs	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Laredo Race Park	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Longhorn Downs	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Manor Downs	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Saddle Brook Park	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Valle de los Tesoros	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	0
Gillespie County Fair	- - -	- - -	- - -	- - -	- - -	- - -	- - 4	- - 4	- - -	- - -	- - -	- - -	- - 8	8
Total By Type	- - -	15 - -	10 2 -	- 13 -	- 5 -	- - -	- - 4	- - 4	- - -	- - -	- - -	- - -	32 20 8	60
Total By Month	7	15	12	13	5	0	4	4	0	0	0	0		

Legends

TB Dates

QH Dates

Mixed Dates

L = Lock Down

SAM HOUSTON
RACE PARK

October 24, 2017

Sent via Electronic Mail

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

Dear Mr. Speight:

Attached for your review and consideration are Sam Houston Race Park's Requests for Performances for Quarter Horse racing in 2018, and for both Thoroughbred and Quarter Horse racing in 2019, all of which dates are within the period currently pending before the Commission.

Feel free to contact me if you have any questions.

Sincerely,

Dwight Berube
Vice President and General Manager
Sam Houston Race Park, LLC

Attachments

Cc: Chuck Trout (TRC) Andrea Young (SHRP) Frank Hopf (SHRP)
Marsha Rountree (THP) Mary Ruyle (TTA) Rob Werstler (TQHA)

TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
HORSE RACETRACKS
January 1, 2018 – December 31, 2018

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 October 24, 2017.

I. Schedule Requested

Name of Racetrack: Sam Houston Race Park

First Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

❑ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

Second Meet Opening Day: 3/30/2018 Closing Day: 5/12/2018

Meet Type: ❑ TB X QH ❑ MX Total Number of Race Days 20

❑ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Quarter Horse	# of Races Per Day 9.70	Projected Purse Per Day $65,000
❑ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Paint Horse	# of Races Per Day 0.30	Projected Purse Per Day $1,500
Totals	# of Races Per Day 10	Projected Purse Per Day $66,500

Third Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

❑ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2018 will be allocated among the various breeds:

Appaloosa	____%	Arabian	2.9%	Paint	1.5%
Quarter Horse	43%	Thoroughbred	52.6%		

Check all that apply:

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

X 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	Marsha Rountree, THP/ HPBA

III. Dates Requested

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

IV. Charity Days

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

Indicate which days are designated as charity days:

Day 1: 2/13/18 (TB Meet)

Day 2: 4/9/2018

Day 3 (Optional):_____

Day 4 (Optional): _____

Day 5 (Optional): _____

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity: Race Track Chaplaincy of SHRP (TB Meet)

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

Day 2 Charity: LOPE of Texas

OPTIONAL CHARITY DAYS

Day 3 Charity: _____
(Name of Charity)

Day 4 Charity: _____
(Name of Charity)

Day 5 Charity: _____
(Name of Charity)

For each charity listed, attach the following information:

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

V. Coordination of Request

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

	Affected?		Letter of Support Attached?		
Racetrack	**Yes**	**No**	**Yes**	**No**	**N/A**
Gillespie County Fair & Festivals Association	☐	X	☐	X	☐
Lone Star Park	☐	X	☐	X	☐
Retama Park	☐	X	☐	X	☐

	Letter of Support Attached?		
Horsemen's Organization	**Yes**	**No**	**N/A**
Texas Horsemen's Partnership	☐	X	☐
Texas Quarter Horse Association	☐	X	☐

Sam Houston Race Park

Requested Performances for 2018

January

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

February

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

March

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

Sam Houston Race Park

Requested Performances for 2018

April

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

May

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

June

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

TEXAS RACING COMMISSION
REQUEST FOR LIVE RACE DATES
HORSE RACETRACKS

January 1, 2019 - August 31, 2019

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 October 24, 2017.

I. Schedule Requested

Name of Racetrack: Sam Houston Race Park

First Meet	Opening Day: 1/18/2019	Closing Day: 3/16/2019
Meet Type: X TB ☐ QH ☐ MX		Total Number of Race Days 32
☐ Thoroughbred	# of Races Per Day 8.5	Projected Purse Per Day $135,000
☐ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Arabian	# of Races Per Day 0.5	Projected Purse Per Day $5,000
☐ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day 9	Projected Purse Per Day $140,000

Second Meet	Opening Day: 3/29/2019	Closing Day: 5/11/2019
Meet Type: ☐ TB X QH ☐ MX		Total Number of Race Days 20
☐ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Quarter Horse	# of Races Per Day 9.70	Projected Purse Per Day $65,000
☐ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Paint Horse	# of Races Per Day 0.30	Projected Purse Per Day $1,500
Totals	# of Races Per Day 10	Projected Purse Per Day $66,500

Third Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

❑ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
❑ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2019 will be allocated among the various breeds:

Appaloosa	____%	Arabian	3%	Paint	1%
Quarter Horse	40%	Thoroughbred	56%		

Check all that apply:

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

X 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	Mary Ruyle, TTA
Various	Rob Werstler, TQHA
Various	Marsha Rountree, THP/ HPBA

III. Dates Requested

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

IV. Charity Days

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

Indicate which days are designated as charity days:

Day 1: 2/12/2019

Day 2: 4/8/2019

Day 3 (Optional):_____

Day 4 (Optional): _____

Day 5 (Optional): _____

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity: Race Track Chaplaincy of SHRP

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

Day 2 Charity: LOPE of Texas

OPTIONAL CHARITY DAYS

Day 3 Charity: _____
(Name of Charity)

Day 4 Charity: _____
(Name of Charity)

Day 5 Charity: _____
(Name of Charity)

For each charity listed, attach the following information:

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

V. Coordination of Request

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

	Affected?		Letter of Support Attached?		
Racetrack	**Yes**	**No**	**Yes**	**No**	**N/A**
Gillespie County Fair & Festivals Association	☐	☒	☐	☒	☐
Lone Star Park	☐	☒	☐	☒	☐
Retama Park	☐	☒	☐	☒	☐

	Letter of Support Attached?		
Horsemen's Organization	**Yes**	**No**	**N/A**
Texas Horsemen's Partnership	☐	☒	☐
Texas Thoroughbred Association	☐	☒	☐
Texas Quarter Horse Association	☐	☒	☐

Sam Houston Race Park

Requested Live Race Dates for 2019

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

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

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

Sam Houston Race Park

Requested Performances for 2019

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

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

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

LONE STAR PARK
at Grand Prairie

Our Mission:
Create Winning Experiences.

October 24, 2017

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

Via Email

Dear Joel:

Enclosed you will find Lone Star Park's completed race date application for the Commission's review and consideration.

In summary, we respectfully request the following dates for 2018:

Thoroughbred Meet – April 19 through July 22 (44 days)
Most Fridays, Saturdays & Sundays, plus four Thursdays & two Holidays

- 6:35 pm post time on Thursdays & Fridays
- 2:35 pm post time on Saturdays & Sundays
- 1:35 pm post time on Triple Crown Saturdays (5/5, 5/19 & 6/9)
- 5:00 pm post time on July 3 & 4

Quarter Horse Meet – September 21 through November 10 (16 days)
Every Friday & Saturday

- 6:05 pm post times on Fridays & Saturdays

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

Sincerely,

Bart Lang
Director of Racing

HOST SITE OF THE
2004 BREEDERS' CUP
WORLD THOROUGHBRED CHAMPIONSHIPS

1000 Lone Star Parkway
Grand Prairie, Texas 75050
(972) 263-7223
lonestarpark.com

TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
HORSE RACETRACKS
January 1, 2018 – December 31, 2018

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 October 24, 2017.

I. Schedule Requested

Name of Racetrack: Lone Star Park

First Meet Opening Day: 4/19/2018 Closing Day: 7/22/2018

Meet Type: X TB ☐ QH ☐ MX Total Number of Race Days 44

X Thoroughbred	# of Races Per Day 9	Projected Purse Per Day $165,000
☐ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

Second Meet Opening Day: 9/21/2018 Closing Day: 11/10/2018

Meet Type: ☐ TB X QH ☐ MX Total Number of Race Days 16

☐ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
X Quarter Horse	# of Races Per Day 12	Projected Purse Per Day $150,000
X Arabian	# of Races Per Day <1	Projected Purse Per Day $_____
X Paint Horse	# of Races Per Day <1	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

Third Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

☐ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2018 will be allocated among the various breeds:

Appaloosa	.6 %	Arabian	1.5 %	Paint	.6 %
Quarter Horse	30 %	Thoroughbred	67 %		

Check all that apply:

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

X 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

___/___/___ Texas Thoroughbred Association

___/___/___ Texas Quarter Horse 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

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

Indicate which days are designated as charity days:

Day 1: 10/5/2018

Day 2: 10/12/2018

Day 3 (Optional): 10/26/2018

Day 4 (Optional): _____

Day 5 (Optional): _____

Identify the charities:

REQUIRED BY RULE

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

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

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

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

OPTIONAL CHARITY DAYS

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

Day 4 Charity: _____
(Name of Charity)

Day 5 Charity: _____
(Name of Charity)

For each charity listed, attach the following information:

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

V. Coordination of Request

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

Racetrack	Affected? Yes	Affected? No	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Gillespie County Fair & Festivals Association	☐	☒	☐	☐	☐
Laredo Downs	☐	☒	☐	☐	☐
Lone Star Park	☐	☐	☐	☐	☐
Manor Downs	☐	☒	☐	☐	☐
Retama Park	☐	☒	☐	☐	☐
Sam Houston Race Park	☐	☒	☐	☐	☐
Valle de los Tesoros	☐	☒	☐	☐	☐

Horsemen's Organization	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Texas Horsemen's Partnership	☐	☒	☐

Lone Star Park
(Name of Racetrack)

Requested Performances for 2018

April

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

May

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

June

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

Lone Star Park
(Name of Racetrack)

Requested Performances for 2018

July

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 T-2:35 PM	2	3 T-5:00 PM	4 T-5:00 PM	5	6	7
8	9	10	11	12	13 T-6:35 PM	14 T-2:35 PM
15 T-2:35 PM	16	17	18	19 T-6:35 PM	20 T-6:35 PM	21 T-2:35 PM
22 T-2:35 PM	23	24	25	26	27	28
29	30	31				

August

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

September

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

Lone Star Park
(Name of Racetrack)

Requested Performances for 2018

October

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

November

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

December

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

RETAMA PARK

October 20, 2017

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

Dear Mr. Speight:

Pinnacle Retama Partners LLC, license holder on behalf of Retama Park Race Track, respectively requests a 25-date Mixed Meet for 2018, beginning on Friday, July 6, 2018 and ending on Wednesday, September 5, 2018. This application replaces a previously submitted application for a 2018 straight QH meet.

Quarter Horse racing will be conducted on Fridays and Saturdays, with a post time of 6:45 p.m., with three weekends dark to avoid an overlap with Gillespie. Thoroughbred racing will be on Tuesdays and Wednesdays, also at 6:45 p.m., beginning nine days after Lone Star closes. There will also be racing on Labor Day, with racing for both thoroughbreds and quarter horses, post time 5:00.

Please let me know if you have any questions.

Yours truly,

Steven M. Ross

Steve Ross
Director of Racing Operations

TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
HORSE RACETRACKS
January 1, 2018 – December 31, 2018

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 October 24, 2017.

I. Schedule Requested

Name of Racetrack: **Retama Park**

First Meet	Opening Day: : 7/6/2018	Closing Day: 9/5/2018
Meet Type: ☐ TB ☐ QH ☑ MX		Total Number of Race Days 25
☑ **Thoroughbred**	**# of Races Per Day 8.5**	**Projected Purse Per Day $95,000**
☑ **Quarter Horse**	**# of Races Per Day 9.9**	**Projected Purse Per Day $50,000**
☑ **Arabian**	**# of Races Per Day 0.5**	**Projected Purse Per Day $5,000**
☑ **Paint Horse**	**# of Races Per Day 0.1**	**Projected Purse Per Day $12,500 ***
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

Retama Park will conduct one Mixed Meet, with quarter horses racing on Fridays and Saturdays beginning on July 6 and thoroughbred racing on Tuesdays and Wednesdays beginning on July 31. There are three Friday and Saturday weekends that Retama Park will be dark to avoid an overlap with Gillespie. See attached calendar.

***Minor – Two Paint Stakes races during the meet depending on available purse money. Arabian races subject to availability of horses and purse money. Retama Park will work in good faith with Ed Wilson to provide racing opportunities for Arabians.**

Second Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

☐ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2018 will be allocated among the various breeds:

Appaloosa	____%	Arabian	**1.9 %**	Paint	**1.2 %**
Quarter Horse	**31.5 %**	Thoroughbred	**65.3 %**		

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

This is an application to amend a previously submitted application. This calendar was discussed at at meeting at the THP office, with Marsha Rountree of the THP, Mary Ruyle of the TTA, and Rob Werster of the TQHA in attendance. See attached emails from Marsha Rountree and Rob Werstler. Neither is in support of these proposed dates.

III. Dates Requested

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

IV. Charity Days

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

Indicate which days are designated as charity days:

Day 1: Tuesday, August 28, 2018

Day 2: Tuesday, September 4, 2018

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity: **RTCA – South Texas Chapter**
(Name of Charity)

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

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

OPTIONAL CHARITY DAYS

Day 3 Charity: _____
(Name of Charity)

Day 4 Charity: _____
(Name of Charity)

For each charity listed, attach the following information:

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

V. Coordination of Request

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

Racetrack	Affected? Yes	Affected? No	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Gillespie County Fair & Festivals Association	☐	☑	☐	☑	☐
Laredo Downs	☐	☑	☐	☑	☐
Lone Star Park	☐	☑	☐	☑	☐
Manor Downs	☐	☑	☐	☑	☐
Retama Park	☐	☐	☐	☑	☐
Sam Houston Race Park	☐	☑	☐	☑	☐
Valle de los Tesoros	☐	☑	☐	☑	☐

Horsemen's Organization	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Texas Horsemen's Partnership	☐	☑	☐
Texas Thoroughbred HBPA	☐	☑	☐
Texas HBPA	☐	☑	☐
Texas Quarter Horse Association	☐	☑	☐

Retama Park

Requested Performances for 2018

July 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6 QH 6:45	7 QH 6:45
8	9	10	11	12	13 QH 6:45	14 QH 6:45
15	16	17	18	19	20	21
22	23	24	25	26	27 QH 6:45	28 QH 6:45
29	30	31 TB 6:45				

GCF

GCF

August 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 TB 6:45	2	3 QH 6:45	4 QH 6:45
5	6	7 TB 6:45	8 TB 6:45	9	10	11
12	13	14 TB 6:45	15 TB 6:45	16	17 QH 6:45	18 QH 6:45
19	20	21 TB 6:45	22 TB 6:45	23	24	25
26	27	28 TB 6:45	29 TB 6:45	30	31 QH 6:45	

GCF

GCF

September 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 QH 6:45
2	3 MX 5:00 Labor Day	4 TB 6:45	5 TB 6:45	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

TEXAS RACING COMMISSION
REQUEST FOR LIVE RACE DATES
HORSE RACETRACKS

January 1, 2019 - August 31, 2019

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 July 17, 2017.

I. Schedule Requested

Name of Racetrack: Fredericksburg Downs / Gillespie County Fair & Festivals

First Meet Opening Day: 7 / 6 / 19 Closing Day: 8 / 25 / 19

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

☐ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

Second Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

☐ Thoroughbred	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Quarter Horse	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Arabian	# of Races Per Day _____	Projected Purse Per Day $_____
☐ Paint Horse	# of Races Per Day _____	Projected Purse Per Day $_____
Totals	# of Races Per Day _____	Projected Purse Per Day $_____

Third Meet Opening Day: ___/___/___ Closing Day: ___/___/___

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

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

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

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

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

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

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2018 will be allocated among the various breeds:

Appaloosa	____%	Arabian	3.5 %	Paint	3.5 %
Quarter Horse	12.075 %	Thoroughbred	20.925 %		

Check all that apply:

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

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

Participants in Negotiations

___/___/___ _____

___/___/___ _____

___/___/___ _____

___/___/___ _____

___/___/___ _____

III. Dates Requested

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

IV. Charity Days

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

Indicate which days are designated as charity days: N/A - Class 3 Racetrack

Day 1: _____

Day 2: _____

Day 3 (Optional):_____

Day 4 (Optional): _____

Day 5 (Optional): _____

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity: _____
(Name of Charity)

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

Day 2 Charity: _____
(Name of Charity)

OPTIONAL CHARITY DAYS

Day 3 Charity: _____
(Name of Charity)

Day 4 Charity: _____
(Name of Charity)

Day 5 Charity: _____
(Name of Charity)

For each charity listed, attach the following information:

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

V. Coordination of Request

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

Racetrack	Affected? Yes	Affected? No	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Gillespie County Fair & Festivals Association	☐	☐	☐	☐	☒
? Laredo Downs	☐	☒	☐	☐	☒
Lone Star Park (Possibly July 6th & 7th Only)	☒	☐	☐	☒	☐
? Manor Downs	☐	☒	☐	☐	☒
Retama Park	☐	☐	☐	☐	☐
Sam Houston Race Park	☐	☒	☐	☐	☐
? Valle de los Tesoros (Unless they become operable)	☐	☒	☐	☐	☒

Horsemen's Organization	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Texas Horsemen's Partnership (Requested via email on 6-8 & 6-19)	☐	☒	☐

Fredericksburg Downs/Gillespie County Fair
(Name of Racetrack)

Requested Live Race Dates for 2019

July						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4 Independence Day	5	6 M 1:00p.m. Post
7 M 1:00p.m. Post	8	9	10	11	12	13
14	15	16	17	18	19	20 M 1:00p.m. Post
21 M 1:00p.m. Post	22	23	24	25	26	27
28	29	30	31			

August						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10 M 1:00p.m. Post
11 M 1:00p.m. Post	12	13	14	15	16	17
18	19	20	21	22	23	24 M 1:00p.m. Post
25 M 1:00p.m. Post	26	27	28	29	30	31

June 21, 2017

Ed Wilson, President
Texas Arabian Breeders Association
PO Box 215
Forney, TX 75126

Dear Mr. Wilson:

The Gillespie County Fair & Festival Association would like to thank you and the breed association for all of the support shown to our association this year and in past years. We are in the process of filing our application for race dates for 2018 and 2019 and would appreciate your approval of our participation in Texas pari-mutuel racing for the upcoming season. We again will prepare a condition book with a mixed meet consisting of approximately 3.5% percent Arabian Horses.

Our application requests the following 2018 Saturday and Sunday dates: July 7 & 8, July 21 & 22, August 11 & 12, and August 25 & 26.

Our application requests the following 2019 Saturday and Sunday dates: July 6 & 7, July 20 & 21, August 10 & 11, and August 24 & 25.

We thank you in advance and would appreciate your favorable participation in our application. If you have any questions, please call the Association at (830) 997-2359.

Sincerely,

Scott Staudt
General Manager, Racing

Approved: Ed Wilson Ed Wilson, President, TABA

Date: 6/23/17

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

(830) 997-2359
fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com

June 21, 2017

Rob Werstler
Director of Racing
Texas Quarter Horse Association
706 W. 11th Street, Suite D
Elgin, TX 78621

Dear Mr. Werstler:

The Gillespie County Fair & Festival Association would like to thank you and the breed association for all of the support shown to our association this year and in past years. We are in the process of filing our application for race dates for 2018 and 2019 and would appreciate your approval of our participation in Texas pari-mutuel racing for the upcoming season. We again will prepare a condition book with a mixed meet consisting of approximately 72.075% percent Quarter Horses.

Our application requests the following 2018 Saturday and Sunday dates: - July 7 & 8, July 21 & 22, August 11 & 12, and August 25 & 26.

Our application requests the following 2019 Saturday and Sunday dates: - July 6 & 8, July 20 & 21, August 10 & 11, and August 24 & 25.

We thank you in advance and would appreciate your favorable participation in our application. If you have any questions, please call the Association at (830) 997-2359.

Sincerely,

Scott Staudt
General Manager, Racing

Approved: Robert Werstler Rob Werstler, Director of Racing, TQHA

Date: 6/22/17

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

(830) 997-2359
fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com

June 21, 2017

Mary Ruyle
Executive Director
Texas Thoroughbred Association
PO Box 14967
Austin, TX 78761

Dear Ms. Ruyle:

The Gillespie County Fair & Festival Association would like to thank you and the breed association for all of the support shown to our association this year and in past years. We are in the process of filing our application for race dates for 2018 and 2019 and would appreciate your approval of our participation in Texas pari-mutuel racing for the upcoming season. We again will prepare a condition book with a mixed meet consisting of approximately 20.925% percent Thoroughbred Horses.

Our application requests the following 2018 Saturday and Sunday dates: - July 7 & 8, July 21 & 22, August 11 & 12, and August 25 & 26.

Our application requests the following 2019 Saturday and Sunday dates: - July 6 & 7, July 20 & 21, August 10 & 11, and August 24 & 25.

We thank you in advance and would appreciate your favorable participation in our application. If you have any questions, please call the Association at (830) 997-2359.

Sincerely,

Scott Staudt
General Manager, Racing

Approved: Mary Ruyle Mary Ruyle, Executive Director, TTA

Date: 6-21-17

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

(830) 997-2359
fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com

Texas Paint Horse Association, PO Box 163794, Fort Worth, TX 76161

June 22, 2017

Scott Staudt
General Manager, Racing
Gillespie County Fair & Festival Association
530 Fair Drive
Fredericksburg, TX 78624

Dear Scott Staudt,

This letter is in response to your email of June 8, 2017 regarding your application for race dates for 2018 and 2019. Texas Paint Horse Breeders' Association (TPHBA) appreciates the support we receive from Gillespie County Fair Association towards our Paint Horse racing program.

TPHBA is in agreement with the July and August dates and with the proposed split of 3.5% of the mixed meet races offered for Paint Horse racing.

Sincerely,

Lex Smurthwaite
Executive Director
Texas Paint Horse Breeders Association
PO Box 163794
Fort Worth, TX 76161
(817) 781-5980 mobile

Cc: Pancho Villarreal

June 20, 2017

Marsha Rountree
Executive Director
Texas Horseman's Partnership
PO Box 142533
Austin, TX 78714

Dear Ms. Rountree:

The Gillespie County Fair & Festival Association would like to thank you and the breed association for all of the support shown to our association this year and in past years. We are in the process of filing our application for race dates for 2018 and 2019 and would appreciate your approval of our participation in Texas pari-mutuel racing for the upcoming season.

Our application requests the following 2018 Saturday and Sunday dates: July 7 & 8, July 21 & 22, August 11 & 12, and August 25 & 26.

Our application requests the following 2019 Saturday and Sunday dates: July 6 & 7, July 20 & 21, August 10 & 11, and August 24 & 25.

We thank you in advance and would appreciate your favorable participation in our application. If you have any questions, please call the Association at (830) 997-2359.

Sincerely,

Scott Staudt
General Manager, Racing

(waiting for her reply)

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

(830) 997-2359
fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com

TEXAS
HORSEMEN'S
PARTNERSHIP

November 1, 2017

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

Dear Chuck:

The race date requests that have been submitted by the race tracks are based on a proposed rule amendment, which has not been adopted by the Texas Racing Commission. This amendment, along with the 'proposal' on which it is based, are adamantly opposed by our organization and its members.

Therefore, the Texas Horsemen's Partnership cannot support or issue letters of agreement for the requested race dates

The proposed decrease in race days will cause irreparable harm to Texas horsemen and a further decline in the racing industry.

Sincerely,

Marsha Rountree

Marsha Rountree
Executive Director
Texas Horsemen's Partnership, LLP

P.O. Box 142533

Austin, Texas 78714

512.467.9799

Fax 512.467.9790

Affiliated with the National Horsemen's Benevolent & Protective Association
and the National Thoroughbred Racing Association

TEXAS THOROUGHBRED ASSOCIATION

November 1, 2017

Chuck Trout
Executive Director
Texas Racing commission
PO Box 12080
Austin, TX 78711

Dear Mr. Trout,

Regarding race date applications to be considered at the November 8 meeting of the Texas Racing Commission, the Texas Thoroughbred Association supports the position of the Texas Horsemen's Partnership.

Please let me know if you need any further information.

Respectfully,

Mary Ruyle

Mary Ruyle
Executive Director

cc: Joel Speight, TRC
Marsha Rountree, THP

4009 Banister Lane, Suite 230 Austin, TX 78704
512.458.6133 Phone 512.453.5919 Fax
www.texasthoroughbred.com

October 31, 2017

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

Dear Joel,

The Texas Quarter Horse Association is opposed to the proposed rule change to 309.8 which will increase fees on all class I racetracks and lower fees for racetrack licenses that have no facility and have provided no economic value to Texas.

Also, we are adamantly opposed to the 2018 live race dates requested by all three class I racetracks. It is our opinion the proposed racetrack fees have given racetrack managers the opportunity to decrease the number of live race dates, which support the Texas economy, and simply simulcast most of the year. The decrease in Quarter Horse race dates in particular will force horsemen to race in other states. This lack of horses will give racetrack managers an excuse to apply for less race dates in 2019 and subsequent years.

If adopted, the proposed decrease in live Quarter Horse race dates will also increase participation in match races in Texas.

Please stop the exodus of horses from Texas and require Texas class I racetracks to conduct the same amount of race dates as 2017.

Sincerely,

Rob Werstler

Rob Werstler, Director of Racing

TEXAS RACING COMMISSION

Mailing Address: PO Box 12080, Austin, TX 78711-2080
Phone: 512.833.6699 Facsimile: 512.833.6907
www.txrc.texas.gov

September 21, 2017

Ed Wilson, President
Texas Arabian Breeders' Association
PO Box 215
Forney, TX 75126

Lex Smurthwaite, Director of Racing
Texas Paint Horse Breeders Association
PO Box 163794
Fort Worth, TX 76161

Rob Werstler, Director of Racing
Texas Quarter Horse Association
706 W. 11th Street, Suite D
Elgin, TX 78621

Mary Ruyle, Executive Director
Texas Thoroughbred Association
4009 Banister Lane, Suite 230
Austin, TX 78704

RE: 2018 Breed Splits for Accredited Texas Bred Program Funds

Breed Association Representatives:

Please be advised that the Commission will take up the breed split allocations for 2018 for the Accredited Texas Bred program funds at the Commission meeting tentatively scheduled for the week of November 6, 2017.

Under §321.505(b) of the Texas Rules of Racing, the Commission shall determine the percentages by which Texas Bred Incentive Program funds generated from simulcasting are divided among the various breeds of horses. Each officially recognized breed registry is afforded the opportunity to present information in writing regarding the criteria listed in paragraph §321.505(b)(2). Alternatively, the Commission may approve an agreement that is signed by all of the official breed organizations and delineates the percentages by which the Texas Bred Incentive Program funds generated from simulcasting are divided among the various breeds of horses.

Please provide either written information you would like the Commission to consider or a signed agreement to the attention of Curley Trahan, Director of Pari-Mutuels, by Friday, October 20, 2017.

Sincerely,

Joel Speight
Deputy Executive Director

cc: Chuck Trout, Executive Director
Mark Fenner, General Counsel
Curley L. Trahan, Director of Pari-Mutuels

Curley L. Trahan

From: Mary Ruyle
Sent: Wednesday, October 25, 2017 11:31 AM
To: Curley L. Trahan
Cc: Rob Werstler

Subject: 2018 Breed Splits for ATB Program Funds
Attachments: 0512_001.pdf

Importance: High

Curley,

Attached please find an agreement for 2018 ATB breed splits that has been signed by representatives of each breed registry.

Please let me know if you need anything else.

Respectfully,

Mary Ruyle
Executive Director
Texas Thoroughbred Association
4009 Banister Lane #230
Austin, TX 78704
512.458.6133 Phone
512.453.5919 Fax

AGREEMENT BETWEEN
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND TEXAS THOROUGHBRED ASSOCIATION

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

As previously allocated for calendar years 2011 – 2017, it is agreed that funds generated at licensed Texas horse tracks for the Accredited Texas-Bred Incentive Program shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

This agreement shall be in effect for calendar year 2018.

The foregoing is acknowledged and agreed to on this 12 day of October 2017.

Ed Walker
Texas Arabian Breeders Association

Texas Paint Horse Breeders Association

Texas Quarter Horse Association

Texas Thoroughbred Association

AGREEMENT BETWEEN
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND TEXAS THOROUGHBRED ASSOCIATION

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

As previously allocated for calendar years 2011 – 2017, it is agreed that funds generated at licensed Texas horse tracks for the Accredited Texas-Bred Incentive Program shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

This agreement shall be in effect for calendar year 2018.

The foregoing is acknowledged and agreed to on this 24 day of October 2017.

_____
Texas Arabian Breeders Association

Texas Paint Horse Breeders Association

_____
Texas Quarter Horse Association

_____
Texas Thoroughbred Association

AGREEMENT BETWEEN
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND TEXAS THOROUGHBRED ASSOCIATION

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

As previously allocated for calendar years 2011 – 2017, it is agreed that funds generated at licensed Texas horse tracks for the Accredited Texas-Bred Incentive Program shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

This agreement shall be in effect for calendar year 2018.

The foregoing is acknowledged and agreed to on this 12 day of October 2017.

_____
Texas Arabian Breeders Association

_____
Texas Paint Horse Breeders Association

Robert C. Wenzel
Texas Quarter Horse Association

Mary Kyle
Texas Thoroughbred Association

TEXAS RACING COMMISSION
Mailing Address: PO Box 12080, Austin, TX 78711-2080
Phone: 512.833.6699 Facsimile: 512.833.6907
www.txrc.texas.gov

September 21, 2017

Scott Staudt, General Manager
Gillespie County Fair and Festivals Assn.
P.O. Box 523
Fredericksburg, TX 78624

Bill Belcher, Vice President & General Manager
Retama Park
One Retama Parkway
Selma, TX 78265

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

Andrea Young, President & General Manager
Sam Houston Race Park
7575 N. Sam Houston Park Way W.
Houston, TX 77064

Sent via email

Re: Allocation of Purses and Distribution of Escrowed Purse Account

Dear General Managers:

Due to the likelihood of the next Commission meeting being the last of the year, the Commission must prepare to allocate purses under Rule 321.505(a) and funds within the escrow purse account under Rule 321.509 at the meeting tentatively scheduled for the week of November 6, 2017. Commission staff must receive the proposed division of purses and funds from each Class 1 association and from Gillespie County Fair and Festivals Association in time to prepare for the November meeting.

Rule 321.505(a) requires that, when requesting approval of its proposed division of purses, each association shall present in writing studies, statistics, or other documentation supporting the association's application of the Rule 321.505(a)(4) criteria to its proposal. These criteria are:

(A) local public interest in each breed as demonstrated by, but not limited to, the following factors:
- (i) live handle by breed;
- (ii) simulcast import handle by breed;
- (iii) live attendance at the racetracks; and
- (iv) sales and market survey information.

(B) earnings generated by the association from each breed;
(C) national public interest in each breed as determined by the live simulcast export handle of each Texas meet;
(D) racetrack race date request and opportunities given to each breed; and
(E) availability of and ability to attract competitive horses.

In lieu of the studies, statistics, or other documentation described above, an association may submit a signed agreement between the association and the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders. For the Commission to approve the agreement, the agreement must:

(A) delineate the percentages by which the association will divide the purse revenue generated from simulcasting among the various breeds of horses; and
(B) be signed by the association and all of the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders.

Rule 321.509 requires that, when requesting approval of its proposed division of escrowed purse account revenue, each association shall present in writing studies, statistics, or other documentation supporting the association's application of the Rule 321.509(c) criteria to its proposal. These criteria are:

(A) local public interest in each breed as demonstrated by, but not limited to, the following factors:
(i) simulcast import handle by breed;
(ii) live handle by breed; and
(iii) live attendance.
(B) earnings generated by the association from each breed;
(C) racetrack race date request and opportunities given to each breed;
(D) statewide need by breed; and
(E) national public interest in each breed as determined by the live simulcast export handle of each Texas meet.

In lieu of the studies, statistics, or other documentation described above, an association may submit a signed agreement between the association the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders. For the Commission to approve the agreement, the agreement must:

(A) delineate the percentages by which the escrowed purse account revenue received by the association will be divided amongst the various breeds of horses; and
(B) be signed by all organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders.

Please submit the above described documents no later than the close of business on Friday, October 20, 2017, to the attention of Curley Trahan, Director of Pari-Mutuels. If you would like to review the materials submitted last year, please see the Commission's meeting packet for October 11, 2016, at: http://www.txrc.texas.gov/agency/meetings/meetings.php.

If you have any questions, please call me at (512) 833-6699.

Sincerely,

Joel Speight
Deputy Executive Director

cc: Chuck Trout, Executive Director
Mark Fenner, Legal Counsel
Curley L. Trahan, Director of Pari-Mutuels

2018 Breed Splits Simulcast & Escrow Horse Purse

Gillespie County Fair

Association Recommended Allocation of 2018 Simulcast Purse Funds

Association Name: Gillespie County Fair & Festivals Association, Inc. / Fredericksburg Downs, Inc.

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	**0%**
Paint Horse	**1.5%**
Quarter Horse	**68.95%**
Thoroughbred	**29.55%**

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
■Texas Arabian Breeders' Association	■Texas Paint Horse Breeders Association
■Texas Thoroughbred Association	■Texas Quarter Horse Association
■Texas Horsemen's Partnership	

Prepared by: Pam Gage, Office Manager
Approved By Brad Roeder, President and
Lee DeLong, Mutuels Manager

Date: 10-26-17

Association Request for
2018 Escrowed Purse Account Distribution

Association Name: Gillespie County Fair & Festivals, Inc. / Fredericksburg Downs, Inc.

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested *(select one)*	Percentage Requested
●Monthly	1.6%
□ Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.
Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5%
Paint Horse	3.5%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: Pam Gage, Office Manager
Approved By Brad Roeder, President and Lee Delong, Mutuels Manager

Date: 10-26-17

Gillespie County Fair & Festivals Association

October 26, 2017

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, Texas Paint Horse Breeders Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Mary Ruyle, Texas Thoroughbred Association
Ms. Marsha Rountree, Texas Horsemen's Association

Re: Gillespie County Fair & Festivals Association, Inc. aka Fredericksburg Downs, Inc. 2018 Escrowed Purse Account Distribution and 2018 Simulcast Purse Funds

Please see the attached Request for 2018 Escrowed Purse Account Distribution form, along with the Recommended Allocation of 2018 Simulcast Purse Funds form from the GCFFA/Fredericksburg Downs, Inc. We are requesting the same percentages that we have used in the past and feel these are fair to all Breeds. Please sign as indicated below and return via fax (830-997-4923) or email at your earliest convenience.

Thank you for your time and please feel free to call should you have any questions or concerns.

Best Regards,

Brad Roeder
President

Texas Arabian Breeders' Association

Texas Paint Horse Breeders' Association

Texas Quarter Horse Association

Texas Thoroughbred Association

Texas Horsemen's Partnership

PO Box 526 / 530 Fair Dr.
Fredericksburg, TX 78624

830-997-2359
www.gillespiefair.com

2018 Breed Splits Simulcast & Escrow Horse Purse

Lone Star Park

LONE STAR PARK
at Grand Prairie®

Our Mission:
Create Winning Experiences.

2017 OCT 23 PM 12: 45

TEXAS RACING COMMISSION

October 20, 2017

Curley Trahan
Director of Pari-Mutuels
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Curley,

Please find attached Lone Star Park at Grand Prairie's "Association Recommended Allocation of 2018 Simulcast Purse Funds" and "Association Request for 2018 Escrowed Purse Account Distribution" forms.

Please let us know if you need any further information.

Thanks for your consideration.

Sincerely,

Bart Lang
Director of Racing

HOST SITE OF THE
2004 BREEDERS' CUP
WORLD THOROUGHBRED CHAMPIONSHIPS

1000 Lone Star Parkway
Grand Prairie, Texas 75050
(972) 263-7223
lonestarpark.com

Association Recommended Allocation of 2018 Simulcast Purse Funds

Association Name: Lone Star Park at Grand Prairie

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	**.8125%**
Paint Horse	**.4375%**
Quarter Horse	**18.2875%**
Thoroughbred	**80.4625%**

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
☐ Texas Arabian Breeders' Association	☐ Texas Paint Horse Breeders Association
☐ Texas Thoroughbred Association	☐ Texas Quarter Horse Association
☐ Texas Horsemen's Partnership	

Prepared by: Bart Lang, Director of Racing **Date:** 10/20/17

Association Request for
2018 Escrowed Purse Account Distribution

Association Name: Lone Star Park at Grand Prairie

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested *(select one)*	Percentage Requested
X Monthly	24.65%
☐ Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.
Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5%
Paint Horse	3.5%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: Bart Lang, Director of Racing **Date:** 10/20/17

2018 Breed Splits Simulcast & Escrow Horse Purse

Retama Park

RETAMA PARK

October 27, 2017

Mr. Joel Speight
Deputy Executive Director Texas Racing Commission
8505 Cross Park Drive, Suite 100
Austin, TX 78754

Dear Joel,

Attached are Retama Park's 2018 requests for allocating simulcast import purse funds and the escrowed purse account among the four breeds that race in Texas; Thoroughbred, Quarter Horses, Arabians and Paints. These two requests represent no change from the 2017 allocations.

For simulcast import purse funds, we are requesting a 76/24 split (after minor breed purse money is removed). As we have done in recent years, we would like to have one set of splits in place for January through July and a second set of splits for the balance of the year. This allows Retama Park to accrue the necessary purse money for both thoroughbred and quarter horses by the meet's end in early September. The breakdown for the year would be as follows:

- 67% Thoroughbred and 33% Quarter Horse for the period 1/1/18 through 7/31/18
- 91% Thoroughbred and 9% Quarter Horse for the period 8/1/18 through 12/31/18
- The above percentages are after payment of 2% to minor breeds

Included is a worksheet that shows that these percentages result in an overall 76/24 split using Retama Park import handle from October 1, 2016 through September 30, 2017.

For the escrowed purse account, we are requesting a percentage, type of distribution, and allocation to each of the four breeds as indicated on the attached form. This distribution would be constant all year. Again, this is no change from the 2017 split.

Please let me know if you have any questions.

Steven M. Ross

Steven M. Ross
Director of Racing Operations
Retama Park

Association Recommended Allocation of 2018 Simulcast Purse Funds

Association Name: Retama Park

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	**1.50%**
Paint Horse	**0.50%**
Quarter Horse	**23.52%**
Thoroughbred	**74.48%**

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
☐ Texas Arabian Breeders' Association	☐ Texas Paint Horse Breeders Association
☐ Texas Thoroughbred Association	☐ Texas Quarter Horse Association
☐ Texas Horsemen's Partnership	

Prepared by: Steven M. Ross **Date:** 10/27/2017

Association Request for
2018 Escrowed Purse Account Distribution

Association Name: Retama Park

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested *(select one)*	Percentage Requested
☑ Monthly	32.45%
☐ Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.
Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.500%
Paint Horse	3.500%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: Steven M. Ross **Date:** 10/26/2017

Retama Park Justification for 67%/33% and 91%/9% Breed Split
Results in Overall 76% TB / 24% QH For The Year

Year	Month	Import Handle after 2%	% to TB	% to QH	$ to TB	$% to QH
2016	Oct	3,393,719	91.0%	9.0%	3,088,284	305,435
2016	Nov	3,308,624	91.0%	9.0%	3,010,848	297,776
2016	Dec	2,773,139	91.0%	9.0%	2,523,556	249,582
2017	Jan	3,227,240	67.0%	33.0%	2,162,251	1,064,989
2017	Feb	3,133,893	67.0%	33.0%	2,099,708	1,034,185
2017	Mar	3,377,497	67.0%	33.0%	2,262,923	1,114,574
2017	Apr	3,642,934	67.0%	33.0%	2,440,766	1,202,168
2017	May	4,535,240	67.0%	33.0%	3,038,611	1,496,629
2017	Jun	3,998,507	67.0%	33.0%	2,678,999	1,319,507
2017	Jul	3,992,439	67.0%	33.0%	2,674,934	1,317,505
2017	Aug	2,922,039	91.0%	9.0%	2,659,056	262,984
2017	Sep	3,290,091	91.0%	9.0%	2,993,983	296,108
Total		**41,595,362**			**31,633,919**	**9,961,443**
					76.05%	**23.95%**

2018 Breed Splits Simulcast & Escrow Horse Purse

Sam Houston Race Park

Curley L. Trahan

From: Berube, Dwight
Sent: Thursday, October 26, 2017 4:22 PM
To: Curley L. Trahan
Cc: Hopf, Frank
Subject: SHRP
Attachments: 2018 SHRP Recommended Allocation of Purse Funds.pdf

Hi Curley:

Very sorry for the delay – Andrea and I crossed signals. Attached are SHRP's recommended allocation of simulcast purse funds and requested escrowed purse account distribution for 2018. These are identical to last year's.

Thanks
Dwight

Dwight Berube
Vice President & General Manager
Sam Houston Race Park, LLC

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Association Recommended Allocation of 2018 Simulcast Purse Funds

Association Name: Sam Houston Race Park

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.40%
Paint Horse	0.60%
Quarter Horse	21.56%
Thoroughbred	76.44%

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
☒ Texas Arabian Breeders' Association	☒ Texas Paint Horse Breeders Association
☒ Texas Thoroughbred Association	☒ Texas Quarter Horse Association
☒ Texas Horsemen's Partnership	

Prepared by: _____ Date: 10/18/17

Association Request for
2018 Escrowed Purse Account Distribution

Association Name: Sam Houston Race Park

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested *(select one)*	Percentage Requested
■ Monthly	41.3%
□ Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.
Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.50%
Paint Horse	3.50%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: _____ Date: 10/18/17

2018 Breed Splits Simulcast & Escrow Horse Purse

Horse Industry Organizations' Letters of Support

Gillespie County Fair & Festivals Association

October 26, 2017

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, Texas Paint Horse Breeders Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Mary Ruyle, Texas Thoroughbred Association
Ms. Marsha Rountree, Texas Horsemen's Association

Re: Gillespie County Fair & Festivals Association, Inc. aka Fredericksburg Downs, Inc. 2018 Escrowed Purse Account Distribution and 2018 Simulcast Purse Funds

Please see the attached Request for 2018 Escrowed Purse Account Distribution form, along with the Recommended Allocation of 2018 Simulcast Purse Funds form from the GCFFA/Fredericksburg Downs, Inc. We are requesting the same percentages that we have used in the past and feel these are fair to all Breeds. Please sign as indicated below and return via fax (830-997-4923) or email [redacted]) at your earliest convenience.

Thank you for your time and please feel free to call should you have any questions or concerns.

Best Regards,

Brad Roeder
President

DS mailing signed form per Ed Wilson
Texas Arabian Breeders' Association

Per Lex Emailed his agreement to Curley
Texas Paint Horse Breeders' Association

Robert C. Werstler
Texas Quarter Horse Association

On next page
Texas Thoroughbred Association

Haven't Rec'd Reply
Texas Horsemen's Partnership

PO Box 526 / 530 Fair Dr.
Fredericksburg, TX 78624

830-997-2359
www.gillespiefair.com

Gillespie County Fair & Festivals Association

October 26, 2017

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, Texas Paint Horse Breeders Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Mary Ruyle, Texas Thoroughbred Association
Ms. Marsha Rountree, Texas Horsemen's Association

Re: Gillespie County Fair & Festivals Association, Inc. aka Fredericksburg Downs, Inc. 2018 Escrowed Purse Account Distribution and 2018 Simulcast Purse Funds

Please see the attached Request for 2018 Escrowed Purse Account Distribution form, along with the Recommended Allocation of 2018 Simulcast Purse Funds form from the GCFFA/Fredericksburg Downs, Inc. We are requesting the same percentages that we have used in the past and feel these are fair to all Breeds. Please sign as indicated below and return via fax (830-997-4923) or email ([redacted]) at your earliest convenience.

Thank you for your time and please feel free to call should you have any questions or concerns.

Best Regards,

Brad Roeder
President

Texas Arabian Breeders' Association

Texas Paint Horse Breeders' Association

Texas Quarter Horse Association

Texas Thoroughbred Association

Texas Horsemen's Partnership

PO Box 526 / 530 Fair Dr.
Fredericksburg, TX 78624

830-997-2359
www.gillespiefair.com

Curley L. Trahan

From:
Sent: Wednesday, November 01, 2017 2:50 PM
To: Curley L. Trahan
Subject: Re: TxRC 2018 Breed Splits

TABA supports the track recommendation as this is the same as the past year. Thought I had already replied supporting these recommendations.

Ed Wilson
TABA

----- Original Message -----
From: Curley L. Trahan
To: Ed Wilson (President TABA)
Sent: Wednesday, November 01, 2017 1:02 PM
Subject: TxRC 2018 Breed Splits

Ed, we have not received any letters of support from TABA regarding the 2018 proposed breed splits by the horse racetracks. These breed splits will be on the Commission agenda for next week's meeting. Does TABA support any of the tracks' recommended allocations?

Thanks.

--
Respectfully,

Curley L. Trahan, Director of Pari-Mutuels
Texas Racing Commission
PO Box 12080
Austin, TX 78711-2080
Main Office: 512.833.6699
Main Fax: 512833.6907
Direct Office: 512.490.4027
Email: curley.trahan@txrc.texas.gov

Virus-free. www.avg.com

TEXAS PAINT HORSE BREEDERS ASSOCIATION
P.O. BOX 163794
FORT WORTH, TEXAS 76161

October 24, 2017

Texas Racing Commission
PO Box 12080
Austin, TX 78711

Dear Texas Racing Commissioners:

The Texas Paint Horse Breeders Association (TPHBA) is in agreement with the 2018 proposed simulcast and 2018 escrow purse allocations for Lone Star Park.

Thank you,

Lex Smurthwaite
Executive Director

Curley L. Trahan

From: Lex Smurthwaite
Sent: Thursday, November 02, 2017 12:14 PM
To: Curley L. Trahan
Cc: Karen Utecht
Subject: RE: TxRC 2018 Breed Splits

Hello Curley,

Sorry for the delay. I have been on jury duty for days. We (Texas Paint Horse Breeders' Association) are in agreement with the all the tracks recommended allocations on the 2018 proposed breed splits.

Thank you,

Lex Smurthwaite
TPHBA

From: Curley L. Trahan [mailto:curley.trahan@txrc.texas.gov]
Sent: Wednesday, November 01, 2017 1:04 PM
To: Lex Smurthwaite
Subject: TxRC 2018 Breed Splits
Importance: High

Lex, we have received only one letter of support from TPHBA regarding the 2018 proposed breed splits by the horse racetracks. These breed splits will be on the Commission agenda for next week's meeting. Does TABA support any of the tracks' recommended allocations, other than Lone Star Park?

Thanks.

--

Respectfully,
Curley L. Trahan, Director of Pari-Mutuels
Texas Racing Commission
PO Box 12080
Austin, TX 78711-2080
Main Office: 512.833.6699
Main Fax: 512.833.6907
Direct Office: 512.490.4027
Email: curley.trahan@txrc.texas.gov

November 2, 2017

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

Dear Joel,

The Texas Quarter Horse Association supports breed split percentages for Simulcast Purse Funds and the Escrowed Purse Account submitted by the Gillespie County Fair Association, Lone Star Park, Retama Park and Sam Houston Race Park for the 2018 racing season.

Sincerely,

Rob Werstler

Rob Werstler,
Director of Racing

TEXAS THOROUGHBRED ASSOCIATION

November 1, 2017

Chuck Trout
Executive Director
Texas Racing commission
PO Box 12080
Austin, TX 78711

Dear Mr. Trout,

The Texas Thoroughbred Association is in agreement with the Association Recommended Allocation of 2018 Simulcast Purse Funds and the 2018 Escrowed Horse Purse Account Distribution for Gillespie County Fair, Lone Star Park, Retama Park and Sam Houston Race Park.

Please let me know if you need any further information.

Sincerely,

Mary Ruyle

Mary Ruyle
Executive Director

cc: Joel Speight, TRC
Curley Trahan, TRC

4009 Banister Lane, Suite 230 Austin, TX 78704
512.458.6133 Phone 512.453.5919 Fax
www.texasthoroughbred.com

TEXAS
HORSEMEN'S
PARTNERSHIP

November 2, 2017

Curley Trahan
Director of Pari-Mutuels
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Curley-

The Texas Horsemen's Partnership is in support of simulcast and escrow horse purse allocations remaining at current levels for the year 2018 at all licensed Texas race tracks.

Thank you-

Marsha Rountree

Marsha Rountree
Executive Director
Texas Horsemen's Partnership, LLP

P.O. Box 142533

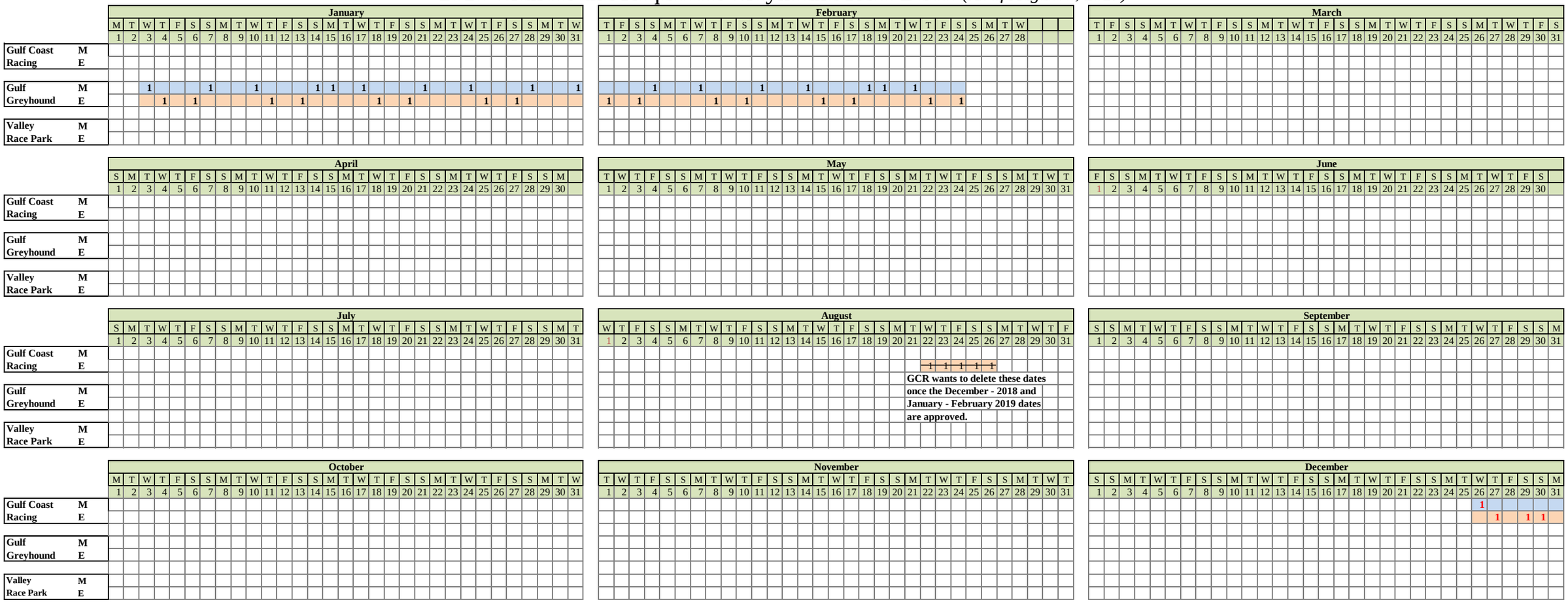
Austin, Texas 78714

512.467.9799

Fax 512.467.9790

Affiliated with the National Horsemen's Benevolent & Protective Association
and the National Thoroughbred Racing Association

2018 Granted and Requested Greyhound Race Dates *(As of August 8, 2017)*



		January	February	March	April	May	June	July	August	September	October	November	December	Total By Type			Total Performances
		M	M	M	M	M	M	M	M	M	M	M	M	M	E	Abr	
Gulf Coast Racing	M	-			-	-	-	-	-	-	-	-	1	1	3	-	4
	E	-	-	-	-	-	-	-	-	-	-	-	3				
Gulf Greyhound	M	10	7	-	-	-	-	-	-	-	-	-	-	17	16	-	33
	E	8	8	-	-	-	-	-	-	-	-	-	-	-			
Valley Race Park	M																
	E																
Total By Type		10	7	-	-	-	-	-	-	-	-	-	1	18	19	-	37
		8	8										3				
		18	15	-	-	-	-	-	-	-	-	-	4				

Legends

Matinee

Evening

8/8/17 - The Commission approved Gulf Greyhound Park's request to amend its 2017-2018 race dates as follows: deleted the first 17 days of racing in 2017, starting with November 24 through December 22.
The meet will start on Wednesday, December 27, 2017, and run through Saturday, February 24, 2018.

2019 Requested Greyhound Race Dates

January

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

February

		F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Gulf Coast	M			1			1				1			1				1			1								
Racing	E		1					1		1					1		1					1		1					
Gulf	M																												
Greyhound	E																												
Valley	M																												
Race Park	E																												

March

April

May

June

July

August

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

September

Application Period Opened Did Not Include This Month

October

Application Period Opened Did Not Include This Month

November

Application Period Opened Did Not Include This Month

December

Application Period Opened Did Not Include This Month

	January		February		March		April		May		June		July		August		September		October		November		December		Total By Type			Total Performances
	M	E	M	E	M	E	M	E	M	E	M	E	M	E	M	E	M	E	M	E	M	E	M	E	M	E	Abr	
Gulf Coast Racing	10	9	6	7		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**16**	**16**	-	**32**
Gulf Greyhound	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																									-			
Valley Race Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	4	-	-	-	-	-	-	-	-	**1**	**4**	-	**5**
Total By Type	10	9	6	7	-	-	-	-	-	-	-	-	-	-	1	4	-	-	-	-	-	-	-	-	**17**	**20**	-	**37**
Total By Month	**19**		**13**		-		-		-		-		-		**5**		-		-		-		-					

Legends

Matinee

Evening

Note:

K&L GATES

2017 OCT 13 AM 10: 57

October 13, 2017

Janessa M. Glenn
janessa.glenn@klgates.com

T +1 512 482 6866
F +1 512 482 6859

Mr. Joel Speight
Deputy Director for Wagering & Racing Review
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, Texas 78754

Dear Mr. Speight:

On July 13, 2017, Gulf Coast Racing submitted its 2018-2019 Race Date Request. That request has not yet been acted upon by the Texas Racing Commission. At the September 20, 2017 meeting of the Commission, a new period was opened to allow race date requests to be submitted from September 25 through October 24, 2017. Please be advised that Gulf Coast Racing does not intend to amend its previously filed Request. Instead and to the extent necessary, Gulf Coast Racing re-urges its race date Request as previously filed on July 13, 2017 and asks for a decision on that Request by the Texas Racing Commission.

A copy of the submittal is attached hereto for your convenience.

Please contact Sally Briggs or me if you have any questions.

Very truly yours,

Janessa M. Glenn

JMG/pjp
cc: Sally Briggs
Enclosure

K&L GATES LLP
2801 VIA FORTUNA SUITE 350 AUSTIN TX 78746
T +1 512 482 6800 F +1 512 482 6859 klgates.com

500765102 v1

GULF COAST RACING
5302 Leopard Street
Corpus Christi, Texas 78408
★
361.289.9333
www.gulfcoastracetrack.com

July 13, 2017

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

Via E-mail and US Mail

Re: 2018-2019 Gulf Coast Racing Live Race Date Request

Dear Mr. Speight:

As per your letter dated April 28, 2017 requesting live race dates for the period January 1, 2018 through December 31, 2018 and January 1, 2019 through August 31, 2019, please find enclosed Request for Performances for Gulf Coast Racing. This request supercedes previously submitted live race dates.

If you have questions, please do not hesitate to contact me.

Respectfully,

Sally B. Briggs

Sally B. Briggs
Operations Manager

C: William Moltz
Eric Wilson
Gulf Coast Racing
Valley Greyhound Park
Texas Greyhound Association

TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
GREYHOUND RACETRACKS
January 1, 2018 – December 31, 2018

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 July 17, 2017.

I. Schedule Requested

Name of Racetrack: GULF COAST RACING

Opening Day: 12 / 26 / 18 Closing Day: 12 / 30 / 18

Number of Performances per week 4

Projected Number of Races per Performance 10

TOTAL NUMBER OF PERFORMANCES REQUESTED 4

II. Charity Days

A greyhound association shall conduct at least five charity race days each year. The association shall pay to the charity at least 2% of the total pari-mutuel handle generated at the racetrack on the charity race day. At least one of the charity days must be conducted for a charity that directly benefits the persons who work in the stable or kennel area of the racetrack. At least one of the charity days must be conducted for a charity that primarily benefits research into the health or safety of race animals.

Indicate which days are designated as charity days:

Day 1: Wednesday, December 5, 2018

Day 2: Wednesday, December 26, 2018

Day 3:Thursday, December 27, 2018

Day 4: Saturday, December 29, 2018

Day 5: Sunday, December 30, 2018

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity: Texas Greyhound Assoc/Texas A&M Scholarship Fund
(Name of Charity)

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

Day 2 Charity: Texas Greyhound Assoc/Texas A&M Scholarship Fund
(Name of Charity)

ADDITIONAL CHARITIES

Day 3 Charity:South TX. Academic Rising Schol/Texas A&M Sch. Fund
(Name of Charity)

Day 4 Charity:Charlies' Place/Texas A&M Sch. Fund
(Name of Charity)

Day 5 Charity: South TX.Acadmic Rising Schol/Texas A&M Sch. Fund
(Name of Charity)

For each charity listed, attach the following information:

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

III. Dates Requested

Indicate on the attached calendar each live race performance requested with an
"M" denoting a Matinee performance
"E" denoting an Evening performance

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

V. Coordination of Request

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

Racetrack	Affected? Yes	Affected? No	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Gulf Coast Racing	☐	☐	☐	☐	☐
Gulf Greyhound Park	☒	☐	☐	☒	☐
Valley Race Park	☒	☐	☐	☒	☐

Greyhound Breed Association	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Texas Greyhound Association	☐	☒	☐

Requested Performances for 2018

October

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

November

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

December

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 Christmas	26 M 12:00 PM	27 E 6 PM	28	29 E 6 PM
30 E 6 PM	31					

TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
GREYHOUND RACETRACKS
January 1, 2019 – August 31, 2019

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 July 17, 2017.

I. Schedule Requested

Name of Racetrack: GULF COAST RACING

Opening Day: 01 / 02 / 19 Closing Day: 02 / 23 / 19

Number of Performances per week 4

Projected Number of Races per Performance 10

TOTAL NUMBER OF PERFORMANCES REQUESTED 32

II. Charity Days

A greyhound association shall conduct at least five charity race days each year. The association shall pay to the charity at least 2% of the total pari-mutuel handle generated at the racetrack on the charity race day. At least one of the charity days must be conducted for a charity that directly benefits the persons who work in the stable or kennel area of the racetrack. At least one of the charity days must be conducted for a charity that primarily benefits research into the health or safety of race animals.

Indicate which days are designated as charity days:

Day 1: Wednesday, January 9, 2019

Day 2: Wednesday, January 16, 2019

Day 3: Wednesday, January 30, 2019

Day 4: Wednesday, February 6, 2019

Day 5: Wednesday, February 13, 2019

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity: Texas Greyhound Assoc/Texas A&M Scholarship Fund
(Name of Charity)

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

Day 2 Charity: Texas Greyhound Assoc/Texas A&M Scholarship Fund
(Name of Charity)

ADDITIONAL CHARITIES

Day 3 Charity:South TX.Academic Rising Schol/Texas A&M Sch. Fund
(Name of Charity)

Day 4 Charity: Charlies' Place/Texas A&M Sch. Fund
(Name of Charity)

Day 5 Charity: South TX Academic Rising Schol/Texas A&M Sch. Fund
(Name of Charity)

For each charity listed, attach the following information:

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

III. Dates Requested

Indicate on the attached calendar each live race performance requested with an
"M" denoting a Matinee performance
"E" denoting an Evening performance

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

V. Coordination of Request

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

Racetrack	Affected? Yes	Affected? No	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Gulf Coast Racing	☐	☐	☐	☐	☐
Gulf Greyhound Park	☒	☐	☐	☒	☐
Valley Race Park	☒	☐	☐	☒	☐

Greyhound Breed Association	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Texas Greyhound Association	☐	☒	☐

Gulf Coast Racing
(Name of Racetrack)

Requested Live Race Dates for 2019

January

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

February

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

March

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

VALLEY RACE PARK

JUL 20 PM 2:11

RECEIVED
TEXAS RACING
COMMISSION

July 17, 2017

Sent via Electronic Mail and US Mail

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

Dear Mr. Speight:

Enclosed is Valley Race Park's Request for Performances for August, 2019, which dates are within the period currently pending before the Commission. Race dates in addition to or in lieu of these dates shall be requested at the appropriate time.

Thank you for consideration of this request, and feel free to contact me if you have any questions.

Sincerely,

Dwight Berube

Enclosures

Cc: Andrea Young (Valley Race Park)

Maury Korn (Valley Race Park)

Gulf Greyhound Park

Gulf Coast Racing

Texas Greyhound Association

VALLEY RACE PARK INC.
2601 SOUTH ED CAREY DRIVE, HARLINGEN, TEXAS 78552
(956) 412-7223 • (956) 428-0163 FAX
www.valleyracepark.com

TEXAS RACING COMMISSION
REQUEST FOR PERFORMANCES
GREYHOUND RACETRACKS
January 1, 2019 - August 31, 2019

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 July 17, 2017.

I. Schedule Requested

Name of Racetrack: Valley Race Park

Opening Day: 08/23/19 Closing Day: 08/31/19

Number of Performances per week 3

Projected Number of Races per Performance 10-12

TOTAL NUMBER OF PERFORMANCES REQUESTED 5

II. Charity Days

A greyhound association shall conduct at least five charity race days each year. The association shall pay to the charity at least 2% of the total pari-mutuel handle generated at the racetrack on the charity race day. At least one of the charity days must be conducted for a charity that directly benefits the persons who work in the stable or kennel area of the racetrack. At least one of the charity days must be conducted for a charity that primarily benefits research into the health or safety of race animals.

Indicate which days are designated as charity days:

Day 1: 08/23/19

Day 2: 08/24/19

Day 3: 08/28/19

Day 4: 08/30/19

Day 5: 08/31/19

Identify the charities:

REQUIRED BY RULE

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

Day 1 Charity:_____TBD_____
(Name of Charity)

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

Day 2 Charity:_____TBD_____
(Name of Charity)

ADDITIONAL CHARITIES

Day 3 Charity:_____TBD_____
(Name of Charity)

Day 4 Charity:_____TBD_____
(Name of Charity)

Day 5 Charity:_____TBD_____
(Name of Charity)

For each charity listed, attach the following information:

1. **The name of the charity;**
2. **The name and address of each individual who serves as an officer or director of the charity or who owns an interest in the charity of 5% or more;**
3. **A brief description of the activities or purposes of the charity;**
4. **A copy of an Internal Revenues Service letter of determination that qualifies the charity as an exempt organization for the purpose of federal income tax.**

III. Dates Requested

Indicate on the attached calendar each live race performance requested with an
- **"M"** denoting a Matinee performance
- **"E"** denoting an Evening performance

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

V. Coordination of Request

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

Racetrack	Affected? Yes	Affected? No	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Gulf Coast Racing	☐	■	☐	■	☐
Gulf Greyhound Park	☐	■	☐	■	☐
Valley Race Park	■	☐	☐	☐	■

Greyhound Breed Association	Letter of Support Attached? Yes	Letter of Support Attached? No	Letter of Support Attached? N/A
Texas Greyhound Association	☐	■	☐

VALLEY RACE PARK
(Name of Racetrack)

Requested Live Race Dates for 2019

July

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

August

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

TEXAS RACING COMMISSION
Mailing Address: PO Box 12080, Austin, TX 78711-2080
Phone: 512.833.6699 Facsimile: 512.833.6907
www.txrc.texas.gov

September 21, 2017

Lois Mowery-Orta
Interim Executive Director
Texas Greyhound Association
PO Box 40
Lorena, TX 76655-0040

Dear Ms. Mowery-Orta:

Commission rule §303.102(d)(2) requires the Executive Director to establish a deadline by which the proposed allocation for distribution of purse money earned from cross-species simulcasting is to be submitted. Pursuant to his authority, Executive Director Chuck Trout has established a deadline of October 20, 2017, for filing the proposed allocation of the TGA cross-species purse money collected for the period of January 1, 2018, through December 31, 2018. The proposed allocation will be added to the next Commission meeting agenda, tentatively scheduled for the week of November 6, 2017, for consideration and approval.

Respectfully,

Curley L. Trahan
Director of Pari-Mutuels

cc: Chuck Trout, Executive Director
Joel Speight, Deputy Executive Director
Mark Fenner, Legal Counsel

tga

texas greyhound association

October 27, 2017

Chuck Trout
Executive Director
Texas Racing Commission
PO Box 12080
Austin, TX 78711

delivered via email:
chuck.trout@txrc.texas.gov

Dear Mr. Trout,

Per your letter of 9-21-17, the TGA submits the following proposal for distribution of purse money earned from cross-species simulcasting. Pursuant to the industry agreement of 2016, the TGA would request such cross-species purse money collected for the period of January 1, 2018 through December 31, 2018 be allocated to Gulf Coast Racing or the association assuming the race dates allocated Gulf Coast in the 2016 industry agreement which provides Gulf Coast Racing with racing dates in December 2018 through February 2019. At this time, the TGA is not authorizing transfer of simulcast funds to any greyhound association as notice of termination of simulcast has been issued to the greyhound track associations. The TGA hopes this matter is resolved prior to January 1, 2018.

The TGA has failed to reach an agreement with Gulf for racing on the dates allocated by the Commission to Gulf for 2017 and 2018. As a result of the failure of Gulf to negotiate with the TGA, the TGA issued the notice of termination of simulcast to the greyhound track associations. The termination goes into effect prior to the 2017 race dates allocated to Gulf Greyhound Park.

In the event the TGA reaches an agreement with Gulf Greyhound Park, the TGA would recommend allocation of cross-species funds to Gulf for December 2017 through February 2018 race dates. In the event agreement on racing is reached and a simulcast agreement established between the TGA and Gulf Coast, then the cross-species allocation should include any agreed racing at Gulf Coast for December 2018.

We look forward to having this proposal added to the next Commission meeting agenda for consideration and approval. Thank you for your consideration.

Sincerely,

David R Peck

David Peck
President

Cc: Curley Trahan, Director of Pari-Mutuels
Joel Speight, Deputy Executive Director

PO Box 40; Lorena, Texas 76655
Cell: (254) 592-3813 * Alternate: (254) 968-0487
Email: drpeck5@embarqmail.com Website: www.tgagreyhounds.com

ORIGINAL

tga

texas greyhound association

March 25, 2016 via Email & USPS

Chuck Trout
Texas Racing Commission
PO Box 12080
Austin, TX 78711

Dear Mr. Trout,

The Texas Greyhound Association respectfully requests that the Texas Racing Commission place the "Greyhound Industry Plan" dated January 26, 2016 on the agenda for the upcoming Racing Commission meeting; scheduled for April 12, 2016. Further, we respectfully request that the Racing Commission approve the Plan as presented.

As you are aware, breeding is a two-year commitment. The members we represent put considerable time, resources and energy into raising and training a dog to prepare it for live racing. It is imperative to our organization that this plan be approved as soon as possible, in order for our members to continue breeding for live racing in Texas.

The "Greyhound Industry Plan" is the result of months of hard work by the entire industry and reflects the realities of the current economic environment of our sport. The plan will keep Texas farms running and provide our breeders the assurance necessary to continue their businesses. The Commission's approval will provide our members the opportunity to continue to survive until the current environment changes and the amount of purses generated for greyhound racing can grow.

All three Texas greyhound tracks and the Texas Greyhound Association have agreed to support this plan. We strongly believe the participation of all three tracks is vital because it ensures that there is enough purse money generated to run the dates granted and thereby keeping our Texas farms going.

Thank you for your attention to the matter.

Thank you,

David R Peck

David Peck, President
TGA Board of Directors

Cc: Rolando Pablos, Chair
Gary P. Aber, DVM
Ronald F. Ederer, Vice-Chair
Gloria Hicks
Margaret Martin
Robert Schmidt, M.D.
John T. Steen III
Glenn Hegar, Comptroller of Public Accounts
Cynthia Leon, Chair, Public Safety Commission
Mark Fenner, TxRC
Joel Speight, TxRC
Eric Wilson, Gulf Greyhound Park
Sally Briggs, Gulf Greyhound Park
Greg LaMantia, Gulf Coast Racing
Andrea Young, Valley Race Park

PO Box 40, Lorena, Texas 76655 * Cell: (254) 592-3813 * Alternate: (254) 968-0487
drpeck5@embarqmail.com * www.tgagreyhounds.com

Date: January 26, 2016

To: Chuck Trout

From: Andrea Young (Valley Race Park)
Sally Briggs (Gulf Greyhound Park & Gulf Coast Racing)
David Peck (Texas Greyhound Association)

Re: Greyhound Industry Situation Analysis & Plan 2016-18

Background:

Since the inception of pari-mutuel wagering, Gulf Greyhound Park (GGP) has conducted more live racing dates than any other greyhound or horse track in Texas. Over the past five years, GGP was granted an astounding 1,356 race dates. Due to increasing competition from 8-liners, the lottery, online wagering and bordering state casinos, GGP began suffering increasingly high operating losses over the past several years. These mounting losses caused GGP to make the decision to cease live racing at the end of 2015. GGP did make an application for live race dates in 2018 which remains pending at the Commission.

Valley Race Park (VRP) ceased live racing on an annual basis in 2009. The decision to do so was based on both operational losses being sustained at the time, and also in an effort to raise purse levels at GGP. Since 2010, VRP has been transferring purse money to GGP to help raise purse levels for the TGA and its members. VRP has run live races granted to it in 2011, 2013 and is scheduled to run again in 2016. VRP does have an application for dates in 2018 which remains pending at the Commission.

Gulf Coast Racing (GCR) has five race dates granted in 2016 and has requested live race dates in 2018 which remain pending at the Commission. Like VRP, revenues generated at GCR have been used to supplement purses at GGP.

GGP reports that more than 85% of the greyhounds that were racing at GGP at the end of 2015 have relocated to other states, primarily Florida. More than 50 greyhounds were placed via adoption.

Current Situation Analysis:

A meeting of industry participants was held on January 12, 2016 in Houston, Texas. The meeting was collaborative and included leadership from all three greyhound tracks (Scott Phelps, Greg LaMantia, Andrea Young, Sally Briggs) and five of the nine TGA board members including current TGA President David Peck. Marsha Rountree of the Texas Horsemen's Partnership also attended the meeting to discuss the potential impacts to horse purses and provided some great insights based on the horse industry's experiences when live racing ended at Manor Downs in 2011. Based on the results of that meeting and subsequent meetings, the industry has come to a consensus on a proposal that deals with the realities of the current situation.

Flawed Supply/Demand model: Due to outside forces and regulation, greyhound racing has been operating under a flawed supply and demand model for the past several years. This model can no longer be supported by GGP without further jeopardizing the product. Our proposal would change the status quo.

As evidence of the flawed supply and demand model, please consider the following:

- In 2015, GGP ran **255 greyhound dates** in compared to **186 horse racing dates** (Thoroughbred and Quarter Horse combined) spread among four racetracks.
- In 2014, Greyhounds ran for **$2.96 million** or an average of daily purse of **$12,724**. During the same period, the horse industry ran for **$23.8 million** or an average daily purse of **$100,785.**

Greyhound tracks generate purse funds for the horse industry: All three greyhound tracks generate revenues for horse purses. Any disruption to simulcasting at these greyhound tracks could result **in the loss of upwards of $1.3 million in purse money for the horse industry.**

Greyhound tracks generate purse money for the State of Texas: All three greyhound tracks pay states taxes on simulcast wagering. These tracks also pay additional state taxes (i.e. sales tax, mixed beverage tax, franchise tax). Any disruption to simulcasting at these greyhound tracks would result in the **loss of state tax revenue**.

Jobs are at stake: Finally, any disruption in simulcasting goes beyond the purse account and will cause **job losses** at the racetracks. Bringing more regular live greyhound racing back to Texas will instead **create jobs**.

Limited Live Racing on the horizon: There is currently no live greyhound racing scheduled in Texas until November 2016. There is currently limited, or very few race dates, granted beyond those already granted in 2017 or 2018. Our proposal would change that.

Industry Proposal – Earn the same money in less time!

The industry proposes that the three greyhound tracks alternate the running of a boutique meet each year of approximately **two and one half to three months totaling 36 live race dates** (holiday schedules cause variations). In order for this proposal to be successfully implemented, all purse money generated for greyhound racing will have to be allocated to the one single track running live that year.

In the first year, Valley Race Park will run from November 25, 2016 through February 4, 2017 for a total of 36 race days. An amended request for race dates from Valley Race Park is included with this memo. It is our strong belief that limiting the time of the year greyhounds run to a shorter window allows for a much more marketable product. It also allows the greyhound industry to take advantage of Texas' warmer winter weather, holidays, and winter transplants ("snowbirds"). The number of races per day and post times will be determined by the racetracks in coordination with the TGA in an effort to maximize revenues to the tracks and the purse account. **In this scenario, $2.9 million in**

purses will be paid out over a two and one half to three month period instead of twelve months for an average of $81,000 per day. This type of purse money will be exciting for racing fans and exciting for Texas greyhound industry participants because of the opportunity to earn the same money while limiting overhead to less than three months instead of twelve. Further, Texas greyhounds could move onto to run at other tracks around the nation (Florida, West Virginia, Alabama, Arizona) should they so choose.

This type of boutique meet, which has experienced success in the horse racing business in Texas, assumes that simulcasting continues at each of the three greyhound tracks. For example, the proposed 2016-17 meet at Valley Race Park will rely on more than $1.5 million being transferred from the GGP and GCR purse account to the VRP purse account.

This proposal, if successfully implemented, would then be replicated each year by one of the three greyhound tracks. **Accordingly, both Gulf Greyhound (2017 start) and Gulf Coast Racing (2018 start) have requested similar date schedules**. GGP has significantly amended their race date request to begin live racing again in 2017 and mirror the VRP meet. A request for 36 dates from GGP is included with this memo. GCR has a current request pending before the Commission for 2018 dates that will remain unchanged at this time. In order to comply with this proposal, GCR has agreed to come back before the Commission to request additional live race dates to meet the criteria set forth in this proposal when the Commission opens its next application period. As part of this proposal, GCR's five race dates in 2016 will need to be deleted in order for them to send the purse money necessary to support VRP's 2016-17 live race meet. All three greyhound tracks and the TGA are committed to working together to make this model work.

Additional components of the proposal include:

- The three greyhound tracks have agreed to have a working relationship with the TGA on track safety to insure the safest conditions possible.
- The three greyhound tracks have agreed to work together on kennel contracts to ensure that Texas breeders and owners are best represented.
- The three greyhound tracks have also agreed to work together to pursue regulatory changes that may benefit the greyhound industry.
- The three greyhound tracks have agreed to meet semi-annually with the TGA to discuss the program and address issues as they arise.

We appreciate the Commission's patience during this difficult time for the industry. We feel the solution put forth is a change for the best at this time. The three greyhound tracks are committed to constantly reviewing this program with the TGA in order to create the best operating environment for all parties.

We look forward to discussing this proposal with you at the next meeting of the Texas Racing Commission.

VII. EXECUTIVE SESSION

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

A. Under Texas Government Code § 551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.

B. Under Texas Government Code § 551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.

C. Under Texas Government Code § 551.074(a)(1), the Commission may enter an executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the executive director.

VIII. SCHEDULING OF NEXT COMMISSION MEETING

IX. ADJOURN