



APPEARANCES

Commissioners:        ROBERT SCHMIDT  
                             MIKE MARTIN  
                             GLORIA HICKS  
                             JOHN T. STEEN, III  
                             VICTORIA NORTH  
                             A. CYNTHIA LEON

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1 CHAIRMAN SCHMIDT: Good morning. It's  
2 10:30. I'd like to call to order the meeting of the  
3 Texas Racing Commission, Tuesday, October 13th, 2015.

4 Mary, could you please call the roll?

5 MS. WELCH: Yes.

6 Commissioner Gary Aber? Commissioner Ron  
7 Ederer? Commissioner Gloria Hicks?

8 COMMISSIONER HICKS: Present.

9 MS. WELCH: Commissioner Cynthia Leon?

10 MS. LEON: Here.

11 MS. WELCH: Commissioner Michael Martin?

12 COMMISSIONER MARTIN: Present.

13 MS. WELCH: Commissioner Victoria North?

14 MS. NORTH: Here.

15 MS. WELCH: Chairman Robert Schmidt?

16 CHAIRMAN SCHMIDT: Here.

17 MS. WELCH: Commissioner John Steen?

18 COMMISSIONER STEEN: Here.

19 CHAIRMAN SCHMIDT: Mary, do we have a  
20 quorum?

21 MS. WELCH: We do.

22 CHAIRMAN SCHMIDT: Public comment  
23 section. Do we have any comments?

24 MS. BIJANSKY: No, sir.

25 CHAIRMAN SCHMIDT: Actually I have one

1 comment, which I think you might expect. As many of  
2 you know, Shawn Hurwitz passed away unexpectedly on  
3 Sunday. And Shawn -- I've known him for approximately  
4 seven, eight years. Bright, articulate, always  
5 courteous and respectful when dealing with our  
6 Commission, passionate about racing. He and his family  
7 have been pillars of the Texas racing industry,  
8 wonderful stewards, and he'll be greatly missed. And I  
9 thank all the Commissioners, all the staff -- I think  
10 all of us want to express our sincere condolences to  
11 the Hurwitz family. Please have that on the record.

12 If there's no further public comment,  
13 general business. Adrienne, can you bring us up to  
14 date on the budget and finance?

15 MS. COURTNEY: Yes. Good morning,  
16 Commissioners.

17 On pages three and four of your agenda  
18 packet you will find an update on the agency's fiscal  
19 year 2015 budget as of August 31st. With the year  
20 completed, the agency has collected 9.2 million dollars  
21 or 98.5 percent of its projected revenue. The agency  
22 has expended 8.1 million and encumbered approximately  
23 334,000, for a projected total of 8.4 million or 96  
24 percent of budgeted expenditures. I'm estimating a  
25 cash balance of \$755,000, of which 750,000 will be

1 carried forward to fiscal year 2016. I anticipate  
2 presenting the final budget for 2015 at the next  
3 Commission meeting.

4 If there are any questions, I'd be happy  
5 to answer them.

6 CHAIRMAN SCHMIDT: Any Commissioners have  
7 any questions?

8 Great. Thank you very much.

9 MS. COURTNEY: You're welcome.

10 CHAIRMAN SCHMIDT: Wagering statistics.  
11 Mr. Trahan?

12 MR. TRAHAN: Good morning,  
13 Commissioners. I'm Curley Trahan, compliance  
14 administrator for the agency.

15 On pages five through seven of your  
16 meeting materials is the comparison report on wagering  
17 statistics for the period of January 1 through  
18 September 27 for calendar years 2014 and 2015.

19 The report reflects that total wagering  
20 activities at the horse racetracks increased for 2015  
21 by 2.54 percent and decreased at the greyhound  
22 racetracks by 3.31 percent. Overall, the total wagers  
23 placed in Texas decreased by .56 percent while the  
24 total wagers placed on Texas races increased by 4.4  
25 percent.

1 I would be happy to answer any questions  
2 you may have.

3 CHAIRMAN SCHMIDT: Any questions by any  
4 of the Commissioners?

5 So our racing was down five percent. The  
6 average wager, though, was down about 10 percent? Is  
7 that right? People betting less money?

8 MR. TRAHAN: Typically that's the case,  
9 yes.

10 CHAIRMAN SCHMIDT: Okay. Any further  
11 questions?

12 Okay. Thank you, sir.

13 MR. TRAHAN: Thank you.

14 CHAIRMAN SCHMIDT: Mr. Blodgett, director  
15 of investigations, sir?

16 MR. BLODGETT: Good morning,  
17 Commissioners.

18 Commissioners, currently there are three  
19 racetracks conducting live meets, which are Lone Star,  
20 Retama Park, Gulf Greyhound Park. The Gillespie County  
21 Fair concluded its meet on August 23rd. Simulcast  
22 operations continue at the Race Barn in Fredericksburg,  
23 Sam Houston Race Park, Valley Greyhound Park, Gulf  
24 Coast Racing in Corpus Christi.

25 As reflected in your agenda material,

1 agency investigative activities have included  
2 investigations of racehorse drug positives, jockey  
3 non-riding infractions, and trainer violations. Gulf  
4 Greyhound Park has experienced two rulings this summer,  
5 one for a weight violation and the second for a  
6 licensee eligibility issue.

7                   Currently we have no pending inspection  
8 issues. Even though your material does reflect an  
9 unresolved issue at Lone Star Park regarding stalls,  
10 since the filing of this report that has been  
11 resolved.

12                   I would be happy to answer any questions  
13 you might have.

14                   CHAIRMAN SCHMIDT: Any questions of  
15 Mr. Blodgett?

16                   Thank you, sir. Thank you very much.  
17 Appreciate your job.

18                   The next item is discussion,  
19 consideration, and possible action on approval of the  
20 Commission's operating budget for fiscal year 2016.

21                   Mark, I think we've approved this already  
22 and this is just to formalize that. Is that correct?

23                   MR. FENNER: Yes, sir, I believe that's  
24 an accurate statement. This is very similar and tracks  
25 along what was in the legislative appropriations

1 request the previous year.

2 CHAIRMAN SCHMIDT: Okay. Thank you,  
3 sir.

4 Adrienne, can you lay out this item for  
5 us?

6 MS. COURTNEY: On pages 10 through 17 of  
7 your agenda packet you will find the proposed fiscal  
8 year 2016 operating budget and cash flow statements the  
9 agency is submitting for your consideration and  
10 approval.

11 The proposed budget is based on the  
12 approval of funding for the D.1.1 strategy, the central  
13 admin and other support services, under Rider 7 of the  
14 General Appropriations Act. The budget also reflects  
15 the decreased costs associated with Gulf Greyhound's  
16 decision to cease live racing at the end of December.

17 The budget supports 186 live horse race  
18 dates, 85 live greyhound performances through December,  
19 2,228 simulcast dates, and the administrative  
20 operations of the agency. The proposed budget is 8.65  
21 million, which is comprised of 4.1 million for  
22 regulatory program operating costs, 3.48 for the  
23 Texas-bred fund, and 1.07 million in unappropriated  
24 costs. The proposed budget utilizes an average of 48.6  
25 FTE's or full-time equivalent positions for the year.

1           On pages 12 through 14 you will find a  
2 comparison of the authorized appropriations and FTE's  
3 by strategy with the proposed operating budget  
4 appropriations and FTE's. The proposed budget utilizes  
5 2.6 less FTE's than authorized and \$161,000 less in  
6 appropriations than authorized by the 84th  
7 Legislature. This is due to decreased personnel costs  
8 at Gulf offset by some increased costs for lump-sum  
9 payouts due to retirement and attrition.

10           On page 14 you will see the proposed  
11 unappropriated costs are essentially the same as those  
12 that are authorized due to the 2.5 increase in the  
13 State contribution to retirement costs.

14           On pages 15 through 17 you will see a  
15 cash flow statement prepared for the regulatory  
16 programs and one prepared for the Texas-bred program.  
17 As you can see the regulatory program cash flow  
18 statement, the agency estimates it will begin the year  
19 with a cash balance of \$750,000. The agency proposes  
20 to collect 4.1 million in annual fees from the  
21 racetracks and \$771,000 in occupational licensing fees  
22 and other miscellaneous fees. The ending cash balance  
23 is estimated to be approximately \$522,000.

24           The Texas-bred program is projected to  
25 collect an estimated 3.48 million dollars and expends

1 the exact amount that it collects.

2 I'd be happy to answer any questions that  
3 you may have and ask for your approval of the 2016  
4 operating budget.

5 CHAIRMAN SCHMIDT: Any questions by any  
6 of the Commissioners?

7 I just had one question.

8 MS. COURTNEY: Yes.

9 CHAIRMAN SCHMIDT: You may need to defer  
10 to Chuck.

11 Mr. Trout, in my recollection, we've  
12 never been lower than 48 FTE's in the past 10 or 15  
13 years that we can recall. We're as lean as we've  
14 been?

15 MR. TROUT: Yes, sir. This is the fewest  
16 we've had.

17 CHAIRMAN SCHMIDT: I think when I came on  
18 the Commission 10 years ago, we were at 61 or 59.  
19 Those numbers ring a bell. So we're really down almost  
20 11 full-time.

21 MR. TROUT: That's correct.

22 CHAIRMAN SCHMIDT: Great.

23 Any other questions?

24 Okay. Thank you.

25 Is there any public comment?

1 MS. BIJANSKY: No, sir.

2 CHAIRMAN SCHMIDT: No public comment?

3 Okay. Any discussion by the

4 Commissioners?

5 If not, I'll certainly approve -- I'll

6 entertain a motion to approve the Commission's

7 operating budget for fiscal year 2006.

8 COMMISSIONER HICKS: I'll make the

9 motion.

10 CHAIRMAN SCHMIDT: A motion by

11 Commissioner Hicks. Seconded --

12 MR. FENNER: Excuse me. 2016?

13 CHAIRMAN SCHMIDT: 2016. Did I

14 misspeak? I'm sorry. Yes. The motion is to approve

15 the Commission's operating budget for the fiscal year

16 2016.

17 Commissioners -- Commissioner Hicks and

18 Dr. Martin seconded.

19 I'll bring this to a vote. All those in

20 favor signify by saying aye.

21 COMMISSIONERS: Aye.

22 CHAIRMAN SCHMIDT: Anyone opposed?

23 Okay. That carries unanimously.

24 Item 2, approval of memorandum of

25 understanding with the Texas Veterinary Medical

1 Diagnostic Lab for fiscal year 2016.

2 Mr. Fenner, can you review this with us?

3 MR. FENNER: Yes, sir.

4 The Texas Racing Act provides that drug  
5 testing on the race animals will be performed by the  
6 Texas Veterinary Medical Diagnostic Lab and that the  
7 charges for that testing shall be paid by the  
8 associations and the Commission reviews the invoices to  
9 make sure the charges are reasonable. And as part of  
10 the process, the Commission enters into a memorandum of  
11 understanding with the TVMDL each year that sets the  
12 following year's prices.

13 This proposed MOU calls for two increases  
14 in prices. One are the increase in equine drug testing  
15 costs from \$160 to \$210 per tested horse and then an  
16 increase in canine drug testing from 38 to 42 dollars  
17 per tested greyhound. There's no other price  
18 increases. And there are two major reasons for these  
19 increases in the prices.

20 First of all, TVMDL has spent  
21 approximately 1.3 million dollars for improvements in  
22 their equipment and additional personnel, to achieve  
23 certification by ISO and also the RMTC, and then some  
24 validation of their testing improvements.

25 The second reason for the increased cost

1 per sample is that there is a fewer total number of  
2 tests to spread those costs over. Previously we had  
3 projected 3750 equine tests. That's now down to a  
4 projection of 3500 equine tests. And then the canine  
5 samples are going to drop a great deal, from 3650  
6 canine samples to about 670, because greyhound racing  
7 is scheduled to end at the end of this calendar year.

8 So those are the increases and the  
9 reasons for them. I know that we have two  
10 representatives of TVMDL here who are prepared to  
11 answer any questions you may have.

12 CHAIRMAN SCHMIDT: Okay. Great. Thank  
13 you, Mark.

14 Can we call up Dr. Hensley? Is he here?

15 MR. HENSLEY: I wanted to defer to  
16 Travis, who's the head of our drug testing lab, if  
17 that's okay with you.

18 CHAIRMAN SCHMIDT: Okay. Sure. Great.

19 Travis Mays from College Station?

20 MR. MAYS: Good morning, Commissioners.

21 CHAIRMAN SCHMIDT: Great game this  
22 weekend.

23 MR. MAYS: Yes, sir.

24 Right quick, I just wanted to give you  
25 guys an update, if I could, of what's happened over the

1 last year with our accreditation status.

2                   And so as you may recall, August of 2014  
3 we received our ISO 17025 accreditation. This past  
4 August we had our annual site visit for that  
5 accreditation and we were successful. We didn't have  
6 any deficiencies. We've been ongoing with our RMTTC  
7 accreditation process over the last -- since last  
8 spring. It's about a yearlong process. And what that  
9 entails is a site visit and then two proficiency sets  
10 where we have to be successful on both proficiency sets  
11 in order to obtain our accreditation with the RMTTC.

12                   We had our site visit this past spring.  
13 Again, we didn't have any deficiencies. We were  
14 successful there. We just recently received our  
15 results back on our first proficiency set of samples  
16 and we were a hundred percent successful. We  
17 anticipate -- we receive the second set of  
18 proficiency samples around December, and so after  
19 about December -- around January we'll know for certain  
20 whether we receive our RMTTC accreditation, but we will  
21 become interim accredited with the RMTTC in the very  
22 near future.

23                   And I'll be happy to answer any questions  
24 you have.

25                   CHAIRMAN SCHMIDT: Travis, I just called

1 you up. I didn't have a question. I just wanted to  
2 publicly state that we had discussions with your lab  
3 earlier, a year ago, and we always knew Texas A&M was a  
4 first-class facility and I just wanted to publicly be  
5 on the record of thanking you for all your efforts.

6           You probably haven't noticed, but there's  
7 been some publicity about the Racing Commission in  
8 recent months. But what we really do most of the time  
9 with 99 percent of our efforts is to ensure a fair race  
10 and protect our animals. And you've spent 1.3 million  
11 dollars. You've improved facilities. You've hired  
12 additional people. And I'm very, very appreciative and  
13 I think the entire Commission staff are very  
14 appreciative of your efforts, Dr. Hensley's efforts,  
15 and Chancellor Sharp's efforts. And please convey that  
16 to them, if you could.

17           MR. MAYS: Thank you. We appreciate  
18 that.

19           CHAIRMAN SCHMIDT: Any other comments,  
20 questions?

21           Thank you.

22           COMMISSIONER MARTIN: Good job.

23           MR. MAYS: Thank you.

24           CHAIRMAN SCHMIDT: If there isn't any  
25 further discussion, I'll simply call that -- I'll

1 certainly entertain a motion to approve the memorandum  
2 of understanding with the Texas Veterinary Medical  
3 Diagnostic Lab for fiscal year 2016.

4 COMMISSIONER MARTIN: I make a motion.

5 CHAIRMAN SCHMIDT: Dr. Martin has made  
6 the motion.

7 COMMISSIONER STEEN: Second.

8 CHAIRMAN SCHMIDT: Seconded by  
9 Commissioner Steen.

10 Any further comments?

11 All those in favor signify by saying  
12 aye.

13 COMMISSIONERS: Aye.

14 CHAIRMAN SCHMIDT: Anyone opposed?

15 Good. That is also carried.

16 Proceedings on racetracks. Item A is the  
17 allocation of live race dates for horse tracks -- horse  
18 racetracks under Commission Rule 303.41 beginning  
19 January 1, 2016, and ending August 31st, 2018.

20 Ricky Walker, would you please lay this  
21 item out for us? Thank you, Mr. Walker.

22 MR. WALKER: Good morning,  
23 Commissioners. I'm Ricky Walker, the chief steward  
24 over racing.

25 I believe you have the color-coded copies

1 of the calendars showing the requested 2016, 2017, and  
2 2018 race dates. The calendars are also on pages 26,  
3 27, and 28 of the meeting packet.

4 Starting with the requests for 2016, this  
5 calendar shows the previously granted days in black  
6 numbers and the new race date requests in red-colored  
7 font.

8 Lone Star Park is requesting a slightly  
9 revised schedule to their previously granted 50-day  
10 Thoroughbred meet starting a week earlier, on April  
11 7th, but still ending on July 17th, and a new request  
12 for their 26-day fall Quarter Horse meet starting on  
13 September 16th, ending on November 12th.

14 Sam Houston Race Park is requesting a  
15 24-day Quarter Horse meet starting on March 25th  
16 through May 16th. As you see, their 32-day  
17 Thoroughbred meet January 15th through March 8th was  
18 previously granted.

19 Retama Park is requesting a 26-day  
20 Thoroughbred meet starting on September 2nd through  
21 November 26th. I would like to point out that Retama  
22 Park adjusted their request so that their Thoroughbred  
23 meet would no longer overlap Gillespie County Fair's  
24 last weekend of racing. Retama Park's 20-day Quarter  
25 Horse meet was previously granted.

1                   These requests, along with previously  
2 granted dates, add up to 108 Thoroughbred days, 70  
3 Quarter Horse days, and eight days of mixed racing, for  
4 a total of 186 race dates in 2016, the same number of  
5 dates for the years 2015 and 2014.

6                   Now turning to the requests for race  
7 dates in calendar year 2017, there are three requests.  
8 Sam Houston Race Park is requesting a 32-day  
9 Thoroughbred meet, January 20th through March 14. Lone  
10 Star Park is requesting 50 Thoroughbred dates, April  
11 6th through July 16th, and 26 Quarter Horse dates,  
12 September 15th through November 11th. Gillespie County  
13 Fair is requesting their eight mixed race dates over  
14 four weekends of racing in July and August.

15                   For 2018, covering the time frame of  
16 January 1st through August 31st, two tracks submitted  
17 requests. Lone Star Park is requesting their 50-day  
18 Thoroughbred meet from April 5th to July 15th and  
19 Gillespie County Fair is requesting eight mixed race  
20 dates over four weekends of racing in July and August.

21                   It is my understanding, Commissioners,  
22 that although no letters of support were submitted with  
23 these requests, the breed registries and the Texas  
24 Horsemen's Partnership do support all of these requests  
25 for race dates in 2016, 2017, and 2018. Of course,

1 they have an opportunity to testify today to share  
2 their positions.

3           Commissioners, that covers all the  
4 requests received for 2016, 2017, and the first eight  
5 months of 2018. I will be happy to answer any  
6 questions now or after you hear all the testimony.

7           CHAIRMAN SCHMIDT: Just for the record,  
8 Mr. Walker, you've had no -- no one has come to you  
9 opposing these dates at all, correct?

10           MR. WALKER: No, I have not, to my  
11 knowledge.

12           CHAIRMAN SCHMIDT: Great.

13           Any other questions of Mr. Walker?

14           Okay. Thank you, sir. Thanks very  
15 much.

16           MR. WALKER: Sure.

17           CHAIRMAN SCHMIDT: The horse tracks are  
18 available to testify if need be.

19           Is there any other additional public  
20 comment?

21           Okay. It's fairly straightforward. If  
22 there's no additional comment, I'd certainly entertain  
23 a motion to approve the race dates as requested by Lone  
24 Star, Sam Houston Race Park, Retama Park, and Gillespie  
25 County Fair shown on the calendars on pages 26 through

1 28 of our instructional packet.

2 COMMISSIONER HICKS: I'll make a motion.

3 CHAIRMAN SCHMIDT: A motion made by  
4 Commissioner Hicks, seconded by Dr. Martin.

5 Any further discussion? It's pretty  
6 straightforward.

7 All those in favor signify by saying  
8 aye.

9 COMMISSIONERS: Aye.

10 CHAIRMAN SCHMIDT: Anyone opposed?

11 Okay. Item B, allocation of live race  
12 dates for the greyhound tracks under Commission Rule  
13 303.41 beginning January 1, 2016, and ending August 31,  
14 2018.

15 Mr. Walker, we'd like to call you back  
16 up.

17 MR. WALKER: Thank you. Thank you,  
18 Mr. Chairman.

19 As you see on your color printout of the  
20 2018 calendar for greyhound dates, all three greyhound  
21 tracks submitted requests for dates in the first eight  
22 months. Gulf Coast Racing is requesting five dates in  
23 2018, August 22nd through August 26th. And Valley Race  
24 Park requests one date, July 4th. Gulf Greyhound Park  
25 is requesting 172 race dates, Wednesday through Sunday

1 performances, from January 3rd through August 31st.

2           There were no letters of support offered  
3 by the three racetracks, although Gulf Coast Racing  
4 notes that they had conversations with Gulf and Valley  
5 and they had no opposition.

6           That covers the requests for greyhound  
7 performances for the first eight months of 2018. I  
8 will be happy to answer any questions now or after you  
9 hear from the parties.

10           CHAIRMAN SCHMIDT: Okay. Thank you,  
11 sir. Thank you, Mr. Walker.

12           We actually have just one gentleman  
13 wishing to testify, Mr. Kramer, Jerry Kramer, up from  
14 Friendswood, representing the TGA.

15           Welcome.

16           MR. KRAMER: Thank you very much.

17           I want to first thank the chairman and  
18 the committee for having me here today.

19           I would like to make one statement. And  
20 that is that if you have any questions, please send  
21 them to Lois Mowery at our headquarters at the TGA.  
22 And we're going to have a meeting on the 21st of this  
23 month and at that time we will answer all questions  
24 with the board of directors within a short period of  
25 time.

1 I'd like to read five things that we have  
2 come up with that I'd like to just say. And those  
3 things are that the TGA's job is to represent the  
4 interests of the breeders and owners. That's number  
5 one.

6 Number two, the TGA is strongly opposed  
7 to Gulf's request for any 2018 live racing dates  
8 without addressing live dates for 2016 and 2017.

9 Number three, the greyhound breeders,  
10 their farm help and families, along with track kennel  
11 trainers, their helpers, and all suppliers, would be  
12 devastated if live racing were to cease. These have  
13 already -- they have already invested in raising Texas  
14 greyhound dogs for the year of 2016 and pups for the  
15 year of 2017.

16 Point No. 4, there would be no simulcasts  
17 if there were not for live racing originally. In other  
18 words, to have simulcasts, there would be no live  
19 racing somewhere -- excuse me. In other words, to have  
20 simulcasting, there must be live racing somewhere.  
21 Simulcast money does not benefit the breeders in any  
22 way because without live racing there would be no way  
23 to distribute the purse money.

24 Last, but not least, we respectfully  
25 request that the Commission form a work group to assist

1 in forming a solution and preserving the live racing  
2 for 2016 and 2017.

3 I'm sorry. I'm not a speaker. But  
4 that's what I have to say. And thank you very much.

5 CHAIRMAN SCHMIDT: You conveyed your  
6 points very well.

7 Do we have any questions?

8 MR. KRAMER: If there are any questions,  
9 like I said, if you'd put it in writing, send it to  
10 Lois, we will respond.

11 CHAIRMAN SCHMIDT: Thank you for coming  
12 up today, sir. Appreciate it.

13 MR. KRAMER: Uh-huh.

14 CHAIRMAN SCHMIDT: Commissioner Hicks,  
15 these are your babies. You know how to run this. What  
16 are your thoughts?

17 COMMISSIONER HICKS: Well, my thoughts  
18 are I would like to see a plan for these people. And I  
19 have not seen a plan. So I would like to table this  
20 for this Commission meeting and call a working group so  
21 we can sit down and see what the plan is to help  
22 everyone in the next two years.

23 I went through this in Corpus Christi  
24 when they closed the greyhound track before and it did  
25 not come out well. And I guess I'm a little gun-shy

1 because of that because we had greyhounds running  
2 around in our streets that were actually picked up and  
3 put to sleep. And I am in this really for the animals  
4 and that's why I came on this Commission.

5           So I really would like to know what the  
6 plan is for the next two years for these people that  
7 have dogs in the pipeline. I mean, they've been  
8 raising dogs to race the next two years and now there's  
9 no place to send them other than out of state and  
10 that's a very expensive proposition.

11           So I would like to table it for this  
12 Commission meeting, if possible.

13           CHAIRMAN SCHMIDT: Certainly.

14           Any other comments?

15           I would certainly support that. I think  
16 you're right. We need to take care of the current  
17 greyhounds, the little guys two years away.

18           COMMISSIONER HICKS: Right.

19           CHAIRMAN SCHMIDT: I'll certainly  
20 entertain a motion to table the allocation of greyhound  
21 race dates until the next Commission meeting.

22           COMMISSIONER MARTIN: I'll make a  
23 motion --

24           CHAIRMAN SCHMIDT: Okay.

25           COMMISSIONER MARTIN: -- to table it.

1 CHAIRMAN SCHMIDT: A motion made by  
2 Commissioner Hicks, seconded by Dr. Martin.

3 Any further discussion?

4 All those in favor signify by saying  
5 aye.

6 COMMISSIONERS: Aye.

7 CHAIRMAN SCHMIDT: Anyone opposed?

8 Okay. Ms. Hicks, you can work with the  
9 industry to get a working group together?

10 COMMISSIONER HICKS: Yes.

11 CHAIRMAN SCHMIDT: Great. Thank you for  
12 your input.

13 Item V, proceedings on rulemaking,  
14 adoption of rules.

15 Mark, could you lay out the current rule  
16 proposal in Items V-A through D?

17 MR. FENNER: Yes, sir.

18 These are four rule proposals covering  
19 three general topics. They have each been published in  
20 the September 11th, 2015 edition of the Texas  
21 Register. We received no comments in response to the  
22 publication.

23 The new Rule 321.322, Triple Trifecta, is  
24 being put forth by Sam Houston Race Park and it would  
25 create a new wager based on the correct selection of

1 the first three race animals in order in three  
2 successive races. The Racing Commission staff has  
3 reviewed it and see no legal or technical problems with  
4 it.

5           The next topic addresses 311.1 and  
6 311.104 and these changes would allow unlicensed  
7 trainers to make entries as long as they become  
8 licensed one hour prior to the start time of the first  
9 race of the day the trainer intends to race the horse  
10 or greyhound. And the staff supports this change  
11 because it makes the licensing requirements for  
12 trainers as it makes it for owners, so it's a  
13 consistency.

14           And then finally, the change to 313.110,  
15 Coupled Entries, would eliminate the current  
16 50,000-dollar threshold for horses with common  
17 ownership interests to run as separate betting  
18 interests in a stakes race. Racing Commission staff  
19 have reviewed the proposal and they support it  
20 particularly because it does retain the discretion on  
21 the part of the stewards to not uncouple the horses if  
22 they believe there's a good reason to not uncouple  
23 them.

24           CHAIRMAN SCHMIDT: So just so we all  
25 understand what we're going to be voting on, triple

1 trifecta, pick the first three, three in a row. I  
2 guess they pick nine horses in a row. Obviously to  
3 stimulate the pool, it's usually probably a low wager  
4 bet, 10, 25 cents, something like that, okay, to  
5 stimulate our pool.

6 With the occupational licenses and  
7 trainers, we're clarifying the language. If you're an  
8 owner, you can fly in from California for a big stakes  
9 race and become basically --

10 MR. FENNER: You can make the entry and  
11 then come in and get licensed that day.

12 CHAIRMAN SCHMIDT: Right. But a trainer  
13 cannot.

14 MR. FENNER: Yes, you're right. An owner  
15 can currently, but a trainer cannot. This would make  
16 it consistent.

17 CHAIRMAN SCHMIDT: Consistent, and also  
18 these trainers can also -- if they're flying in a  
19 big-time horse, they can bring in an overnight horse as  
20 well to compete in those races, right?

21 MR. FENNER: Yes, sir.

22 CHAIRMAN SCHMIDT: And then coupled  
23 entries, I understand when you have coupled entries,  
24 you always worry that one horse may, in fact, not have  
25 an intention to win the race but actually block some

1 other horse or something like that. And that's why it  
2 has been a prohibition in the past. Now when we  
3 uncouple them, the stewards still have complete  
4 control. They can take down both horses. But it does  
5 allow -- basically it increases the field and  
6 increasing the field increases the betting  
7 opportunities and increases the opportunities for the  
8 patrons.

9 Okay. Any public comment?

10 There was no public comment in the Texas  
11 Register, right?

12 MR. FENNER: That's correct, sir.

13 CHAIRMAN SCHMIDT: Okay. Certainly I'll  
14 entertain a motion to adopt proposals in the Agenda  
15 Items V-A through D as previously published in the  
16 Texas Register.

17 COMMISSIONER STEEN: I'll make the  
18 motion.

19 CHAIRMAN SCHMIDT: A motion by  
20 Commissioner Steen.

21 COMMISSIONER MARTIN: Second.

22 CHAIRMAN SCHMIDT: Seconded by  
23 Dr. Martin.

24 Any further comment?

25 Great. All those in favor signify by

1 saying aye.

2 COMMISSIONERS: Aye.

3 CHAIRMAN SCHMIDT: Anyone opposed?

4 Okay. That also passes unanimously.

5 A quiet meeting today. Our next meeting  
6 is scheduled for the 8th of December. I'd just ask the  
7 Commissioners, at their leisure, to consult their  
8 calendar. I've had two calls already by Commissioners,  
9 not that they would be unable to attend, but I think  
10 there is a major veterinary medicine meeting in Las  
11 Vegas that week, an equine practitioners convention,  
12 and there's also usually a major racetrack convention  
13 at the University of Arizona in Tucson the first week  
14 of December. So we may bump that back to the 15th.

15 MS. LEON: That would be great for me  
16 because I have my DPS meetings that week of the 15th,  
17 so I wouldn't have to come twice.

18 CHAIRMAN SCHMIDT: Okay. Well, just let  
19 Mary know your thoughts. I just wanted to let you know  
20 that two Commissioners have already just expressed some  
21 concern about that date.

22 Great. Okay. If there's no further  
23 business, it is now 11 o'clock and our meeting is  
24 adjourned.

25 (Proceedings concluded at 11:00 a.m.)

1 STATE OF TEXAS )

2 COUNTY OF TRAVIS )

3

4 I, SHERRI SANTMAN FISHER, a Certified Shorthand  
5 Reporter in and for the State of Texas, do hereby  
6 certify that the above-captioned matter came on for  
7 hearing before the TEXAS RACING COMMISSION as  
8 hereinbefore set out.

9 I FURTHER CERTIFY that the proceedings of said  
10 hearing were reported by me, accurately reduced to  
11 typewriting under my supervision and control and, after  
12 being so reduced, were filed with the TEXAS RACING  
13 COMMISSION.

14 GIVEN UNDER MY OFFICIAL HAND OF OFFICE at Austin,  
15 Texas, this 27th day of October, 2015.

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SHERRI SANTMAN FISHER, Texas CSR 2336

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