



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

April 14, 2022

Horseracing Integrity and Safety Authority
ATTN: Lisa Lazarus
401 West Main Street, Suite 222
Lexington, KY 40507

*Via Certified Mail Return Receipt Requested
via email feedback@hisaus.org and
john@rrrfirm.com*

Re: 15 U.S.C. 3052(f)(2) – State Fee Election

Dear Ms. Lazarus:

On Friday, April 1, 2022, our agency received a demand payment in the amount of \$371,377.00 with monthly payments expected to begin no later than July 1, 2020, the date Horseracing Integrity and Safety Act (HISA) of 2020 goes into effect. The Act creates a private, self-funded Authority, as well as mandates a notification to the Authority no later than May 2, 2022, as to whether the Texas Racing Commission will collect fees from licensees of the commission and remit them to the Authority.

The Texas Racing Act contains no statutory provision enabling the Texas Racing Commission to become an agent of the federal government to collect and remit fees to create uniform nationwide standards for horses only in "covered horse races." Since we do not have the statutory authority to collect fees on your behalf, our election not to collect fees as set out in 15 USC § 3052(f)(2)(D) will limit the Texas Racing Commission's *ability to impose or collect fees* from "any person" relating to anti-doping and medication control or racetrack safety matters for covered horseraces.¹

We view your demand for payment as invalid attempt to preempt state law, specifically our authority to regulate pari-mutuel horseracing in the State of Texas.² The effect of the law is that it effectively ends pari-mutuel wagering and creates imminent economic harm for the citizens of Texas. Instead of treating state regulatory agencies like bill collectors for the Authority, the FTC should partner with states and their congressional delegations, then return to Congress with the goal of replacing the Authority with a federal cooperative agreement program.³

As the government agency charged with the protection of the horses, licensed participants and the public that engage in and attend the sport in Texas, we agree that increased uniformity of safety standards among the states is an appropriate direction for the future of the sport. However, the Texas Racing Act passed by our state legislature is the only authority our agency is obligated to follow to license participants and regulate horseracing in the State of Texas.⁴ Our agency, therefore elects not to remit fees under 15 USC § 3502, to the Authority.

Sincerely,


Amy F. Cook
Executive Director
Enclosure (Copy of HISA bill of costs)

cc: Texas Racing Commission Commissioners

¹ See 15 U.S.C. § 3051(4), (5) and (6).

² See Tex. Occ. Code § 2023.001, Texas Racing Act, and 16 Tex. Admin. Code § 321.3, Texas Rules of Racing

³ <https://www.regulations.gov/comment/FTC-2022-0014-0006>

⁴ See the Texas Racing Act, codified in Subtitle A-1, Title 13, Occupations Code

2021 Official Thoroughbred Race Details by State in the U.S.A. (Steeplechase Excluded)

State	Purses (Paid)	Starts	Purses/Start	% of starts	% of purses	%Purses/% Starts	Start Fee for Projected Starts	Start Fee for Projected Purse Starts	Total Start Fee	State Total	10% Cap Adjustment
AR	\$ 40,776,630	5,011	\$8,137	2.1%	3.7%	1.81	\$29.50	\$53.37	\$82.87	\$415,245	\$0.00
AZ	\$ 15,414,209	8,609	\$1,790	3.5%	1.4%	0.40	\$29.50	\$11.74	\$41.24	\$355,053	\$0.00
CA*	\$ 123,130,132	21,822	\$5,642	9.0%	11.3%	1.25	\$29.50	\$37.00	\$66.50	\$1,451,256	\$0.00
CO	\$ 2,074,446	1,070	\$1,939	0.4%	0.2%	0.43	\$29.50	\$12.71	\$42.21	\$45,169	\$0.00
DE	\$ 18,288,243	4,443	\$4,116	1.8%	1.7%	0.92	\$29.50	\$26.99	\$56.49	\$251,005	\$0.00
FL	\$ 95,652,208	23,462	\$4,077	9.7%	8.8%	0.91	\$29.50	\$26.74	\$56.24	\$1,319,430	\$0.00
IA	\$ 15,493,407	3,849	\$4,025	1.6%	1.4%	0.89	\$29.50	\$26.40	\$55.90	\$215,153	\$0.00
ID**											
IL***	\$ 14,859,930	7,066	\$2,103	2.9%	1.4%	0.47	\$29.50	\$13.79	\$43.29	\$305,900	\$0.00
IN	\$ 31,246,055	7,043	\$4,436	2.9%	2.9%	0.99	\$29.50	\$29.10	\$58.60	\$412,685	\$0.00
KY	\$ 129,814,838	14,680	\$8,843	6.0%	11.9%	1.97	\$29.50	\$57.99	\$87.49	\$1,284,408	\$0.00
LA	\$ 74,027,264	22,650	\$3,268	9.3%	6.8%	0.73	\$29.50	\$21.43	\$50.93	\$1,153,656	\$0.00
MD	\$ 57,177,704	10,765	\$5,311	4.4%	5.2%	1.18	\$29.50	\$34.83	\$64.33	\$692,548	\$0.00
MN	\$ 13,455,802	3,926	\$3,427	1.6%	1.2%	0.76	\$29.50	\$22.48	\$51.98	\$204,062	\$0.00
MT****											
ND*****											
NE*****	\$ 2,295,777	2,504	\$917	1.0%	0.2%	0.20	\$29.50	\$6.01	\$35.51	\$88,924	\$0.00
NJ	\$ 26,904,141	4,436	\$6,065	1.8%	2.5%	1.35	\$29.50	\$39.78	\$69.27	\$307,304	\$0.00
NM	\$ 14,196,846	4,430	\$3,205	1.8%	1.3%	0.71	\$29.50	\$21.02	\$50.52	\$223,790	\$0.00
NV*****											
NY	\$ 179,301,233	19,590	\$9,153	8.1%	16.4%	2.03	\$29.50	\$60.03	\$89.52	\$1,753,793	\$0.00
OH	\$ 45,971,838	16,790	\$2,738	6.9%	4.2%	0.61	\$29.50	\$17.96	\$47.46	\$796,794	\$0.00
OK	\$ 23,758,223	7,809	\$3,042	3.2%	2.2%	0.68	\$29.50	\$19.95	\$49.45	\$386,175	\$0.00
OR*****	\$ 1,683,603	1,416	\$1,189	0.6%	0.2%	0.26	\$29.50	\$7.80	\$37.30	\$52,813	\$0.00
PA	\$ 79,624,867	22,190	\$3,588	9.1%	7.3%	0.80	\$29.50	\$23.53	\$53.03	\$1,176,796	\$0.00
TX	\$ 26,463,297	6,706	\$3,946	2.8%	2.4%	0.88	\$29.50	\$25.88	\$55.38	\$371,377	\$0.00
VA	\$ 9,927,650	1,618	\$6,136	0.7%	0.9%	1.36	\$29.50	\$40.24	\$69.74	\$112,838	\$0.00
WA	\$ 5,609,225	2,672	\$2,099	1.1%	0.5%	0.47	\$29.50	\$13.77	\$43.27	\$115,610	\$0.00
WV	\$ 44,558,251	17,480	\$2,549	7.2%	4.1%	0.57	\$29.50	\$16.72	\$46.22	\$807,878	\$0.00
WY	\$ 969,410	879	\$1,103	0.4%	0.1%	0.25	\$29.50	\$7.23	\$36.73	\$32,288	\$0.00
TOTAL	\$1,092,675,229.00	242,916		100.0%	100.0%					\$14,331,949	