

TEXAS RACING COMMISSION

MEETING

10:30 a.m.  
Wednesday,  
December 13, 2023

Texas Department of Public Safety  
Criminal Law Enforcement Auditorium  
6100 Guadalupe Street  
Building E  
Austin, Texas 78752

COMMISSIONERS:

ROBERT C. PATE, Chair  
CONNIE McNABB, D.V.M., Vice Chair  
MARGARET MARTIN  
ARIEL "A.J." WAIGHT  
MICHAEL "MIKE" MOORE (absent)  
REBECCA CONTRERAS (absent)

EX OFFICIO MEMBERS:

SID MILLER, Texas Department of Agriculture  
(by SUSAN MALDONADO)  
STEVEN P. MACH, Public Safety Commission

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
I. CALL TO ORDER	4
II. INVOCATION	5
III. PLEDGES (U.S. AND TEXAS)	6
IV. COMMISSIONER REMARKS	
A. Commission Chair	6
B. Commission Vice Chair	8
C. Commission Members	9
V. PUBLIC COMMENTS	31
VI. STAFF REPORTS	
A. Executive Director Report	10
VII. GENERAL BUSINESS	
A. Texas Greyhound Association Financial Presentation	21
VIII. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT	
A. Discussion and possible action to allocate funds in the Horse Industry Escrow Account to state horse breed registries for events to further the horse industry under 16 TEX. ADMIN. CODE Chapter 303, Subchapter G.  Requests by the Texas Quarter Horse Association	34
IX. PROCEEDINGS ON RULES	
A. 2023 Rules Committee Updates	37
B. Ad-Hoc Greyhound Committee Updates	42
X. RACETRACK PROCEEDINGS	
A. Discussion on active racetrack licenses scheduled for review under TEX. OCC. CODE §§2025.104-106 and 16 TEX. ADMIN. CODE §§309.51-309.53:	43

Laredo Downs  
Valle De Los Tesoros

- B. Discussion and possible action on opening a Class 2 horse track license application period from February 1, 2024-March 31, 2024, under 16 TAC § 309.3 in Cameron County, Texas. 50
- C. Discussion and possible action on opening a Class 2 horse track license application period from February 1, 2024-March 31, 2024, under 16 TAC § 309.3 in Galveston County, Texas. 57
- D. Discussion and possible action on opening a Class 2 horse track license application period from February 1, 2024-March 31, 2024, under 16 TAC § 309.3 in Nueces County, Texas. 59

XI. EXECUTIVE SESSION (AS NEEDED) none  
The following items may be discussed and considered in executive session or open meeting, with any action taken in the open meeting:

- A. Under TEX. GOV'T 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 TEX. GOV'T 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 TEX. OCC. CODE §2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

XII. NEXT COMMISSION MEETING 61

Wednesday, February 14, 2024, 10:30 a.m.

XIII. ADJOURN 61

P R O C E E D I N G S

1  
2 CHAIRMAN PATE: Ladies and gentlemen, the  
3 meeting of the Texas Racing Commission will be called to  
4 order.

5 Dinorah, please call the roll.

6 MS. CHIU: Chairman Pate?

7 CHAIRMAN PATE: Here.

8 MS. CHIU: Commissioner McNabb?

9 COMMISSIONER McNABB: Here.

10 MS. CHIU: Commissioner Wright?

11 COMMISSIONER WAIGHT: Here.

12 MS. CHIU: Commissioner Moore?

13 (No response.)

14 MS. CHIU: Commissioner Contreras?

15 (No response.)

16 MS. CHIU: Commissioner Martin?

17 COMMISSIONER MARTIN: Present.

18 MS. CHIU: Commissioner Mach?

19 COMMISSIONER MACH: Here.

20 MS. CHIU: Commissioner Maldonado?

21 COMMISSIONER MALDONADO: Here.

22 MS. CHIU: Thank you.

23 CHAIRMAN PATE: Thank you, Dinorah. Do we have  
24 a quorum?

25 MS. CHIU: Yes, Chairman.

1           CHAIRMAN PATE: All right. At this time this  
2 meeting is called to order, and the time on the room clock  
3 is 10:30.

4           Commissioners, I want to welcome y'all to the  
5 December 2023 meeting, and in this meeting we'll also  
6 welcome Chaplain Mike Bingham to provide the invocation  
7 which will be followed by the pledges of allegiance.

8           Is he here?

9           PASTOR GARCIA: Chaplain Bingham is out of  
10 town; I'm a pastor in San Antonio and he asked me to step  
11 in for him.

12          CHAIRMAN PATE: Thank you very much for doing  
13 it. What's your name?

14          PASTOR GARCIA: Randy Garcia.

15          CHAIRMAN PATE: Thank you very much.

16          PASTOR GARCIA: Father God, what a great  
17 privilege we have today to come before you. Your word  
18 says in Proverbs 3:13 that blessed are those who find  
19 wisdom, and today we just ask for wisdom that you can give  
20 us today. We thank you for what you've done before and we  
21 also look forward to a great season that's upcoming. We  
22 are believing the best is yet to come.

23          So today, Lord, we just pray that your presence  
24 will permeate this. What a privilege we have to serve  
25 our communities and to serve you. We thank you, Lord, and

1 we just pray your blessing of wisdom and direction of this  
2 meeting.

3 We pray this in your mighty name, Lord. Amen.

4 CHAIRMAN PATE: Thank you very much.

5 Please stand and join in the Pledge of  
6 Allegiance.

7 (The U.S. Pledge was recited.)

8 CHAIRMAN PATE: Join us now also in the Texas  
9 Pledge.

10 (The Texas Pledge was recited.)

11 CHAIRMAN PATE: Please be seated.

12 I want to welcome all y'all to the meeting of  
13 the Texas Racing Commission. We're going to continue our  
14 review of licensed racetracks today, as well as take the  
15 opportunity to continue to address the safety of horse  
16 racing throughout our great state as we prepare for the  
17 2024 racing season.

18 Now, we are facing some headwinds that many of  
19 you may not be aware of. We received some recent news --  
20 actually about three days ago -- that the TVMDL lab is  
21 facing an internal issue with respect to its continued  
22 operations at the end of next year. It's hard to believe,  
23 if you think about it, that a research university like  
24 Texas A&M, with a recognized veterinary school and an  
25 annual budget of over \$6.3 billion a year, would not be

1 financially able to support a leading-edge Texas research  
2 and equine racing safety and controlled substances  
3 testing, amounting to maybe a couple of million dollars a  
4 year or less.

5 We will obviously be engaging in more  
6 discussions on this matter in hopes of reversing what  
7 appears to me to be a poor policy choice. But it does  
8 offhand strike me as ridiculous that this Texas university  
9 system, given its leadership in so many agriculturally  
10 related subject areas, would not want to be a leader in  
11 equine safety.

12 On another matter, we're still awaiting a  
13 ruling from the United States Court of Appeals Fifth  
14 Circuit on our HISA challenge.

15 We will also continue our discussions on the  
16 transition of the regulated greyhound industry with an  
17 update today from the Ad-Hoc Greyhound Committee and a  
18 presentation of the Greyhound Association, and in an  
19 upcoming meeting the discussion of the future of licensed  
20 greyhound tracks.

21 Finally, we will also take a few minutes today  
22 to recognize all the work this year during the legislative  
23 session, public meetings, along with efforts to launch a  
24 safety campaign, and recognize dedication to excellence,  
25 whether it be in the agency staff or in the regulated

1 industry.

2 At this time, the next agenda item, IV.B -- the  
3 chair recognizes Vice Chair McNabb for her remarks.

4 COMMISSIONER McNABB: Thank you, Chairman.

5 First, Penn Gaming is doing great work at  
6 Retama and Sam Houston Race Park. We appreciate it.  
7 You're bringing them back up to a condition and quality  
8 that might challenge Lone Star Park as a showcase for  
9 Texas racing and hospitality.

10 That's a wonderful kind of competition to have.

11 People do a lot of investment and they're coming to  
12 beautiful places at any of our tracks. So we do  
13 appreciate what Penn Gaming is doing and we always  
14 appreciate Lone Star Park keeping their facility  
15 beautiful.

16 Thank you to all our track operations for your  
17 dedication to safety and for all the participants.

18 Second, HIEA funds beyond the 70 percent of the  
19 money that comes to the breeds to supplement purses,  
20 which is very much appreciated and needed, but the other  
21 30 percent is to support efforts that promote the equine  
22 industry in Texas. I strongly urge you to seek out  
23 opportunities to do exactly that and to keep the  
24 legislators informed of your impact on any of your area  
25 economics and events.



1 I commend TQHA's active HIEA engagement with  
2 shows around Texas and refer you to Mr. Werstler and staff  
3 on their strategy and program. They do wonderful work and  
4 just augmenting and supporting individual classes or  
5 trophies and so forth at shows that drives a lot of  
6 economic development. And I would say if you need some  
7 ideas, TQHA is doing a great job.

8 So thank you very much, Mr. Werstler, and all  
9 your folks. Thank you, sir.

10 CHAIRMAN PATE: All right. Thank you,  
11 Commissioner.

12 Commissioners, the next item is 4.C. Do any of  
13 y'all have individual comments you'd like to make?

14 Commissioner Maldonado.

15 COMMISSIONER MALDONADO: Good morning,  
16 everyone.

17 On behalf of Commissioner Sid Miller and the  
18 Department of Agriculture, we'd like to wish y'all a very  
19 merry Christmas and a prosperous New Year.

20 Thank you.

21 CHAIRMAN PATE: Thank you, Commissioner.

22 Anything further?

23 (No response.)

24 CHAIRMAN PATE: The next item on the agenda is  
25 item V. Public comment.

1                   Dinorah, has anyone signed up for public  
2 comment?

3                   MS. CHIU: Yes, Chairman. We have Tracey  
4 Sheffield.

5                   CHAIRMAN PATE: All right. Ms. Sheffield,  
6 you'll be recognized for three minutes.

7                   VOICE: She may not be here yet; I know she's  
8 coming.

9                   MS. CHIU: Oh, she's not here yet? Okay.

10                  CHAIRMAN PATE: Anybody else?

11                  MS. CHIU: Not for this item.

12                  CHAIRMAN PATE: All right. We'll go to item  
13 VI. Staff reports, the executive director's report, agenda  
14 item 6.A.

15                  Director Cook, would you please give your  
16 report?

17                  MS. COOK: Good morning, commissioners, ladies  
18 and gentlemen. Sorry, talking through a little bit of  
19 cold medicine, so forgive me.

20                  Commissioners, ladies and gentlemen, good  
21 morning. 2023 has been an incredible year of positive  
22 change for the agency and the industry. We began this  
23 year with just under 30 employees and we now have 32  
24 employees and eight contract staff and we're still  
25 recruiting.

1           It continues to be an honor to lead this  
2 amazing group of Texans who believe that public service is  
3 a noble calling, which was the quote in the Governor's  
4 Executive Development Program that I just graduated from  
5 last week. And I believe if we continue to keep that as  
6 our focus at the agency staff, we will do great things for  
7 the State of Texas.

8           Through our service we will enable and protect  
9 the greyhound and horse racing industry in the state, as  
10 well as providing support for the transition that the  
11 greyhound industry is going through.

12           Today we'll take the time to recognize the  
13 contribution of some of the employees and industry, but  
14 first, three important updates.

15           First, the Commission voted in August of 2023  
16 to authorize an open application period for a Class 2  
17 horse track in Jefferson County. That application period  
18 was open from August 1, 2023, to September 30, 2023. The  
19 agency received one application from Ms. Patti Renee  
20 Zepada-Johnson on September 29, 2023.

21           On October 17, 2023, I notified Ms. Johnson  
22 that the application had a number of deficiencies,  
23 including insufficient information regarding financial  
24 stability and the ability to construct and maintain a  
25 racetrack. Ms. Johnson responded with supplemental

1 documents to her application which failed to meet the  
2 statutory standard. Ms. Johnson was then notified on  
3 November 21, 2023, that her application was closed for  
4 failing to provide an application that complied with the  
5 statute.

6 Second, on the topic of the Texas Veterinary  
7 Medical Diagnostic Lab, the Commission recently approved  
8 the annual interagency agreement with Texas A&M Veterinary  
9 Lab at the August Commission meeting. The term of the  
10 agreement currently is 1 September 2023 to August 31,  
11 2024. TVMDL did provide verbal notice to me that they  
12 were considering closing the racing portion of the lab,  
13 and we spent several weeks trying to have a meeting in  
14 person, which Dr. McNabb and I attended on December 1 to  
15 sit down and understand what their challenges were.

16 The relationship that the Commission has with  
17 TVMDL was created by the Texas Legislature in 1991. I  
18 sent a letter to Chancellor Sharp on November 29, 2023,  
19 requesting he delay any decisions until after the next  
20 legislative session, since there do not appear to be  
21 viable options for our agency drug testing program based  
22 on our current funding model, procurement rules of the  
23 State of Texas, and the fact that HISA has commandeered  
24 the other three labs that TVMDL would recommend as  
25 replacements.

1           This dialogue, started by TVMDL, creates  
2 regulatory uncertainty for the racetracks who have  
3 approved race dates in 2023 after August 31 of 2024 --  
4 apologies -- that was for the 2024 racing season that  
5 occur August 31, 2024. My preference, our preference as  
6 agency staff and I think as our Commission, is to preserve  
7 the longstanding relationship with A&M. And if it appears  
8 to be the case, this is a resourcing issue for TVMDL that  
9 TVMDL can articulate what they need to fund a laboratory  
10 so they can continue operations into the future.

11           Third, on racetrack reviews. As you know, we  
12 scheduled a number of reviews this year in 2023 and they  
13 will continue through 2024. Some of those racetrack  
14 reviews have been presented simply for discussion but not  
15 for decision. I will be working with the licensee  
16 representatives to coordinate followup reviews for the  
17 greyhound tracks, Retama Park, and the statutory five-year  
18 reviews for Sam Houston Race Park and Lone Star Park, as  
19 well as recurring reviews for the inactive horse tracks  
20 which are typically scheduled annually.

21           I would like to thank the industry for the work  
22 with the agency team throughout 2023 to increase safety  
23 protocols across the state. This year, Retama Park, which  
24 has had much criticism in the industry over the past few  
25 years, can stand alone -- and I'd like Brian Pettigrew to

1 stand up for a moment, please -- and say they're the only  
2 horse track that we have in Texas with no catastrophic  
3 breakdowns during its meet.

4 Thank you, Brian.

5 (Applause.)

6 MS. COOK: That is an incredible accomplishment  
7 given the economic challenge of the industry, the  
8 challenges the agency has had, and it's a testament to  
9 Brian Pettigrew's leadership. And when I stood with him  
10 on Saturday at Houston Race Park and watched all the work  
11 he's doing there, we're really grateful to have his  
12 leadership in Texas, so I wanted to recognize that.

13 Our joint renewed focus on training facilities  
14 as agency and industry should also help us to further  
15 reduce injuries for horses and humans as we move into the  
16 2024 racing season.

17 Now I'd like to take a moment to introduce the  
18 agency staff, some of which have never had the opportunity  
19 until today to attend a Commission meeting. If you would,  
20 if you're a member of the agency staff, please stand.

21 (Applause.)

22 MS. COOK: This amazing team of Texans, whether  
23 they be finance, contracting, human resources,  
24 veterinarians, stewards, investigators, are the ones every  
25 day that take on not just their own job, but they will do

1 any task, no matter how large or small, to keep the agency  
2 mission going.

3 I want to highlight also our program that I  
4 started when I first got here for employee of the month.  
5 It has been an interesting and exciting fall in Texas for  
6 me, not just with Governor's Executive Development  
7 Program, attending the Texas Commission on Law Enforcement  
8 Conference, visiting Gulf Coast Racing to really  
9 understand what was happening there. But I haven't had  
10 the opportunity to even recognize all the employees of the  
11 month.

12 So I want to take a moment, just have you  
13 stand, and if I haven't given you your certificate, I'll  
14 be able to do that now.

15 The employee of the month was Leonard Buchanan,  
16 our CIO. Thank you, Leonard.

17 (Applause.)

18 MS. COOK: For February it was Vanessa Zuniga,  
19 our paralegal.

20 (Applause.)

21 MS. COOK: For March it was Nicole Russell. I  
22 don't know if Nicole joined us today.

23 For April it was James Leatherman, one of our  
24 stewards.

25 (Applause.)

1 MS. COOK: For May it was Julia Bohn. Julia  
2 has departed for another job opportunity.

3 For June it was Michelle Turner, and she's also  
4 departed.

5 For July it's John Ferrara. Come on up, John.

6 (Applause; pause for presentation and photos.)

7 MS. COOK: Thank you so much for all your work.

8 We picked John as employee of the month because  
9 when Retama was rebuilding its track, John came out every  
10 day, looked at pebbles, looked at rocks, tested soil,  
11 brought -- is it a railroad spike? What is that thing you  
12 use to test the dirt?

13 So he would go down in there and check depths.

14 It was cool. Thank you so much for that, John, small and  
15 large tasks bring it forward.

16 For August 2023 it was Jill Ward, our contract  
17 management specialist.

18 (Applause.)

19 MS. COOK: For October, Darlene Knight. Come  
20 on, Darlene. Darlene is one of our newer stewards, doing  
21 a great job, just completed the Lone Star Park meet.

22 Thanks, Darlene, for the great job.

23 (Applause; pause for presentation and photos.)

24 MS. COOK: For November, Ernesto Palacios,  
25 deputy CFO. Love the tie, Ernesto. Thank you for all



1 you've done.

2 (Applause; pause for presentation and photos.)

3 MS. COOK: For December, Charlie Hallum. Come  
4 on up here, Mr. Hallum.

5 (Applause; pause for presentation and photos.)

6 CHAIRMAN PATE: So why does this matter? This  
7 matters because just recognizing the great work that's  
8 done every day is important, but also, here's the thing,  
9 if you're employee of the month, you're in the running for  
10 employee of the year. So everybody wants to know who's  
11 going to be the employee of the year.

12 Before we do that, I'd just like to take a  
13 moment and recognize my second award for Director's Award  
14 for Excellence. So we have an employee who is so  
15 dedicated to what he does that he takes it personally when  
16 there is an injury to a horse. He takes it personally  
17 when some piece of equipment, IT or otherwise, is not  
18 working -- golf cart, doesn't matter. Because his main  
19 focus is are those horses okay, is there a lameness issue,  
20 what have I done to make sure I can do everything so I  
21 protect those horses.

22 Independent of that, we were able to get some  
23 more technology, some more of that tech, so we have a  
24 digital screening imagery tablet that he now has to screen  
25 for hot spots in legs. He brought me that proposition

1 last year when we didn't even have enough money to make  
2 payroll for the year and I said, Steve, I'll take that  
3 information and if I can get you some money for that, I  
4 did. So I'm really grateful to Phil and everyone else  
5 that we could get that.

6 But I wanted to take a moment and recognize who  
7 without we would not have the great rate of safety, great  
8 record of safety that we have in Texas.

9 Steve Bond, please come up here.

10 If I could have the commissioners come down.

11 (Applause; pause for presentation and photos.)

12 MS. COOK: And now, drum roll, please, what  
13 you've all been waiting for, the employee of the year.

14 This employee exemplifies the tenacious spirit  
15 that Texans pride themselves on and has been willing in  
16 all legislative policy, fiscal and operational challenges  
17 of 2023 to help with every task, from complex analysis of  
18 rules and statute to the reformation of our licensing  
19 program. This employee has moved flawlessly between  
20 administration and operational roles, willing to help with  
21 any task, even if it's the first time to ever have  
22 encountered it. For this bright spirit with incredible  
23 capabilities, and potential that's only limited by what  
24 she chooses not to do, the employee of the year for 2023  
25 is Dinorah Chiu.

1 (Cheering and applause; pause for presentation  
2 and photos.)

3 MS. CHIU: Thank you very much.

4 MS. COOK: All right. Next and third is a  
5 presentation for our safety excellence program. If the  
6 commissioners would turn around, we'd like to show a brief  
7 video.

8 SPEAKER ON VIDEO: Throughout the 2023 racing  
9 season, outrider Julio Ochoa distinguished himself several  
10 times as a safety advocate in the horse racing industry.  
11 He is well known at Sam Houston and Retama race parks for  
12 consistently working above and beyond his position as a  
13 lead outrider to make the tracks a safer place to ride,  
14 train and race.

15 Two recent instances highlight his personal  
16 safety philosophies and deserve recognition.

17 On the predawn unlit morning of August 1, 2023,  
18 Julio saddled his horse and went onto the track at Retama  
19 for his own personal inspection before pre-race works and  
20 time work started. Julio immediate noted from his mount  
21 that the track surface felt crusted, rutted and uneven.  
22 When he dismounted, he discovered both the water truck and  
23 harrowing truck had improperly maintained the track,  
24 failing to fully engage the harrows into the soil causing  
25 truck tire ruts and a crusted uneven topsoil layer.

1           Displaying a high degree of administrative  
2           courage, and without waiting on approvals, he unilaterally  
3           shut the track down, halting riders coming out for the  
4           vital pre-race works. The track was re-watered and  
5           harrowed correctly before riders were allowed to safely  
6           enter.

7           On August 31, 2023, during race one at Retama  
8           park, Julio observed the number 3 horse, Sentimental Fool,  
9           being restless in the gate during loading, breaking  
10          through the gate and throwing the jockey, Celso Rodriguez-  
11          Guzman, partially off of his saddle. Outrider Julio Ochoa  
12          on his personally owned Paint scrambled after the out-of-  
13          control Quarter Horse, catching it on the straightaway and  
14          bringing the horse under control, allowing the jockey to  
15          fully remount and turn back around for the race. Julio's  
16          horsemanship, along with the capabilities of his Paint,  
17          prevented injuries to the jockey and horse alike.

18          Julio Ochoa is a valued member of the Texas  
19          horse racing community and a true safety champion. The  
20          Texas Racing Commission takes pleasure in recognizing a  
21          commendable example of outrider excellence and a  
22          professional that has increased the safety of all races  
23          throughout his many years of service.

24          Today, Julio Ochoa is receiving a custom belt  
25          buckle safety award for outrider excellence from the

1 executive director of the Texas Racing Commission.

2 MS. COOK: Come on up here, Mr. Ochoa.

3 (Applause; pause for presentation and photos.)

4 MS. COOK: Thank you, commissioners.

5 Appreciate you coming down for that. As I said, I'm not  
6 sure everyone heard me, everyone wants pictures with you,  
7 I'm just there for the coordination.

8 And so with that, ladies and gentlemen, it's my  
9 honor to continue to serve in this position. It's been  
10 two years and it's been amazing. We have so much more  
11 work to do together, and even though we don't do it  
12 perfectly, we certainly bring our best every day because  
13 excellence does start here.

14 Subject to your questions, that concludes my  
15 report.

16 CHAIRMAN PATE: All right. Thank you, Director  
17 Cook.

18 Commissioners, do any of y'all have any  
19 questions?

20 (No response.)

21 MS. COOK: Thank you.

22 CHAIRMAN PATE: All right. Thank you.

23 We now move to agenda item VII.A. The Texas  
24 Greyhound Association will present a report on the status  
25 of parimutuel wagering funds from January 2020 to present.

1 I understand Mr. James is here on behalf of Mr. Galbreath,  
2 who can't make it.

3 Good morning, Mr. James. Welcome.

4 MR. JAMES: Good morning, Mr. Chairman and  
5 commissioners. Nick James from the Texas Greyhound  
6 Association.

7 I think y'all have the spreadsheet that we  
8 provided, and basically it's dollars in and dollars out  
9 and balances, as you can see. We go back to 2020 and you  
10 can see the audited statement shows the cross-species  
11 funds received from Gillespie, Lone Star, Retama and Sam  
12 Houston, the interest earned. The purse funds we paid out  
13 that year, we had racing in January and part of February  
14 of '20.

15 And then you see administrative expenses. The  
16 TGA retained 15 percent. The statute allows 20; we don't  
17 do 20, we do 15. And you'll see the total expenses.

18 And then each year we go through the same way  
19 every year from '20 through '23, and then the totals are  
20 in the far right column. As you can see, the opening  
21 balance in 2020 at the end of the year was \$742- and it's  
22 gone up about a million dollars per year.

23 The next section you have owners awards which  
24 are -- the track sends the records to the Racing  
25 Commission and they certify it and then send the money and

1 we pay out the owners awards. Obviously, we have not paid  
2 out any owners awards since 2020, with no races being  
3 done.

4 Underneath that section you'll see the  
5 percentage that's taken out for adoptions, stakes races,  
6 and the owners awards paid in 2020. You can see we paid  
7 out \$300,944 in 2020, and those are all maintained in a  
8 separate account from the cross-species account.

9 And then you'll see the cash balances. We  
10 started at \$652- at the end of '20; there's \$281- in there  
11 now.

12 The next section is the kennel breeder payout  
13 from the lawsuit that we did 18 months ago and the judge  
14 found that we could distribute that money. Gulf and Gulf  
15 Coast sent that money to us and we distributed it to  
16 kennel owners and owners of Texas-bred greyhounds. And  
17 then every six months there's more that's generated, and  
18 that's same species money so it's generated right now only  
19 at Gulf Coast and it's paid out as it comes in.

20 CHAIRMAN PATE: I've got a few questions.

21 MR. JAMES: Sure.

22 CHAIRMAN PATE: First of all, y'all delivered  
23 the audited statements, did you not, through 2022?

24 MR. JAMES: Yes, sir. We don't have the '23  
25 audit done yet.

1           CHAIRMAN PATE: Right. And I guess my question  
2 is where is the cash being maintained, this \$4.2 million?

3           MR. JAMES: It's in sweep accounts at a bank,  
4 Extraco Bank in Waco.

5           CHAIRMAN PATE: Okay. It's at a bank in Waco.

6           MR. JAMES: Yes, sir.

7           CHAIRMAN PATE: Next, with respect to the  
8 administration fee, what has required administration for  
9 the last couple of years? Because there hasn't been any  
10 racing.

11          MR. JAMES: Well, just salaries and just  
12 overhead expense, and the rest just goes into the general  
13 fund -- I mean not general fund -- into our checking  
14 account.

15          CHAIRMAN PATE: And finally, I want to talk to  
16 you about this court-appointed payout because this is  
17 something -- the first I've heard of it.

18          You recall the opinion that we got from the  
19 attorney general, do you not, in September of 2022?

20          MR. JAMES: Yes, sir.

21          CHAIRMAN PATE: All right. And didn't that  
22 address these specific funds?

23          MR. JAMES: Not these funds, no, sir. Those  
24 were cross-species funds. These are separate funds.  
25 These are funds that are generated at the greyhound track



1 from other greyhound races.

2 CHAIRMAN PATE: All right. So the lawsuit that  
3 was filed, was it a contested lawsuit or was it a friendly  
4 lawsuit?

5 MR. JAMES: It was a friendly lawsuit.

6 CHAIRMAN PATE: Friendly lawsuit.

7 MR. JAMES: Yes, sir.

8 CHAIRMAN PATE: I've looked at the judgment,  
9 section 10 of the judgment -- and commissioner, it's in  
10 your papers -- it says, "The Texas Racing Commission has  
11 been advised of the resolution." When was this Commission  
12 advised of this particular judgment and deal?

13 MR. JAMES: I do not know. I can find out.  
14 Kevin Vickers, the attorney.

15 CHAIRMAN PATE: Come on up, Mr. Vickers.

16 MR. VICKERS: Yes, sir. Kevin Vickers of the  
17 law firm of Brady and Peavey, representing the Texas  
18 Greyhound Association.

19 That was with respect to an email exchange that  
20 was had between myself and Virginia Fields, and I have the  
21 email, but it was obviously prior to the judgment around,  
22 I want to say, June of 2022. If you'll bear with me one  
23 moment.

24 Yeah, June 24, 2022, I emailed Ms. Fields and  
25 gave her details -- and of course, we can provide all

1 this, it's also in the Commission staff's files, I'm  
2 sure -- gave her details of the proposed resolution,  
3 specifically flagging that Green Group, Inc. -- which was  
4 and may still be the entity that administered the  
5 Greyhound First accounts on behalf of Gulf Coast Racing  
6 and Gulf Greyhound Park -- that they wanted to get the  
7 Commission's position on the specific distribution.

8 Ms. Fields responded, again on June 24, and  
9 said, The Texas Racing Commission has no objection to  
10 Green Group transferring the monies, citing the rule, that  
11 are currently in the greyhound purse accounts of Gulf  
12 Coast Racing and Gulf Greyhound Park to the TGA for  
13 distribution, consistent with the resolution that the TGA  
14 Board had adopted. Which was the resolution that  
15 specified the distribution that would be made to kennel  
16 owners and greyhound owners.

17 CHAIRMAN PATE: Okay. And so what was the  
18 source of these monies?

19 MR. VICKERS: The source of the monies were the  
20 greyhound purse accounts held by Gulf Coast Racing and  
21 Gulf Greyhound Park.

22 CHAIRMAN PATE: The distribution scheme that  
23 was attached to the order, was this the same distribution  
24 scheme that y'all proposed in the correspondence, circling  
25 around before we sought the attorney general's opinion?

1 MR. VICKERS: The percentages.

2 CHAIRMAN PATE: So it's the same thing.

3 MR. VICKERS: Yes. The percentages that went  
4 to kennel owners and the percentages that went to  
5 greyhound owners that participated in that 2020 meet that  
6 occurred was the same. Again, the source of funds,  
7 totally separate process.

8 CHAIRMAN PATE: Okay. I was really surprised  
9 to learn of this, to be honest with you. It's the first  
10 I've heard of it. So what you're saying is staff was  
11 aware of it but the Commission itself knew nothing of it,  
12 as far as I know.

13 Commissioners?

14 COMMISSIONER McNABB: I don't recall this being  
15 brought to the Commission.

16 CHAIRMAN PATE: So maybe Director Cook, were  
17 you aware of this, Amy?

18 MS. COOK: No, I hadn't seen a copy. I had  
19 heard conversations about it. We actually discussed  
20 around the time of the AG opinion, I know you were working  
21 on some sort of declaratory judgment, whether another one  
22 would be appropriate.

23 Jim Dunham had called Virginia about that, but  
24 I hadn't actually seen that judgment. And so I'd heard  
25 about it when we had the Ad-Hoc Greyhound Committee

1 meeting and asked for a copy.

2 MR. VICKERS: I just want to reiterate, just  
3 for clarity's sake, that the greyhound purse account funds  
4 held by Gulf Coast Racing and Gulf Greyhound Park are  
5 sourced from same species interstate simulcasting. It's  
6 greyhound races occurring out of state that were simulcast  
7 at Gulf Coast Racing facility. Whereas, the funds at  
8 issue in the AG opinion that you referenced were cross-  
9 species interstate simulcast funds, funds from wagers on  
10 greyhound races occurring out of state at horse tracks in  
11 Texas.

12 Those funds are sent directly to TGA from the  
13 horse tracks and are the subject of some of the numbers  
14 that Mr. James presented a little bit ago. Those funds  
15 have not been distributed at all.

16 CHAIRMAN PATE: But let me ask you this, I  
17 mean, you were certainly aware because I remember you  
18 appeared at Commission meetings, we had discussions, and  
19 we had the general counsel for the Attorney General's  
20 Office appear, who had been in discussions with you, and I  
21 think you knew the sense of the Racing Commission with  
22 respect to the disbursement of these funds.

23 I'm just trying to figure out, you make  
24 reference and the court found that the Racing Commission  
25 had no objection to it; I'm not sure the Racing Commission

1 ever said anything. That's what I'm trying to figure out.

2 MR. VICKERS: You know, I can only speak to the  
3 communications that I had with Ms. Fields, and the  
4 language in the email that the Texas Racing Commission has  
5 no objection.

6 CHAIRMAN PATE: Did you draft the order for the  
7 court?

8 MR. VICKERS: I had input into the order.

9 CHAIRMAN PATE: Whoever drafted it said the  
10 Texas Racing Commission, and that's not true. Texas  
11 Racing Commission staff might have said it was okay.

12 I don't know. We're going to have to think  
13 about this, to be honest with you, at least I am.

14 I don't have any more questions.

15 Commissioners?

16 COMMISSIONER McNABB: I don't want to take a  
17 thing away from the staff because a whole lot of business  
18 goes on that we're not involved in, and that's probably  
19 thankful because we'd just do nothing but slow it down.  
20 But especially when there's distribution of funds or  
21 things like that, information transmitted does not  
22 necessarily mean information received. And our  
23 responsibility as appointees for the governor, there's  
24 funds going on and this implies that we authorized that.

25 So things have happened and the mismatch and

1 flow of communication, but just whenever there are funds  
2 moving from point A to point B, I think communicating with  
3 staff is good, but until we run it through here, I think  
4 it would not be prudent to make financial moves in the  
5 future.

6 CHAIRMAN PATE: I would ask Director Cook, I  
7 know Virginia is out because of her cancer treatment,  
8 she's out on sick leave. But to the extent you could, I'd  
9 like you to follow up and find out exactly what happened.  
10 And I would also like to understand what the difference is  
11 in terms of the permission that's granted or that we said  
12 we granted in allowing this \$700,000 of funds to go out is  
13 different from the cross-species matter that we had the  
14 attorney general's opinion on.

15 MS. COOK: Yes, Judge Pate. I've got some  
16 notes written here and I'll follow up with the  
17 commissioners.

18 CHAIRMAN PATE: And report back to the  
19 Commission next meeting on it.

20 MS. COOK: Absolutely.

21 CHAIRMAN PATE: Appreciate it. And make sure  
22 you get the Greyhound Association involved also in the  
23 response, because it doesn't feel right, particularly  
24 because I think the Greyhound Association and the  
25 Commission knew what the feeling and the sense of the

1 Commission was with respect to the disbursement of funds  
2 in light of the fact that there was no further racing  
3 going on.

4 But anyway, that's where we are, and we'll get  
5 those reports.

6 You'll be furnishing the audited report for '23  
7 whenever it's available?

8 MR. JAMES: Yes, sir.

9 CHAIRMAN PATE: All right. Thank you, Mr.  
10 James.

11 Anything else?

12 (No response.)

13 CHAIRMAN PATE: All right. Thank you very  
14 much.

15 MS. COOK: Judge Pate, Tracy Sheffield is now  
16 here if you want to allow her to make public comment.

17 CHAIRMAN PATE: She'll be recognized for public  
18 comment for three minutes. Come on up.

19 MS. SHEFFIELD: Thank you so much for giving me  
20 the opportunity to speak. I'm Tracy Sheffield, president  
21 of the Texas Thoroughbred Association, and the traffic on  
22 MoPac this morning was horrendous, so I apologize for my  
23 tardiness.

24 But I just wanted to touch base. I get a lot  
25 of feedback from horsemen and their concerns with the

1 rules, how protocols are done here, and they've got some  
2 real concerns about the new protocols with licensing and  
3 the waiting on background checks. And so I just wanted to  
4 make the Commission aware that it really can cause a  
5 hardship and it can have a trickle-down effect to the care  
6 of the horses. And when we're talking about the horses, I  
7 get very concerned.

8 As we all know, staff members get sick, they  
9 leave. The Commission has that happen, everybody who has  
10 a business has problems with staff coming and going. The  
11 ability to get grooms on the track in a timely manner is  
12 problematic with the current structure of licensing  
13 waiting for the background checks to come in.

14 It would be very interesting for the membership  
15 to see how many licenses are either denied or rescinded  
16 because of background check materials. Is it a big  
17 problem, is it a small problem, have we created a greater  
18 problem in getting appropriate care for the horses than we  
19 have in making sure appropriate people are on the backside  
20 of the track. So that's a number one concern of horsemen.

21 And also, I get calls about now how do my  
22 haulers get in, do they need to be licensed. There's all  
23 these ancillary issues, shavings deliveries, all kinds of  
24 things like that, and how to handle them appropriately,  
25 safely for the good of everyone concerned. Those are all



1 issues that we're dealing with.

2 The second issue, and I have no idea if I'm  
3 completely coming out of left field, but I, like everyone  
4 else in racing, are concerned about the post-race testing  
5 issue with TVMDL.

6 MS. CHIU: You have a minute, Ms. Sheffield,  
7 one more minute.

8 MS. SHEFFIELD: Okay. So I went rogue and  
9 decided I would look outside the box and I decided to see  
10 what Canadian racing was doing as they are not under HISA,  
11 they have accredited laboratories. And I thought, let's  
12 look at Canada. With the U.S. dollar so strong against  
13 the Canadian dollar, perhaps Canadian testing would even  
14 save the Commission money.

15 So all testing in Canada is done at -- let me  
16 see, I've got the name of the lab here -- Bureau Veritas  
17 Laboratories. They've been doing all race testing for  
18 Canada since 1969, and they have indicated an interest in  
19 having a dialogue with the Texas Racing Commission should  
20 that work within the framework of the Racing Act and who  
21 we get to provide this. So just wanted to say there is an  
22 avenue to explore if that works within the framework of  
23 the Commission.

24 Thank you so much.

25 CHAIRMAN PATE: All right. Thank you, Ms.

1 Sheffield, and I appreciate your comments. We actually  
2 had a few comments earlier that you missed concerning the  
3 Texas A&M lab and we have some issues there.

4 I would just remind you that we have a statute  
5 that we act under and I think it was the governor's  
6 general counsel that we had no emergency licensing  
7 authority. And so that's the principal reason why the new  
8 rules are in effect, or the new regulations or the new  
9 enforcement.

10 We'll now move to proceedings, item VII.A on  
11 the Horse Industry Escrow Account.

12 Dinorah, would you please give us your report?

13 MS. CHIU: Thank you, Chairman.

14 Good morning, commissioners, ladies and  
15 gentlemen. For the record, my name is Dinorah Chiu, chief  
16 financial officer for the agency.

17 I'm here this morning to present the HIEA event  
18 requests. Just before presenting the events, I just want  
19 to follow up on our executive director's comments and  
20 thank all the staff for being here and for the hard work  
21 that they did this past year.

22 Commissioners, the Texas Quarter Horse  
23 Association submitted three applications for events to  
24 further the industry.

25 The first event is the TQHA Estate Championship

1 Year-End Awards. The TQHA is requesting \$55,000 by  
2 September 2024.

3 The second event is TQHA The Classic Horse Show  
4 event, dated August 29 through September 2, 2024. TQHA is  
5 requesting \$75,000 by March 2024.

6 The third and final event is the National  
7 Cutting Horse Association NRR Cat King Cole Super Stakes.  
8 Approximate dates of the event is between March 20  
9 through April 14, 2024. The TQHA is requesting \$100,500,  
10 no later than March 1, 2024.

11 The executive director of the Texas Quarter  
12 Horse Association is here today if you have any questions  
13 about the events.

14 The staff recommends approval for the three  
15 events, pending availability of funds.

16 CHAIRMAN PATE: All right, on staff approval.

17 Amy, has anyone signed up for public comment on  
18 this item?

19 MS. COOK: No, Judge Pate.

20 CHAIRMAN PATE: All right. If there is no  
21 further discussion or public comment, the chair will now  
22 entertain a motion on staff's recommendation to approve  
23 the requests of Texas Quarter Horse Association as  
24 enunciated by Ms. Chiu.

25 COMMISSIONER McNABB: I so move.

1 COMMISSIONER MACH: Second.

2 CHAIRMAN PATE: Motion by McNabb, second by  
3 Mach. Is there any further discussion?

4 (No response.)

5 CHAIRMAN PATE: Hearing none, all those in  
6 favor say aye.

7 (A chorus of ayes.)

8 CHAIRMAN PATE: Any opposed?

9 (No response.)

10 CHAIRMAN PATE: Motion carries.

11 COMMISSIONER McNABB: Chairman.

12 CHAIRMAN PATE: Yes, ma'am.

13 COMMISSIONER McNABB: And just a comment on  
14 these. This is money that comes from the legislature. We  
15 don't get a thing, it's a pass-through here.

16 But there are wonderful things going on, so I  
17 would strongly suggest -- I've had a chance to go to some  
18 of the shows that are near me, capture some of these  
19 things that are going on. Shows prior to HIEA were tiny  
20 shows that just having an injection of a little bit or  
21 trophies or so forth have turned into two-day shows. That  
22 generates a lot of money within the community.

23 Capture those things and then feed it into your  
24 breed associations who can then brag on the great work  
25 that you're doing to your legislators. This money comes

1 from them, we certainly want them to feel good that it is  
2 going for what their intent was.

3 So certainly we appreciate HIEA for the purse  
4 money but it is also doing great work. So please capture  
5 the great work that you're doing and make sure that your  
6 legislators know so that they can smile, maybe get a  
7 picture at a horse show. But you're doing wonderful  
8 things, don't do it behind closed doors. Make sure people  
9 know about it.

10 CHAIRMAN PATE: Thank you, Commissioner McNabb.  
11 We'll now move to agenda item IX.A. Proceedings  
12 on the rules.

13 Vice Chair McNabb and Director Cook, please  
14 provide us the update on the Rules Committee.

15 MS. COOK: Would you like to go first, Dr.  
16 McNabb?

17 COMMISSIONER McNABB: No, you go ahead.

18 MS. COOK: Okay. Good morning again, ladies  
19 and gentlemen.

20 With respect to the 2023 Rules Committee, it  
21 has been a tumultuous year, exciting, challenging, and so  
22 we had started out with an original roadmap of how we were  
23 going to reform the rules of racing. Didn't go perfectly,  
24 no plan survives first contact with the enemy -- George  
25 Patton.

1           In any event, we're regrouping and we're  
2 prioritizing those rules that are of most concern with  
3 respect to safety and integrity. Some of the integrity  
4 rules do revolve around licensing and making sure that we  
5 conform with our statute.

6           The licensing and training facility rules that  
7 we discussed in the last Commission meeting, and were the  
8 subject of an October 30 Rules Committee meeting, were in  
9 the *Texas Register* in the November 17 edition that was  
10 published. There was a mistake in the *Register*. One of  
11 the sentences that was of most concern, which was you had  
12 to wait 31 days to get a license, that sentence was  
13 misunderstood and that sentence was actually changed.

14           I contacted the *Texas Register* after it was  
15 brought to my attention that the wrong language was in  
16 there, and so when we bring the rules back for proposed  
17 adoption in February -- because there wasn't sufficient  
18 time to bring them back this meeting -- the correct  
19 language will be in your meeting materials for adoption.

20           So here's the bottom line on licensing. If you  
21 have everything done, if you plan ahead, you should be  
22 able to get your license within a matter of hours or days.

23           But planning ahead is really the key here. And that  
24 means you have your fingerprints on file, you have a  
25 completed application, and your payment is submitted.

1 Will there be a lot of folks that have a  
2 criminal history that will prevent them from having  
3 occupational licensing? I would say probably not, but it  
4 is our responsibility under the law to make sure we have a  
5 current process, current procedures under our new statute.  
6 So we're working towards that, and we accept all public  
7 comment and welcome it.

8 We are in the process of updating the criminal  
9 guidelines so it's clear to licensees, and our agency  
10 procedures and online tools, including our FID cards that  
11 will make it easier to scan in and out of the track.

12 Again, I'd like to thank Brian Pettigrew for  
13 leading forward as we open the training facilities in  
14 preparation for the 2024 season and partnering with us to  
15 make sure that the folks coming into the restricted areas  
16 actually are licensed, that the horses are the horses that  
17 they say they're bringing, and that we're actually making  
18 sure that everyone is doing their part because that's  
19 really what's most important. It's a shared  
20 responsibility to get it right.

21 We will in the coming days have a preview of  
22 what's going to be launched. And understand, we asked for  
23 the Cadillac budget, right, we wanted to be on Texas by  
24 Texas, we wanted a great enforcement database, we wanted  
25 \$10 million. We didn't get that, we got \$88,000. And so

1 on \$88,000 we're going to do the very best we can.

2 Thank God for Leonard Buchanan. And so we will  
3 keep everyone informed as well as we can. We'll make it  
4 as best as we can, but I would say to you that when I come  
5 through this time next year and I'm writing the strategic  
6 plan and having all those meetings and asking for input,  
7 please, please show up and give us your input. And please  
8 be there when we testify in Budget, it's really important  
9 because that helps us get after all of these concerns.

10 With respect to the eWagering rules that were  
11 proposed by the industry, those rules were cleared by the  
12 Governor's Office last week and they went into the *Texas*  
13 *Register* this morning. They're expected to be in the  
14 January 5 edition.

15 The first Rules Committee meeting of 2024 will  
16 be at Sam Houston Race Park. Thank you, Brian Pettigrew,  
17 for hosting. And the agenda and meeting materials will be  
18 out on that shortly after the new year.

19 Subject to your questions, that's all I have on  
20 the Rules Committee.

21 COMMISSIONER McNABB: And the only addendum  
22 that I have to that -- and thank you, Amy, that was  
23 excellent -- is the tracks can also have their house  
24 rules, and we've talked about this before and I do  
25 appreciate it. But if a track says yea verily, we're



1 going to abide by all the Texas Racing Commission rules  
2 but to protect the health and welfare of the racing  
3 animals, the participants and their business and they  
4 decide to add on additional requirements, that is fine.

5 We coordinate with them to make sure that we're  
6 not contradicting one another. But indeed, the tracks are  
7 fully empowered if they need to make a rule because it's  
8 appropriate to how they want to run their business, fine.

9 What we've done this year is the condition book  
10 is posted on the agency website, and we coordinated the  
11 house rules so everybody knows what the rules are so  
12 there's no question between the agency and industry what  
13 rules apply. So we've got the Sam Houston Race Park  
14 condition book on our website under Racetracks.

15 With that --

16 CHAIRMAN PATE: I have one question just on a  
17 personnel matter. Do you anticipate Ms. Fields being back  
18 to help with the rules issues in 2024, or do you know?

19 MS. COOK: I do not. I expect to be leading  
20 the charge, me, myself and I, with Dinorah and Leonard and  
21 the great people back here.

22 CHAIRMAN PATE: Well, it's a familiar position.  
23 And do we need an update also on the Ad-Hoc  
24 Greyhound Committee, or have y'all covered it?

25 MS. COOK: Yes. No, that's next.

1                   CHAIRMAN PATE:   Okay.

2                   MS. COOK:   On the Ad-Hoc Greyhound Committee, I  
3 went to visit Gulf Coast Racing, the last facility  
4 simulcasting, in Corpus Christi on October 25.  I wrote a  
5 letter to the licensee, Mr. LaMantia, notifying him that I  
6 would not approve simulcast contracts beyond the end of  
7 December of this year, because since there are no live  
8 race dates granted for greyhound tracks in 2023, it is  
9 inappropriate to continue to approve simulcasts.  So he  
10 accepted that letter and they will discontinue  
11 simulcasting on December 31.

12                   We've had two initial meetings with the Ad-Hoc  
13 Greyhound Committee, November 13 and November 29, with  
14 Commissioner Moore and Commissioner McNabb, and we are  
15 working on gathering facts, particularly some important  
16 points brought up in our meetings.  One was how did other  
17 states handle the wind down of the greyhound industry  
18 legislatively, because we do think this will take  
19 legislative action to handle how we handle the transition  
20 here.

21                   And then from the perspective of financial  
22 issues, as you mentioned before and we asked the TGA to  
23 provide some information, you have various source of funds  
24 that have come in to the TGA.  Our statute is silent on  
25 winding down or transitions or distribution because the

1 statute never contemplated the end of the industry. So we  
2 do believe that, as well as any transitions of licenses  
3 and so forth, may have to be a legislative solution other  
4 than what's already provided by the statute.

5 We are working on the draft recommendations and  
6 those will be presented to the Commission in February of  
7 2024.

8 That's all I have on that topic.

9 CHAIRMAN PATE: All right. Commissioners, any  
10 questions?

11 (No response.)

12 CHAIRMAN PATE: All right. Thank you, Amy.

13 The next agenda item is X.A.1 and 2, the  
14 racetrack proceedings, discussion, consideration and  
15 possible action on the inactive and active licenses  
16 scheduled for review under 16 TAC 309.51 through .52.

17 Director Cook, please proceed.

18 MS. COOK: Ladies and gentlemen, on the  
19 inactive greyhound -- sorry, cold medicine, sorry -- on  
20 the inactive horse track license known as Laredo Downs in  
21 Laredo, Texas, this is an inactive Class 2 horse track  
22 located in Webb County. They've submitted the renewal  
23 application and the fee. The last review of record was  
24 May of 2020. As I mentioned in my earlier remarks, it's  
25 supposed to be an annual review so they can be expected to

1 be scheduled either next October or December for another  
2 annual review of their inactive license.

3 In this particular track's case, no live race  
4 dates have been conducted since they were licensed in  
5 2007. They have requested live race dates in 2027 with  
6 the idea that then they would be able to go ahead and  
7 construct and maintain a racetrack. This particular  
8 group, LRP Group, Ltd., signed a 20-year lease for 150  
9 acres of land that the Commission approved in December of  
10 2022 as a sign of good faith towards constructing it and  
11 running a racetrack.

12 The staff recommends approval of the Laredo  
13 Downs inactive license without conditions.

14 CHAIRMAN PATE: All right.

15 COMMISSIONER MACH: That would be for a period  
16 ending?

17 MS. COOK: One year.

18 COMMISSIONER MACH: So over the course of the  
19 next year, are you going to be able to report back to the  
20 Commission that they have in fact undertaken substantial  
21 efforts to begin live racing?

22 MS. COOK: Yes, Commissioner.

23 CHAIRMAN PATE: So just for clarity, an  
24 inactive license, do they have a termination date or just  
25 a renewal date annually?

1 MS. COOK: They only have a renewal date in our  
2 statute, or they can be moved to another status which is  
3 revoked or suspended.

4 CHAIRMAN PATE: Okay. And does an inactive  
5 license pay a fee?

6 MS. COOK: They do pay fees. They pay the same  
7 fees as an active license.

8 CHAIRMAN PATE: Which is the \$156,000 a year.

9 MS. COOK: \$156,000 a year, yes.

10 CHAIRMAN PATE: Okay. Dinorah, has anybody  
11 signed up for public comment on this matter?

12 MS. CHIU: No, Chairman, but we have Tommy  
13 Azopardi as a resource if you have any questions.

14 CHAIRMAN PATE: Okay. Is there any further  
15 discussion?

16 (No response.)

17 CHAIRMAN PATE: If there's no further  
18 discussion or public comment, the chair would now  
19 entertain a motion on staff's recommendation to renew the  
20 Laredo Downs inactive Class 2 horse track license under 16  
21 Texas Administrative Code Section 303.52.

22 COMMISSIONER McNABB: So moved.

23 COMMISSIONER MARTIN: Second.

24 CHAIRMAN PATE: Motion by McNabb, second by  
25 Martin. Any further discussion?

1 (No response.)

2 CHAIRMAN PATE: All right. Hearing none, all  
3 those in favor say aye.

4 (A chorus of ayes.)

5 CHAIRMAN PATE: Any opposed?

6 (No response.)

7 CHAIRMAN PATE: Motion carries.

8 Director Cook, please address the second item,  
9 Valle De Los Tesoros.

10 MS. COOK: Valle De Los Tesoros, Ltd. is in  
11 McAllen, Texas. It's an inactive Class 2 horse track in  
12 Hidalgo County. The renewal application and fee are  
13 submitted annually. The inactive last review of record is  
14 May of 2020.

15 And so you can tell with both licenses, to your  
16 question, Commissioner Mach, they weren't reviewed  
17 annually as we should have done and really taken a look at  
18 whether or not there's progress made. With respect to  
19 Laredo Downs, certainly they've leased land and there's  
20 been some good faith efforts to request live race dates.

21 With respect to this license, no live race  
22 dates have been conducted since they were licensed in 2007  
23 but they have also requested live race dates in 2027 as a  
24 show of good faith. They have owned the same property  
25 since they had the original license, so at this point in

1 time the staff does recommend approval of the Valle De Los  
2 Tesoros inactive license without conditions for a period  
3 of one year.

4 CHAIRMAN PATE: All right. Again, anybody  
5 signed up for public comment, Dinorah, on this particular  
6 item?

7 MS. CHIU: No, Chairman.

8 COMMISSIONER MACH: If you were to place  
9 conditions on that, what would they be?

10 MS. COOK: So what I would say is probably best  
11 for us to do as a staff is pull back out the original  
12 racetrack license application, go through those documents  
13 and make sure they're up to date. So for example, with  
14 the Beaumont application they had to submit the  
15 construction design of a racetrack, you had to demonstrate  
16 that you had engineering plans, that you had the financial  
17 capability and so forth of constructing and maintaining  
18 that racetrack and have the ability economically not only  
19 as the racetrack association but in the surrounding  
20 community to be able to run that racetrack effectively.

21 So it's probably worthwhile, now that I've been  
22 here long enough to understand this a little better, to  
23 sit down with them and really walk through what their  
24 plans are in a more robust manner.

25 CHAIRMAN PATE: Kind of working backwards, if

1 they're going to race beginning January 2, 2027, they need  
2 to start building, some construction drawings prior to  
3 that, so you might try to get a timeline or something like  
4 that for the next review, it seems to me.

5 MS. COOK: Absolutely, Judge Pate. And I think  
6 with these two licenses what was really critical was they  
7 hadn't been reviewed in three years, so just getting the  
8 first review done, as we promised we would do to the  
9 legislature, and then moving from there. So great  
10 question, so we'll work through that.

11 CHAIRMAN PATE: Within our statutory scheme or  
12 by rule, do we have the authority to create a date certain  
13 by which a track must be in operation?

14 MS. COOK: We do. That's a security bond  
15 that's typically contemplated in the statute either when  
16 you open a racetrack or when we do a renewal we can  
17 require a security bond. So therefore, for example, if  
18 you have -- I mean, it's a lot of staff time, it's a lot  
19 of Commission time to issue a license, or if a racetrack  
20 is not necessarily meeting all the statutory requirements,  
21 horsemen obviously invest a lot of money, time and blood,  
22 sweat and tears.

23 CHAIRMAN PATE: I can see where, for example, a  
24 racetrack has issues and the horsemen lose something --  
25 what comes to mind is the Retama issues we had early on



1 this year -- that there might be some basis for a bond,  
2 but I don't --

3 MS. COOK: You typically have two years. You  
4 get one year to be able to demonstrate that you can get up  
5 and running, you can do pre-opening simulcasting, but  
6 essentially within the two-year period of getting that  
7 license you're supposed to demonstrate that you're going  
8 to be able to do it.

9 CHAIRMAN PATE: Okay. And have you reviewed  
10 the statute? Within the statute, is there a sense that  
11 these inactive tracks should have a more definitive life,  
12 or not? Is it up to us to make a rule?

13 MS. COOK: Well, I mean, my personal opinion is  
14 you should be either licensed or not. This whole  
15 inactive, active, active other, active operating, I think  
16 has created kind of a strange statutory scheme for us. I  
17 mean, I think you're either licensed or you're not, it's  
18 like a driver's license. But that's just my personal  
19 opinion.

20 CHAIRMAN PATE: All right. If there's no  
21 further discussion or public comment, the chair would now  
22 entertain a motion on staff's recommendation to renew the  
23 Valle De Los Tesoros inactive Class 2 horse track license  
24 under Texas Occupational Code 225.106 and 16 Texas  
25 Administrative Code 309.53.

1                   COMMISSIONER MACH: I'll make that motion, but  
2 I do want to state that I think it's really important that  
3 they make a good faith effort over the course of the next  
4 year to demonstrate, through tangible example, that they  
5 intend to meet those race dates in 2027.

6                   MS. COOK: And I will send them a letter to  
7 that effect, Commissioner Mach.

8                   CHAIRMAN PATE: Is there a second?

9                   COMMISSIONER McNABB: Second.

10                  CHAIRMAN PATE: Second by McNabb. Any further  
11 discussion?

12                  (No response.)

13                  CHAIRMAN PATE: All those in favor signify by  
14 saying aye.

15                  (A chorus of ayes.)

16                  CHAIRMAN PATE: Any opposed?

17                  (No response.)

18                  CHAIRMAN PATE: All right. The motion carries.

19                  The next agenda item is X.B, which is the  
20 discussion and possible action on the opening of a Class 2  
21 horse track license application period from February 1,  
22 2024, through March 31, 2024, under 16 TAC 309.3 in  
23 Cameron County, and then we have companion requests for  
24 Galveston County and Nueces County.

25                  And we've had some discussion about this but

1 before the staff presents on this agenda item, I want to  
2 take a moment to clarify that applications for a racetrack  
3 license in Texas are outlined in Section 2025 of the Texas  
4 Racing Act. Opening an application period provides the  
5 economic opportunity for interested applicants to provide  
6 an application that demonstrates that the applicant has  
7 met the four criteria set out in our statute: first is  
8 financial stability; next is the ability to conduct live  
9 racing; third is the ability to construct and maintain a  
10 racetrack; and finally, fourth, to demonstrate good faith  
11 efforts that the applicant intends to actually conduct  
12 live racing.

13 You've heard the staff present reviews for  
14 racetracks using these factors and the level of detail  
15 required to meet these standards is outlined in our  
16 updated racetrack application form, which you can get from  
17 Amy. But it's also on our website.

18 There has been some conversation -- because of  
19 this agenda item there was some discussion that somehow  
20 horse track racetrack licenses were being traded for  
21 greyhound licenses. That's not the case. There is no  
22 authority for that under our statute, so that's not what's  
23 happening with respect to these applications or this  
24 particular agenda item. Additionally, it goes without  
25 saying that the opening of license applications does not

1       guarantee that any license will be issued.

2                       Here I want to point out that the benefit to  
3       the State of Texas of having multiple inactive track  
4       licenses in existence is questionable. It is true that  
5       the Racing Commission receives fees from inactive  
6       licensees, but we are really not in existence to simply  
7       issue licenses with there being no real expectation of a  
8       racetrack actually being developed and occupied.

9                       It's entirely possible that another item that  
10       might be included in legislative interest next session is  
11       going to be, as the legislature considers the entire  
12       greyhound industry and what we're going to do with  
13       greyhound as we wind it down, is this issue of inactive  
14       license and how it should be addressed generally and  
15       whether these inactive licenses serve Texas beyond a  
16       finite development period if not operational.

17                      So I just wanted to say that because I think  
18       that we've got a lot of them out there, but we have to at  
19       some point in time have these licenses mean something in  
20       terms of their relationship to horse racing.

21                      With that said, Director Cook, would you please  
22       address this agenda item?

23                      MS. COOK: Thank you, Judge Pate.

24                      Agenda item B is discussion and possible action  
25       on a Class 2 horse track application period for Cameron

1 County, Texas. This request was made by Penn  
2 Entertainment Group.

3 Staff recommends approval of the open  
4 application period because, as you said, Judge Pate,  
5 anyone may request an open application period. One of the  
6 things that I have discussed with all three requesters  
7 today is that they have to demonstrate that the Texas  
8 Secretary of State has confirmed that there's been a local  
9 option election in that county that allows for horse track  
10 parimutuel wagering.

11 In some cases in the past when these votes were  
12 held it was either horse or greyhound; in some counties it  
13 was horse and greyhound. So we need confirmation of that.

14 That's part of the racetrack application.

15 COMMISSIONER McNABB: And what deadlines do you  
16 have for the applicants?

17 MS. COOK: So if you determine today that  
18 you're going to approve the open application period for  
19 that county, it has to go in the *Texas Register* for 30  
20 days, then we have to have a 60-day open application  
21 period, and then they have a chance to cure should they  
22 not provide everything. So that's why I set the period as  
23 the agenda item for February 1 through March 31 of 2024.  
24 That gives statutory time to get that done.

25 CHAIRMAN PATE: Does Penn Gaming currently have

1 an inactive license anywhere?

2 MS. COOK: Penn Gaming does have an inactive  
3 horse track license, Manor Downs, which was reviewed by  
4 the Commission in the last meeting.

5 CHAIRMAN PATE: They don't even own land right  
6 now. Right?

7 MS. COOK: That is correct.

8 CHAIRMAN PATE: Okay. Has the staff -- and I'm  
9 just asking -- has the staff considered whether or not an  
10 inactive track license should be issued to an individual  
11 or company that already has an inactive license that is  
12 not being pursued?

13 MS. COOK: So, no. My role here is the request  
14 was made to open an application period and bring that to  
15 the Commission for decision. I do think that the long  
16 period of time where the reviews of licenses or renewals  
17 of licenses were not addressed has created a lot of issues  
18 for the industry.

19 So I think that's a great observation, but it's  
20 certainly your decision whether you determine you're going  
21 to open an application period.

22 COMMISSIONER McNABB: An inactive license does  
23 not entitle anybody to set up any off-track betting or  
24 anything of the sort, it's just they've bought the option.

25 CHAIRMAN PATE: Well, wait a minute. Would

1 they have the right under the pre-opening provisions of  
2 the statute?

3 MS. COOK: They would. They wouldn't be asking  
4 for an inactive license; they'd be asking for an active  
5 license. So it's a good question because Penn  
6 Entertainment has informed me that they are looking for  
7 land for the Manor Downs license, so it's the same concern  
8 that Commissioner Mach raised, which is demonstrating  
9 you're moving towards.

10 And I think this is one of many other issues  
11 that we've had, and as we go back to the legislative  
12 session, the agency staff, the Commission should not be  
13 put in a position where if we make a decision that we  
14 think is right by our statute then we've lost revenue to  
15 the agency so the agency can function.

16 COMMISSIONER McNABB: Our funding model was  
17 such that it created this ambiguity.

18 MS. COOK: Right.

19 COMMISSIONER McNABB: As we move towards  
20 hopefully a better regulatory posture, we won't have all  
21 this gray area.

22 CHAIRMAN PATE: So if a Class 2 horse track  
23 license is issued, at the time that it's issued, the  
24 Commission has the ability to put conditions on it?

25 MS. COOK: That's correct.

1                   CHAIRMAN PATE: Okay. And would those  
2 conditions include a time limit within which operations  
3 must commence or it's terminated?

4                   MS. COOK: I believe so.

5                   CHAIRMAN PATE: I haven't read the statute so  
6 I'm asking you.

7                   MS. COOK: Well, no, I think there's conditions  
8 you can impose. I mean, I started using the language  
9 "without conditions" or "with conditions" because when we  
10 talk about some of the concerns we had with Retama, to be  
11 frank, and the horsemen having lost some money because we  
12 had to reschedule race dates or other issues, you have a  
13 lot of power there that we've never exercised in terms of  
14 setting conditions for getting things done and coming back  
15 and demonstrating, and I think it's appropriate to use.

16                   CHAIRMAN PATE: Okay. But that could be  
17 considered as part of staff's review of any particular  
18 license application at that time. Is that what you're  
19 saying?

20                   MS. COOK: Yes, that's correct, Judge Pate.

21                   CHAIRMAN PATE: Okay.

22                   MS. COOK: So I'm going to set probably all  
23 three of these inactive horse tracks for review in October  
24 next year well before we get into session, so that y'all  
25 can consider it again and we'll work with the licensees on



1 all of that.

2 CHAIRMAN PATE: Dinorah, has anybody signed up  
3 for public comment with respect to this item?

4 MS. CHIU: No, Chairman.

5 CHAIRMAN PATE: All right. If there is no  
6 further discussion or public comment, the chair would now  
7 entertain a motion on staff's recommendation to open a  
8 Class 2 horse track license application period from  
9 February 1, 2024 through March 31, 2024, under 16 TAC  
10 309.3 in Cameron County, Texas. Is there a motion?

11 COMMISSIONER McNABB: So moved.

12 CHAIRMAN PATE: Motion by McNabb.

13 COMMISSIONER MARTIN: Second.

14 CHAIRMAN PATE: Second by Martin. Is there any  
15 further discussion?

16 (No response.)

17 CHAIRMAN PATE: Hearing none, all those in  
18 favor signify by saying aye.

19 (A chorus of ayes.)

20 CHAIRMAN PATE: Are there any opposed?

21 (No response.)

22 CHAIRMAN PATE: Motion carries.

23 So we have the same discussion, next agenda  
24 item X.C., Discussion and possible action on opening a  
25 Class 2 horse track license application period from

1 February 1, 2024, through March 31, 2024 under 16 TAC  
2 309.3 in Galveston County, Texas.

3 And who is the applicant here, again?

4 MS. COOK: LaMantia Family.

5 CHAIRMAN PATE: LaMantia.

6 MS. COOK: I apologize, this one is Scott  
7 Phelps, Mr. Scott Phelps.

8 CHAIRMAN PATE: Phelps, okay.

9 I think you heard the discussion earlier. Is  
10 there any further on this item? These are all on staff  
11 recommendations that we grant it, but I think you get the  
12 sense, Amy, that we're a little bit concerned -- actually  
13 a lot concerned about what it really means for Texas.

14 MS. COOK: I understand. And I think that the  
15 staff, the agency staff not really being fully -- the  
16 agency not being fully staffed and not having the  
17 understanding of all of this will help as we go through  
18 this review process next year.

19 CHAIRMAN PATE: Okay.

20 Dinorah, has anybody signed up for public  
21 comment on this item?

22 MS. CHIU: No, Chairman.

23 CHAIRMAN PATE: All right. If there's no  
24 further discussion or public comment, the chair would now  
25 entertain a motion on staff's recommendation to pen a

1 Class 2 horse track license application period from  
2 February 1, 2024, through March 31, 2024, under 16 TAC  
3 309.3 in Galveston County, Texas.

4 COMMISSIONER McNABB: So moved.

5 CHAIRMAN PATE: Motion by McNabb. Is there a  
6 second?

7 COMMISSIONER WAIGHT: I'll second.

8 CHAIRMAN PATE: All right, second. Is there  
9 any further discussion?

10 (No response.)

11 CHAIRMAN PATE: Hearing none, all those in  
12 favor signify by saying aye.

13 (A chorus of ayes.)

14 CHAIRMAN PATE: Any opposed?

15 (No response.)

16 CHAIRMAN PATE: Motion carries.

17 The next agenda item is item X.D., Discussion  
18 and possible action on opening a Class 2 horse track  
19 license application period from February 1, 2024, through  
20 March 31, 2024, under 16 TAC 209.3 in Nueces County,  
21 Texas.

22 (Off the record at 11:40 a.m.; back on the  
23 record at 11:43 a.m.)

24 CHAIRMAN PATE: We'll be back on the record.

25 Commissioners, agenda item 10.D is a duplicate

1 of the first two that we've already done, concerning the  
2 application of opening a Class 2 horse track license  
3 application period from February 1, 2024, through March  
4 31, 2024, under 16 TAC 309.3 in Nueces County, Texas.

5 Is there any further discussion on this?

6 (No response.)

7 CHAIRMAN PATE: All right. Hearing none, the  
8 chair would now entertain a motion on staff's  
9 recommendation to open a Class 2 horse track license  
10 application period from the period February 1, 2024,  
11 through March 31, 2024, pursuant to 16 TAC 309.3, in  
12 Nueces County, Texas.

13 COMMISSIONER McNABB: So moved.

14 COMMISSIONER MACH: Second.

15 CHAIRMAN PATE: Motion by McNabb, second by  
16 Mach. Is there any further discussion?

17 (No response.)

18 CHAIRMAN PATE: All those in favor signify by  
19 saying aye.

20 (A chorus of ayes.)

21 CHAIRMAN PATE: Any opposed?

22 (No response.)

23 CHAIRMAN PATE: Motion carries.

24 Agenda item XI is executive session. The  
25 Commission will not have an executive session during this

1 meeting.

2                   Agenda item XII is scheduling of the next  
3 Commission meeting. The next meeting is scheduled for  
4 Wednesday, February 14, Valentine's Day, at 10:30 a.m.  
5 The meeting is to be held in the Capitol Extension located  
6 at 1100 Congress Avenue, Austin, Texas, room number to be  
7 determined at a later date.

8                   The time is now 11:45, and with all business  
9 concluded, we are now adjourned. Thank you.

10                   (Whereupon, at 11:45 a.m., the meeting was  
11 adjourned.)

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C E R T I F I C A T E

MEETING OF: Texas Racing Commission

LOCATION: Austin, Texas

DATE: December 13, 2023

I do hereby certify that the foregoing pages, numbers 1 through 62, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Racing Commission.

DATE: December 27, 2023

/s/ Nancy H. King  
(Transcriber)

On the Record Reporting  
7703 N. Lamar Blvd., #515  
Austin, Texas 78752



**TEXAS RACING COMMISSION**  
**1801 N. Congress Ave**  
**Austin, TX 78711-2080**  
**(512) 833-6699**  
**Fax (512) 833-6907**

Texas Racing Commission  
Wednesday, December 13, 2023  
10:30 a.m.  
6100 Guadalupe St., Bldg. E  
Criminal Law Enforcement Auditorium  
Austin, Texas 78752

**AGENDA**

**I. CALL TO ORDER**

**II. INVOCATION**

**III. PLEDGES (U.S. AND TEXAS)**

**IV. COMMISSIONER REMARKS**

- A. Commission Chair
- B. Commission Vice Chair
- C. Commission Members

**V. PUBLIC COMMENTS**

**VI. STAFF REPORTS**

- A. Executive Director Report

**VII. GENERAL BUSINESS**

- A. Texas Greyhound Association Financial Presentation

**VIII. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT**

- A. Discussion and possible action to allocate funds in the Horse Industry Escrow Account to state horse breed registries for events to further the horse industry under 16 TEX. ADMIN. CODE Chapter 303, Subchapter G.

Requests by the Texas Quarter Horse Association.

**IX. PROCEEDINGS ON RULES**

- A. 2023 Rules Committee Updates
- B. Ad-Hoc Greyhound Committee Updates

**X. RACETRACK PROCEEDINGS**

- A. Discussion on active racetrack licenses scheduled for review under TEX. OCC. CODE §§2025.104-106 and 16 TEX. ADMIN. CODE §§309.51-309.53:

- Laredo Downs
  - Valle De Los Tesoros

- B. Discussion and possible action on opening a Class 2 horse track license application period from February 1, 2024-March 31, 2024, under 16 TAC § 309.3 in Cameron County, Texas.
- C. Discussion and possible action on opening a Class 2 horse track license application period from February 1, 2024-March 31, 2024, under 16 TAC § 309.3 in Galveston County, Texas.
- D. Discussion and possible action on opening a Class 2 horse track license application period from February 1, 2024-March 31, 2024, under 16 TAC § 309.3 in Nueces County, Texas.

**XI. EXECUTIVE SESSION (AS NEEDED)**

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

- A. Under TEX. GOV'T 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 TEX. GOV'T 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 TEX. OCC. CODE §2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

**XII. NEXT COMMISSION MEETING**

Wednesday, February 14, 2024, 10:30 a.m.

**XIII. ADJOURN**







TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: Texas Quarter Horse Association

Mailing Address: 14 N. Main Street; Suite B
Street Address

Elgin TX 78621 Bastrop
City State Zip Code County

Physical Address: Same as above
Street Address

City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Cheyenne Johanson
First Last
Mr. Dr.
Ms. Other

Position Title: TQHA Show Director

Email Address: cjohanson@tqha.com

Phone: (512) 458 - 5203 Ext. Alt #:( ) -

(2) Secondary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name:
First Last
Mr. Dr.
Ms. Other

Position Title:

Email Address:

Phone: ( ) - Ext. Alt #:( ) -

**(3) Name of Authorized Official** *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Rob Werstler  Mr.  Dr.  
*First Last*  Ms.  Other \_\_\_\_\_

Position Title: TQHA Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. \_\_\_\_\_ Alt #:( \_\_\_\_\_ ) - \_\_\_\_\_



**Section C. Certifications**

**By signing below, applicant and its authorized official (the person listed in Section B.3):**

- (1) certify that all information provided in connection with this application is true and correct.
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions.
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TXRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TXRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TXRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

**Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.**

**Authorized Official:** *(Person listed in Section B.3)*

x		
	<b>Signature</b>	<b>Date</b>

*This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)*



## TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e., 1 of 2, 2 of 2, etc.)

1 of 3

APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form H1EA-1, General Information)

**APPLICANT NAME:** Texas Quarter Horse Association

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA State Championship Year-End Awards

**Event Date(s) or Approximate Date(s):** 2024 Show Point-Year (December 1 - November 30)

**Total Amount Requested For this Event:** \$55,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*

Approval is needed by January 1 to announce and market the program to exhibitors with the objective of increasing the number of Texas shows they attend to earn awards in the Year End Award program. Funding is needed by September 2024 to allow lead time for ordering awards.

### Project Background

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved because of this funding.*

The TQHA Championship Award program recognizes year-end high point winners that show at TQHA Horse Show Series Approved Shows. This award program was implemented in 2021 and has been very successful in increasing participation in shows sponsored by TQHA and the various affiliates across Texas. Given the challenges faced by the Texas equine community, this program has helped offset the potential declines that many equine events in other states have experienced.

In order to be eligible, owners and riders must be TQHA members to accumulate points. Points are accumulated when exhibitors show and place in their respective classes and divisions throughout the showing calendar year (December 1 – November 30) at approved shows in Texas. A list of eligible shows can be found at [www.tqha.com](http://www.tqha.com). On average, over 400 TQHA members actively participate in this program with division awards being given to 1st and 2nd place.

#### **Project Description**



*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

The leadership of TQHA recognizes the substantial financial commitment of owners and riders who wish to show Quarter Horses. It can be estimated that an average participant spends approximately \$141 per day of their horse show between food, lodging, and other taxable purchases (Highland Market Research, LLC 2019). TQHA wishes to recognize and encourage the members that are committed to showing their Quarter Horses on the TQHA circuit. It is anticipated that the expansion of the program would increase the number of participants and incentivize people to keep their dollars recirculating in the Texas economy, as opposed to driving to other States for their horse show experience.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

Statewide approved shows that are in Texas and approved by the TQHA will continue to benefit from increased entries & exhibitors within all divisions. The ripple effect of this increase will flow into the local horse clubs hosting and managing the event and thus local economies through increased purchases on items eligible for sales, hotel/motel and mixed beverage taxes.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project management will be provided by the Chairman of the TQHA Halter & Performance Committee and Project oversight will be provided by Rob Werstler, Executive Director of the TQHA.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements.*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation.*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities.*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations.*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account.*

- (6) expenses related to litigation.
- (7) professional association fees or dues for the breed registry or an individual.
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$1,500.00
<b>Race Award Supplements/Prizes</b>	\$53,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$54,500.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$500.00</b>
<b>Total</b>	<b>\$55,000.00</b>

**Event Production Costs (\$1500 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Fees for point program software used for determine points for awards and minor award production costs.

**Race Award Supplements/Prizes (\$53000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.

May include, but not limited to, monogrammed jackets, trophies, buckles, other championship memorabilia or gift cards to be determined by the Texas Quarter Horse Association.

**Advertising (\$0 total)** *Provide an explanation of advertising costs.*

**Donations (\$ \_\_\_\_\_ total)** *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

**Other direct expenses – first category \_ \_\_\_\_\_ (\$ \_\_\_\_\_ total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category \_ \_\_\_\_\_ (\$ \_\_\_\_\_ total)** *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category \_ \_\_\_\_\_ (\$ \_\_\_\_\_ total)** *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$500 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$500 Cost related to Annual TQHA Audit Performed by CPA Firm



## TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e., 1 of 2, 2 of 2, etc.)

2 of 3

APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-1, General Information)

**APPLICANT NAME:** Texas Quarter Horse Association

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** TQHA The Classic Horse Show

**Event Date(s) or Approximate Date(s):** August 29-September 2, 2024

**Total Amount Requested For this Event:** \$75,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
March 2024

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved because of this funding.*

The Classic Horse Show is produced by Texas Quarter Horse Association (TQHA) and is held in Fort Worth. Classic Cash (exhibitor payouts) was implemented in 2022 with the new The Classic horse show and was a major success. Classic Cash payouts from the HIEA funding in 2022 and 2023 were critical to the show's ability to attract exhibitors showing more than 300 horses and grow its entry and stall fees by more than 50%. The Classic Cash program has enabled the show to quickly become recognized as a "go to" show that has attracted and rewarded more involvement in the Texas horse industry.

#### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

With funding from HIEA in 2024, Classic Cash will provide payouts to members of TQHA placing in the top seven in 140 performance classes with most of the payouts going to youth, novice and amateur exhibitors and will also include payouts in designated classes/specialty areas and Texas Bred horses.



The Classic Cash focus of paying out deeper into classes will continue and will encourage more participation in The Classic. This will be the only event in Texas that pays out exhibitors through 7th place and has created interest and excitement in those horse owners who often do not place in the top few. To focus on Texas horse industry, the Top All Around Texas Bred horse in each of 6 divisions will receive a Classic Cash payout. Other payouts to increase participation will include Ranch Classes, Hunter/Jumper Classes and various Special Stakes Classes rewarding Texas Bred bred horse owners

Additionally, youth exhibitors that are high school seniors will be eligible for a Classic Cash Scholarship payout to further encourage youth participation in the equine industry.

These awards encourage Texas horse owners and riders to stay in Texas and out of state owners to travel to Texas to participate in The Classic. All payout winners must be TQHA or TQHVA members. As noted previously, the objective is to attract more exhibitors so advertising and other promotional materials will focus on these payout opportunities.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The impact of this award program will be increased participation in The Classic, giving our Texas Bred horses and their owners/riders an opportunity to earn AQHA points and a cash award. The incentive of cash payouts will encourage our Texas participants to stay here in Texas, staying in local hotels, eating in local restaurants and enjoy local retail opportunities. In addition, there will be nationwide appeal to Texas Bred horse owners to come to Texas and spend their dollars in Texas. Each horse competing has a support group of a minimum of three people, including trainers and family members.

Many equine associations have taken an active role in promoting and encouraging novice riders and recognize the long-term benefits of supporting new participants in their early experiences. The more that equine associations can continue to foster and encourage participation of these beginners, the greater chance of these individuals going on to increase their annual dollars spent on breeding and showing.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Texas Quarter Horse Association Halter & Performance Committee will be directly involved in The Classic overseeing all aspects of The Classic. A show management company will be hired to handle all details regarding schedules, judges, results and points. During the show, TQHA Committee chair will review and approve all payouts.

Project management will be provided by the Chairman of the TQHA Halter & Performance Committee and project oversight will be provided by Executive Director of the TQHA.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements.*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation.*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities.*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations.*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account.*
- (6) expenses related to litigation.*
- (7) professional association fees or dues for the breed registry or an individual.*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

*Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:*

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	<b>\$19,500.00</b>
<b>Race Award Supplements/Prizes</b>	<b>\$50,000.00</b>
<b>Advertising</b>	<b>\$5,000.00</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>

	\$
<b>Total Direct Costs</b>	<b>\$74,500.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$500.00</b>
<b>Total</b>	<b>\$75,000.00</b>

**Event Production Costs (\$19,500 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

With increased participation, more arenas and facilities will be needed.

**Race Award Supplements/Prizes (\$50000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.

\$35,000 - Class Payouts to Top 7 Show Circuit Winners in approximately 110 Performance Classes and 30 halter classes. These classes include Youth/Novice Youth of all ages; Amateur/Novice Amateur/Select Amateur and Professional exhibitors and includes both Western and English events and Halter Classes. Additionally, random awards will be distributed in some classes throughout the show to further encourage youth and novice exhibitors.

Other Payouts:

\$3,000 – Top Texas Bred Horse in each of the 6 Divisions (Youth, Novice Youth, Amateur, Novice Amateur, Select Amateur and Open exhibitors)

\$4,500 – Ranch Circuit All Around Champions, Reserve Champions and 3rd Place exhibitors in 3 Divisions. (Youth, Amateur, Open). Classes include Ranch Riding, Ranch Trail and Ranch Rail.

\$750 – Champion Hunter/Jumper All Around in 3 Divisions (Youth, Amateur, Open)

\$5,250 – Additional payouts in Special Stakes Classes for Texas Bred horses.

\$1,500 – Classic Cash Scholarship payout for high school seniors.

**Advertising (\$5,000 total)** Provide an explanation of advertising costs.

Nationwide advertising is essential to attract Texas Foaled horses back to Texas to compete and will include:

AQHA promotions

On line ads with Go Horse Show and Equine Chronicle

Paid Facebook ads,

Constant Contact Enews Blasts

Promotional items

**Donations (\$ total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ **total**) *Provide a detailed description of any other category of direct expenses.*

**Administrative Expenses/Capital Assets (\$500 total; may not exceed 5% of total)** *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$500 Cost related to Annual TQHA Audit Performed by CPA Firm





## TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e., 1 of 2, 2 of 2, etc.)

3 of 3

APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form HIEA-1, General Information)

**APPLICANT NAME:** Texas Quarter Horse Association

*This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.*

**Project Title (Event Name):** National Cutting Horse Association (NCHA) NRR Cat King Cole Super Stakes

**Event Date(s) or Approximate Date(s):** March 20- April 14, 2024

**Total Amount Requested For this Event:** \$100,500

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
No later than March 1, 2024

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved because of this funding.*

The National Cutting Horse Association (NCHA) is one of the largest single-discipline equine organizations in the world. Boasting over 13,000 members, the NCHA has been proudly promoting the sport of cutting since its inception in 1946.

In addition to serving as the governing body and official record keeper of all member and horse earnings, the NCHA itself produces three shows annually that together comprise the Triple Crown of Cutting. Each leg of the Triple Crown is approximately 25 days long and is hosted at the prestigious Will Rogers Memorial Center. All three shows within the Triple Crown are designed to promote the breeding, owning, and showing of some of the best young equine athletes in the world.

The second leg of the Triple Crown is the Super Stakes & Super Stakes Classic. In 2024, the Super Stakes will be held in Fort Worth, Texas from March 22 - April 16. The Super Stakes is the showcase for stallion owners and breeders. All horses competing in the Super Stakes must be eligible to compete by being nominated through the NCHA Stallion Foal Program.

([www.nchacutting.com/events/superstakes/stallion-foal](http://www.nchacutting.com/events/superstakes/stallion-foal)). Visitors to the Super Stakes come from all over the world and generate approximately \$4.8 million dollars in direct economic impact to the State of Texas.

### **Project Description**

*Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.*

Through discussions with TQHA, the NCHA requests \$100,000 in added money to highlight and promote Texas-bred cutting horses competing in the 2024 Super Stakes & Super Stakes Classic. All administrative work necessary for enrollments as well as payouts will be managed in-house by NCHA staff, resulting in maximum promotion of additional funds. Additionally, all marketing and promotion of the program will be funded by NCHA. Owners and riders will be required to be current TQHA members to be eligible to participate in the program.

Highest placing Texas-bred horses in the 5/6 year-old Open, Non-Pro, and Amateur divisions will be eligible to receive an additional purse.

### **Anticipated Project Results/Economic Impact on the Horse Industry**

*Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.*

The anticipated goal of this project on the horse industry is twofold: (1) increase the number of cutting horses bred within the State of Texas; and (2) increase the interest of cutting horse owners to continue to show their horses as they advance in years. With a conservative average of \$6,500 - \$20,000 to breed a cutting horse, incentive programs like this one are vital to encouraging Quarter Horse owners to continue to breed and show cutting horses.

### **Project Oversight**

*Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?*

Project activities will be overseen by the National Cutting Horse Association. At the conclusion of the event, proof of payment and a project summary will be provided to the Texas Quarter Horse Association to validate that the project was delivered as outlined above.

### **Project Budget**

*This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.*

*Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:*

- (1) capital improvements.*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation.*

- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities.
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations.
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account.
- (6) expenses related to litigation.
- (7) professional association fees or dues for the breed registry or an individual.
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
<b>Event Production Costs</b>	\$
<b>Race Award Supplements/Prizes</b>	\$100,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$100,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$500.00</b>
<b>Total</b>	<b><u>\$100,500.00</u></b>

**Event Production Costs (\$            total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

**Race Award Supplements/Prizes (\$100,000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.

The incentive will be for the highest placing horses in the Super Stakes Classic (five and six-year-olds) in the Open, Non-Pro and Amateur divisions. To be eligible, both owners and riders must be a current TQHA member, horses must be registered with the American Quarter Horse Association (AQHA) and foaled in the State of Texas.

\$100,000 Incentive Breakdown:

Open Division – \$50,000 Total Prize Money

- Highest Placing – \$25,000
- Second Highest Placing – \$15,000
- Third Highest Placing – \$10,000

Non-Pro Division – \$25,000 Total Prize Money

- Highest Placing – \$12,500
- Second Highest Placing – \$7,500
- Third Highest Placing – \$5,000

Amateur Division – \$25,000 Total Prize Money

- Highest Placing – \$12,500
- Second Highest Placing – \$7,500
- Third Highest Placing – \$5,000

**Advertising (\$ \_\_\_\_\_ total)** Provide an explanation of advertising costs.

**Donations (\$ \_\_\_\_\_ total)** For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

**Other direct expenses – first category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) Provide a detailed description of any other category of direct expenses.

**Other direct expenses – second category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) Provide a detailed description of any other category of direct expenses.

**Other direct expenses – third category** \_\_\_\_\_ (\$ \_\_\_\_\_ total) Provide a detailed description of any other category of direct expenses.

**Administrative Expenses/Capital Assets (\$500 total; may not exceed 5% of total)** Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted



*costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$500 Cost related to Annual TQHA Audit Performed by CPA Firm

# Texas Racing Commission

*Staff Review of Racetrack Licenses*

*December 2023*

## Laredo Downs (Laredo, Texas)

<b>Description</b>	Inactive Class 2 Horse Racetrack (Webb County)
<b>Current Status</b>	Renewal application and fee submitted annually. Inactive Last Review of Record: May 2020
<b>Live Race Dates</b>	No live race dates conducted since licensed in 2007; pending live race dates in 2027.

Renewal Criteria: *Texas Racing Act* §§2025.104-106 identifies the following factors as criteria the Commission shall consider in determining whether to renew a racetrack license: *Financial Stability, Ability to Conduct Live Racing, Ability to Construct and Maintain a Racetrack, Other Good Faith Efforts to Conduct Live Racing*

<i><b>Financial Stability</b></i>	<i><b>Ability to Conduct Live Racing</b></i>	<i><b>Ability to Construct and Maintain a Track</b></i>	<i><b>Other Good Faith Efforts to Conduct Live Racing</b></i>
LRP Group, Ltd. was formed on January 13, 2004, and is a business entity in good standing with the Texas Secretary of State.	LRP Group Ltd., signed a 20-year lease for 150 acres of land that is part of a 12,000-acre parcel called “Dolores Ranch.” This lease arrangement was approved by the Commission in December 2022.	LRP Group Ltd., has recently filed its annual ownership and financial report with the Commission, which demonstrated the ability to construct and maintain a racetrack.	LRP Group Ltd., requested and the Commission approved 26 live race dates beginning on January 2, 2027, and concluding on February 28, 2027.

Staff Analysis: LRP Group, LTD meets the criteria for renewal of an inactive Class 2 horse track license.

Staff Recommendation: **Staff recommends approval of the Laredo Downs license without conditions.**



**Texas Racing Commission**  
*Staff Review of Racetrack Licenses*  
 December 2023  
**Valle De Los Tesoros, Ltd. (McAllen, Texas)**

<b>Description</b>	Inactive Class 2 Horse Racetrack (Hidalgo County)
<b>Current Status</b>	Renewal application and fee submitted annually. Inactive Last Review of Record: May 2020
<b>Live Race Dates</b>	No live race dates conducted since licensed in 2007; pending live race dates in 2027.

Renewal Criteria: *Texas Racing Act* §§2025.104-106 identifies the following factors as criteria the Commission shall consider in determining whether to renew a racetrack license: *Financial Stability, Ability to Conduct Live Racing, Ability to Construct and Maintain a Racetrack, Other Good Faith Efforts to Conduct Live Racing*

<i>Financial Stability</i>	<i>Ability to Conduct Live Racing</i>	<i>Ability to Construct and Maintain a Track</i>	<i>Other Good Faith Efforts to Conduct Live Racing</i>
Valle De Los Tesoros, LTD was formed on July 14, 2004, and is a business entity in good standing with the Texas Secretary of State.	VDLT secured an approximately 200-acre site in Hidalgo County, Texas as part of the original license application and continues to own and maintain that site.	VDLT has recently filed its annual ownership and financial report with the Commission, which demonstrated the ability to construct and maintain a racetrack.	VLDT requested and the Commission approved 26 live race dates beginning on January 2, 2027, and concluding on February 28, 2027.

**Staff Analysis:** VDLT Group, LTD meets the criteria for renewal of an inactive Class 2 horse track license.

**Staff Recommendation:** **Staff recommends approval of the Valle De Los Tesoros license without conditions.**

