

TEXAS RACING COMMISSION

MEETING

10:30 a.m.
Wednesday,
September 6, 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 (absent)
MICHAEL "MIKE" MOORE (absent)
REBECCA CONTRERAS

EX OFFICIO MEMBERS:

SUSAN MALDONADO, Texas Department of
Agriculture
STEVEN P. MACH, Public Safety Commission

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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.

IX. NEXT COMMISSION MEETING 38

Wednesday, October 18, 2023, 10:30 a.m.

X. ADJOURN 39

P R O C E E D I N G S

1
2 CHAIRMAN PATE: Thank you, ladies and
3 gentlemen. Please take your seats, we're ready to start
4 the meeting.

5 Virginia, would you please call the roll.

6 MS. FIELDS: Chairman Pate?

7 CHAIRMAN PATE: Here.

8 MS. FIELDS: Vice-Chair Connie McNabb?

9 COMMISSIONER McNABB: Here.

10 MS. FIELDS: Commissioner Martin?

11 COMMISSIONER MARTIN: Present.

12 MS. FIELDS: Commissioner Moore?

13 (No response.)

14 MS. FIELDS: Commissioner Waight?

15 (No response.)

16 MS. FIELDS: Commissioner Contreras?

17 COMMISSIONER CONTRERAS: Here.

18 MS. FIELDS: Commissioner Mach?

19 COMMISSIONER MACH: Here.

20 MS. FIELDS: And Commissioner Maldonado?

21 COMMISSIONER MALDONADO: Here.

22 CHAIRMAN PATE: Do we have a quorum?

23 MS. FIELDS: Yes, sir, we do.

24 CHAIRMAN PATE: All right. Thank you,
25 Virginia.

1 Again, good morning, everyone. At this time
2 I'd like to call today's meeting of the Texas Racing
3 Commission to order. The time is, by our clock, 10:30.

4 Commissioners, I would like to welcome all of
5 y'all to the September 2023 special meeting of the
6 Commission.

7 All please stand for the Pledge of Allegiance.

8 (The U.S. Pledge of Allegiance was recited.)

9 CHAIRMAN PATE: Followed by the Texas Pledge.

10 (The Texas Pledge was recited.)

11 CHAIRMAN PATE: Please all be seated.

12 I do want to welcome all of y'all to the
13 special September meeting of the Texas Racing Commission.

14 Just as a reminder, we canceled our regular meeting in
15 April during the session because Amy and staff were so
16 busy working with the legislature. And so this is one of
17 the meetings that will comprise the six we're required
18 under our statute to have every year.

19 We are going to continue with our review today
20 of the licensed racetracks, as well as take the
21 opportunity to focus on the launch of the agency-led
22 special safety campaign entitled "Safety Starts Here."
23 Our goal in launching this campaign is to create a culture
24 in which safety is a shared responsibility in the Texas
25 horse racing industry. The agency staff, led by the

1 executive director, spends less time behind a desk and
2 more time standing with those in the industry to
3 understand their perspective and carry out the task that I
4 gave them last year, which was to create an effective
5 safety inspection program.

6 As we learned this summer, the impact of
7 decisions, both by racetrack associations and horsemen to
8 address safety compliance early and often, can mitigate
9 the risks that we sometimes see arise not only in our
10 state but in others.

11 You don't have to look too far up there at
12 Saratoga Raceway and the number of horses that have had
13 fatal incidents here just in the last month. Is that
14 correct? Yes. And we're talking about, of course, not
15 only equine safety but jockey safety, human safety.

16 As we begin our rules review process again this
17 October with public meetings, our focus is on the new
18 safety and health chapter and the critical items we should
19 address for both human and equine safety. We look forward
20 to a great turnout as we aim to get the right safety
21 mindset and models in place to meet our goal of becoming
22 the premier state for horse racing in the nation.

23 The next item on the agenda, item III.B,
24 recognizes the vice-chair of the Commission, Dr. Connie
25 McNabb, for her remarks.

1 COMMISSIONER McNABB: Thank you, sir.

2 I just want to follow on for what the chairman
3 had to say. Safety on the backside of the racetrack, we
4 are in an inherently dangerous business but it's the
5 business that we're in. Also, those who are on the
6 outside of racing looking in think that it's just some big
7 thing and horses are running around an oval.

8 They don't recognize what a family -- sometimes
9 we're a dysfunctional family, but a family -- you cannot
10 be on the backside of a racetrack and not have connection.

11 You can make all the rules in the world but unless people
12 care about one another, are looking out for one another --
13 our role as regulators, we want to lay the groundwork so
14 if there are things that we need to do to facilitate
15 making things even safer, we want to do that.

16 We want to support that racetrack community so
17 we are all participating in the sport as safely as we can,
18 looking out for one another. Because this is a dangerous
19 business for the humans and for the horses, but it is also
20 one of the most exciting businesses.

21 And this is our heritage in Texas. Horses are
22 our heritage, so let's keep this up. Let's do it right.

23 I really think that we've got a great program
24 that is going -- so far this year we have done very well.

25 Let's continue with that.

1 Thank you for your interest. And we will be
2 doing the Rules Committee, especially for health and
3 safety, coming up next month, and I look forward to your
4 input.

5 CHAIRMAN PATE: Thank you.

6 The next agenda item, III.C, opens the floor to
7 any commissioner who would like to make remarks. Are
8 there any commissioners today who wish to make remarks
9 prior to the remainder of the agenda?

10 (No response.)

11 CHAIRMAN PATE: All right. Hearing none, we'll
12 go forward. Thank you, commissioners, for all of your
13 continuing support of the agency.

14 Now we'll move on to agenda item IV, public
15 comment. Virginia, has anyone signed up for public
16 comment?

17 MS. FIELDS: No, sir.

18 CHAIRMAN PATE: All right. Moving on, the next
19 item of the agenda, item V.A, the executive director's
20 report.

21 Director Cook, please give us your report.

22 MS. COOK: Good morning, commissioners, ladies
23 and gentlemen. I'd like to welcome everyone to this
24 special Commission meeting.

25 I'd like to start by celebrating the three new

1 employees that joined the team last Friday. I'd like to
2 introduce them and have them stand for you to meet them.

3 First, I'd like to introduce Jerry Kovar.

4 Jerry joins us from the Travis County Sheriff's Office,
5 retired from there. And he will be our Special Services
6 chief running the Enforcement program. Welcome, Jerry.

7 Hilario, known as Lalo Torres. Lalo joins us
8 after a distinguished career in state and public safety
9 positions with the Houston Police Department and other
10 departments.

11 And last but not least, Ruben Morin. Ruben
12 joins us after retiring from the Department of Public
13 Safety and some other local law enforcement positions.

14 We welcome you to the agency and we're really
15 honored to have you as part of the team.

16 (Applause.)

17 MS. COOK: I want you to know that all three of
18 these gentlemen made it through a very deliberate hiring
19 process. And they will be an important part of our
20 efforts to increase our focus on not just safety, but also
21 integrity, as we protect the community who engage in
22 licensed horse racing activities.

23 I would again like to thank Duke Bodisch for
24 his leadership and counsel on law enforcement matters, as
25 well as his efforts in assisting us in recruiting an

1 incredibly talented team of law enforcement professionals.

2 Following his example, and the great advice I
3 received from Commissioner Mach only a month after I
4 started this position, the December Commission meeting of
5 December 2021, yesterday I completed all the requirements
6 to receive a Texas Commissioned Peace Officer License.

7 (Applause.)

8 MS. COOK: I took that step because after a
9 career of military police service in the United States
10 Army for 35 years, there was a fairly simple process to do
11 paperwork and take an exam that allowed me to have that
12 license and make sure that I run the program well. As I
13 prepare to take the oath to protect our great state, I
14 promise to use my license and training to continue to
15 transform the agency into the great law enforcement agency
16 that we need to be in our own specialized lane.

17 But today the focus is on safety. It's a great
18 day for the State of Texas, the Racing Commission, and the
19 horse racing industry in Texas. We are launching our
20 safety campaign today with a new website, and I ask you to
21 look at the monitors so you can see it.

22 We invite everyone and challenge everyone to be
23 part of what we're calling the Safety Winners Circle.
24 Anyone can be a safety champion because it all begins with
25 you. You can become one or nominate one for taking

1 actions to keep the Texas horse racing industry, both
2 human and equine athletes, safe.

3 Our focus is to catch someone doing something
4 right. We can be the premier state for horse racing, but
5 what we want to be known for is our focus on safety and
6 integrity. With safety as our watchword, we will gain
7 focus on how to mitigate risk for a timeless Texas
8 tradition: Horse racing. Small steps taken daily make
9 all the difference in achieving the goal of becoming the
10 safest state in the nation for horse racing, one act at a
11 time.

12 I would like to particularly thank someone who
13 we are not recognizing today but I would like him to stand
14 up, and that gentleman is Bryan Pettigrew.

15 Bryan, would you stand up?

16 (Applause.)

17 MS. COOK: As you all know, so dearly,
18 particularly the Quarter Horse community, Bryan joined the
19 Penn Entertainment team for Texas tracks, Sam Houston and
20 Retama, only a few months ago. And with his leadership,
21 we got through the Retama Quarter Horse meet with a number
22 of challenges and we got through that working together.
23 And I'm happy to report with the meet concluding last
24 Saturday, we had relatively few incidents because we
25 worked so well together. We appreciate all of the shared

1 responsibility for that meet and that concluding with
2 safety.

3 Now I'd like to welcome those who joined us to
4 celebrate the licensees who we'd like to recognize for
5 their contributions in keeping everyone safe in the
6 industry, despite personal risks to themselves or a race
7 they were entered in with the goal of winning.

8 To start off our recognition of very special
9 folks, I'd like to invite our commissioners to come down
10 to the front of the table to be a part of the
11 presentations and take pictures with the licensees. Would
12 you please join us down here?

13 As they make their way down, I'd like to invite
14 Representative Tracy King and we're honored to have him
15 here today to make a special presentation to Chaplain
16 Michael Bingham.

17 MR. KING: We're here today because I'm so
18 proud of the Texas Racing Commission and their efforts at
19 community involvement. And I've been involved with racing
20 in Texas for a lot of years, and I've carried some
21 legislation several years ago that we're all very much
22 aware of here in this room and throughout the state of
23 Texas and the industry.

24 And so I represent Uvalde and I live in Uvalde,
25 Texas. And as we all know, on May 24, 2022, we had a

1 terrible, terrible tragedy there. And people came from
2 all over the state to help in that time of need.

3 We had first responders, we had families and
4 counselors come in. But there were a few who did more
5 than the chaplain for the Texas Retama Track, Mike
6 Bingham. He spent months there counseling people, not
7 only the families, but ironically, the first responders
8 were the ones that needed immense amounts of counseling.

9
10 You probably never -- and I hope you never get
11 to see the videos of the aftermath of that shooting. But
12 when you saw the men and women walk out of that room, you
13 could tell that they were changed forever in their life
14 after seeing that.

15 And so, Chaplain, you provided a lot of great
16 counseling to those people and a lot of tears were shed,
17 and we'll be lucky if we get through this without some
18 more. In recognition of your service to the citizens of
19 Uvalde and the first responders and the families and the
20 State of Texas, I want to present you with this flag that
21 flew over the State of Texas, and with your permission,
22 I'll read it.

23 "This certifies that the Texas flag herewith
24 presented to Chaplain Michael Bingham by Representative
25 Tracy O. King, was flown at the Capitol of the Sovereign

1 State of Texas in recognition of his selfless efforts to
2 provide support, encouragement and grief counseling to the
3 Uvalde families and community following the Robb
4 Elementary School shooting on May 24, 2022.

5 "In witness thereof and pursuant to the
6 authority vested in me, I hereunto set my hand and the
7 seal of office at Austin, Texas."

8 So let me present this to you, if you will.

9 (Pause for presentation and photos; applause.)

10 MR. GRIGSBY: Thank you, commissioners. For
11 the record, my name is Aaron Grimsby, the deputy executive
12 director.

13 We will be presenting a few more awards today
14 in recognition of some noteworthy events the Racing
15 Commission has documented throughout 2023. We will be
16 calling the people up individually to receive the awards
17 and allowing family and co-workers to come up alongside
18 them to the front of the room for additional photos.

19 The Commission would like to first recognize
20 Austin Perhamus to come forward and receive the Safety
21 Excellence Award.

22 (Applause.)

23 MR. GRIGSBY: As he's walking up, I'll read the
24 citation.

25 "Security Officer Austin Perhamus for

1 exceptionally meritorious actions while serving as a
2 security officer for the Gillespie County Fair
3 Association. Officer Austin Perhamus is recognized by the
4 Texas Racing Commission for safety excellence."

5 On Saturday, July 15, 2023, Officer Perhamus
6 observed a serious injury occur when a Quarter Horse drove
7 a jockey into the inside rail during a race and broke
8 several bones in the jockey's leg, simultaneously throwing
9 the jockey from the horse. Officer Perhamus ran onto the
10 track to assist the jockey and administer first aid until
11 the ambulance could arrive, eventually assisting loading
12 him into the ambulance for higher care, injuring himself
13 in the process.

14 The Texas Racing Commission would like to
15 recognize Austin Perhamus for immediately attending to the
16 injured jockey who later required a rescue flight to
17 Austin hospitals for emergency surgery. His actions
18 directly increased the safety posture of live racing being
19 conducted a Gillespie County Fair in Fredericksburg and
20 throughout the State of Texas.

21 We'd now like to call the family up as well.

22 (Pause for presentation and photos; applause.)

23 MR. GRIGSBY: Mark, you might as well stay up
24 there, sir, you're next.

25 The next award would be for Mark Pinter,

1 another security officer, and he will also be receiving
2 the Safety Excellence Award.

3 "Security Officer Mark Pinter for exceptionally
4 meritorious action while serving as a security officer for
5 the Gillespie County Fair Association. Officer Mark
6 Pinter is recognized by the Texas Racing Commission for
7 safety excellence."

8 On the same day, Saturday, July 15, 2023,
9 Officer Pinter voluntarily assumed a critical role while
10 guarding the backside restricted area. Earlier during
11 live racing a jockey was seriously injured, requiring an
12 emergency flight to Austin and corresponding surgeries.
13 This presented a problem for the family of owners and
14 trainers who had horses and stalls to care for but wanted
15 desperately to follow their injured family member to
16 Austin during emergency treatment. Officer Pinter
17 volunteered to care for the horses overnight as an extra
18 duty, allowing the family members to caravan to Austin and
19 support the injured jockey.

20 Taking on additional duties in support of
21 horsemen participating in the horse racing industry in
22 Texas demonstrates the incredible unique culture Texas
23 horse racing has when supporting each other to increase
24 overall safety, often being the norm, not the exception.
25 His actions directly increased the safety posture of live

1 racing being conducted at Gillespie County Fair and
2 throughout the State of Texas.

3 (Pause for presentation and photos; applause.)

4 MR. GRIGSBY: The final Safety Excellence award
5 today involves a jockey who unfortunately could not be
6 here today. He's currently racing in Oklahoma. There
7 will be a video presentation with award acceptance at the
8 end by Jockey Guild Manager John Beech. If everybody
9 could please focus their attention on the screens for the
10 video presentation.

11 SPEAKER ON VIDEO: At Thoroughbred Race Number
12 7 at Lone Star Park on April 14, 2023, Jockey Floyd
13 Wethey, Jr. noticed that his horse, Eyes on Red, was
14 restless in the gate immediately before the start. He
15 stepped off the horse until it steadied, but his left foot
16 became entangled and looped in a lead rope left inside the
17 gate. As the horses left the gate, Floyd noticed the
18 problem and glanced down briefly to assess the danger,
19 immediately recognizing the hazardous impact to the field
20 if the entangled lead rope brought his horse down or
21 entangled others.

22 Floyd skillfully maneuvered Eyes on Red to the
23 front of the field and towards the inside rail near the
24 first turn before reaching down and grabbing the rope to
25 free it. He successfully untangled the lead rope near the

1 half mile pole and threw it over the inside rail away from
2 the swiftly moving field. His quick thinking and
3 excellent horsemanship avoided a potentially large
4 accident by preventing Eyes on Red or other horses from
5 being entangled in the misplaced lead rope.

6 Floyd is receiving the Excellence in Safety
7 Award from Director Amy Cook, along with a custom Jockey
8 Excellence belt buckle engraved with his name. His
9 skillful actions directly led to the safe completion of a
10 Thoroughbred race without impacting the outcome and
11 prevented injuries to both horses and jockeys.

12 MR. WETHEY: (Via video) I would like to thank
13 the Texas Racing Commission for the Jockey Excellence
14 Award. It's been a pleasure riding in Texas the last few
15 years. I've got to work with some great people.

16 Even though the situation I found myself in was
17 dangerous for me and the people around me, there are
18 others that do more than I even did, and these unsung
19 heroes are the outriders and assisted starters. What some
20 people don't understand is when things get rough and most
21 are trying to get out of harm's way, they are the ones
22 that put their own well-being aside to make sure that
23 everyone else is safe and they do this every day. I would
24 like to dedicate this award to them.

25 And thank you all. God bless.

1 (Applause.)

2 MR. GRIGSBY: Mr. John Beech, if you would come
3 to the front. Regional Manager for the Jockey Guild John
4 Beech will be accepting the award on behalf of Floyd
5 Wethey.

6 (Pause for presentation and photos; applause.)

7 MR. GRIGSBY: This concludes the awards
8 presentation. I'll move the podium back and turn it back
9 over to Director Cook.

10 MS. COOK: One more round of applause, please.

11 (Applause.)

12 MS. COOK: Push your mic on, Amy. Thank you so
13 much, Leonard.

14 By the way, all of the wonderful multi-media
15 that you see is a credit to Leonard Buchanan.

16 (Applause.)

17 MS. COOK: I might have the spark of the idea
18 and Leonard makes it come to life. So thank you, Leonard,
19 for the great video. It's really awesome that Aaron was
20 able to reach out to Floyd Wethey and have him do a video
21 shot.

22 Our page is live today. The video will go live
23 today, and we'll continue to look for more Safety
24 Champions in the great community in Texas.

25 So now we turn back to the chair for the next

1 agenda item.

2 CHAIRMAN PATE: All right. The next item is
3 item VI.A., General Business for discussion, consideration
4 and possible action on the chair's designation of an ad
5 hoc committee on the future of the Greyhound industry in
6 Texas.

7 Director Cook, please address this item.

8 MS. COOK: So before I make the recommendation
9 to the Commission, I really want to take a moment just to
10 say that there really are no absolutes in life or in
11 business. And the time that we're now in in the history
12 of both Greyhound and Horse racing is really
13 transformative for this community, and the best way the
14 staff can prepare a recommendation is through thoughtful
15 discussions and factual reviews of where we stand today.

16 The near abolishment of the agency nearly
17 created the end of the industry, our great lab almost
18 closed, and every participant was dramatically affected by
19 the period of uncertainty that began with the pandemic and
20 in some ways continues today. I consider it one of my key
21 responsibilities to continue to provide regulatory
22 certainty to the industry while continuing to create
23 sustainable business processes for the agency.

24 What you have in front of you as part of your
25 meeting materials is a recommended draft of an ad hoc

1 committee on the future of the Greyhound industry in
2 Texas. I make this recommendation because there's a lot
3 of energy, there's a lot of concerns, there's a lot of
4 discussion points that need to happen around the future of
5 Greyhounds in Texas.

6 So with that, I'll turn it over to the chair of
7 the Commission with any further questions or comments he
8 may have.

9 CHAIRMAN PATE: Well, I'd just like to remind
10 everybody of a few things. Number one, there hasn't been
11 any Greyhound racing in Texas for the last couple of
12 years. Number two, as we discussed at length at the
13 meeting last month, the legislature appropriated no funds,
14 no funds for this agency to regulate Greyhound racing in
15 the next biennium. So there's simply no money available
16 to do that, to provide stewards and all the kinds of
17 things you'd have to do if we had pari-mutuel wagering on
18 Greyhounds.

19 And so we're at a real crossroads, I think.
20 One other thing is there was a committee substitute bill,
21 the House Bill 4115, which did not get a second reading.
22 But that bill actually had language in it that
23 specifically abolished Greyhound racing in Texas.

24 And so we have heard -- we, the Commission,
25 particularly at the Rules Committee meeting that I

1 attended with you in, I think it was Fredericksburg -- I
2 can't remember -- but in any event from the Greyhound
3 industry racers themselves that there is no Greyhound
4 racing, that it's dying pretty much in every state. So
5 that's kind of where we are.

6 We're going to be talking about it further, but
7 we have some licenses that we're going to have to deal
8 with and a statute that we have to deal with.

9 Does any other commissioner have anything to
10 add at this point in time?

11 The idea here is we have some divergent
12 interests. As y'all may recall, how much do we have in
13 suspense right now, \$2-1/2-, \$3 million?

14 MS. COOK: The Texas Greyhound Association
15 would have to provide you that information, but my
16 understanding is they have about \$3 million that they're
17 holding.

18 CHAIRMAN PATE: About \$3 million. If you
19 recall more or less a year ago, that money was
20 earmarked -- it actually came as a small slice of money
21 that came from horse racing and it was for the purpose of
22 enhancing purses in the Greyhound racing, and there's
23 specific statutory language to that effect. We had the
24 Greyhound folk approach us with some kind of an agreed
25 deal to get us to distribute the money to the existing

1 Greyhound interests.

2 The Commission did not think that was
3 appropriate, but as a matter of thoroughness, we requested
4 an attorney general's opinion, which we received. The
5 attorney general indicated we could not make that
6 distribution; it was not consistent with the statute.

7 So we have about \$3 million that is going to
8 have to be dealt with if there is no Greyhound racing
9 because of the vagaries of the statute. We are also going
10 to have to deal with the fact that there is no Greyhound
11 racing and what that means with respect to these licenses
12 that are out there and where we go from here.

13 We have not had a definitive word from the
14 legislature that says Greyhound racing is abolished. That
15 was not passed, as I just mentioned a few minutes ago. So
16 technically, we still have our statute which provides the
17 protocols for Greyhound racing, but we have no Greyhound
18 racing business going on and we have no funds as an agency
19 to regulate Greyhound racing.

20 That's where we are. Am I missing something?
21 I mean, that's where we are.

22 So the idea that Amy and I discussed and Amy
23 advanced was let's see if we can't have an industry
24 representative, a recognized industry representative for
25 the Greyhound Association for the Greyhounds, and the

1 Texas Horsemen's Partnership for the horsemen. And so we
2 thought that it would be appropriate to have some type of
3 an ad hoc committee. They'll announce the date of their
4 meetings and anybody else that wants to monitor them.

5 I discussed with Commissioner Moore whether he
6 would be willing to undertake chairmanship of the ad hoc
7 committee; he said he would. I think that's particularly
8 useful because Mike is a lawyer and he'll be able to look
9 at the statutes and kind of give us some perspective.

10 And hopefully what will come out of that, if
11 nothing else, is an understanding of everything that needs
12 to be changed within our statute if there is going to be
13 no Greyhound racing, and then what problems come out of
14 that in terms of how to resolve them or at least what the
15 divergent viewpoints are. It will ultimately be up to the
16 legislature to make that decision, I'm guessing, and
17 that's kind of where we are right now.

18 So that was the idea, and you can see on your
19 materials that we've had discussions with Nick James, who
20 is here today on behalf of the Texas Greyhound
21 Association. We've also discussed with Tommy Azopardi, as
22 well as Sabrina Brown. Both are Greyhound track
23 representatives; they have clients that are Greyhound
24 tracks. And then, of course, Marsha Rountree for the
25 Texas Horsemen's Partnership.

1 And my understanding is they've all agreed to
2 serve. And again, the idea is to let people get together
3 and talk about this thoughtfully between themselves and
4 come back to us with, if nothing else, an identification
5 of the problems and some sense of where the varying
6 interests think it ought to be resolved.

7 That's where we are.

8 MS. COOK: And I think what I've gotten here is
9 a report out back to the Commission, the date being
10 February 2024. So in our current strategy of just setting
11 all the racetrack licenses, including all the horse and
12 Greyhound that are scheduled this year for discussion, the
13 Commission wouldn't be making any decisions on the
14 Greyhound licenses until no earlier than February of 2024.

15 So this would give opportunity for the staff to do some
16 work with some of the folks, put out a schedule of public
17 meetings, have those public dialogues.

18 But I think it's important for me to say this
19 now -- I was going to hold it for the racetrack license
20 reviews -- but there's a difference at the agency between
21 appropriated budget authority, which Judge Pate mentioned,
22 and then cash revenue that the agency gets. The Rules of
23 Racing provide payments that are required for active horse
24 tracks and active Greyhound tracks.

25 An active Greyhound license, which all three

1 Greyhound licenses are currently considered, is \$156,471
2 per year, and to the agency that is \$469,413 per year in
3 terms of cash revenue that runs the agency. After having
4 done the math calculations and really looked at the fact
5 that we did not get any budget authority for Greyhound
6 regulation, I don't think it's appropriate for the active
7 Greyhound licensed owners to pay that fee to the agency in
8 fiscal year 2024.

9 I say that because I think that takes the
10 pressure off of some of the discussions. They have made
11 deposits for the active racetrack reviews, which is \$5,000
12 which the staff can charge for time and so forth. But I
13 think the charging of the fees, it's probably time to back
14 off on that because it is a real turning point in their
15 history and we are not actually regulating any kind of
16 Greyhound industry activity as the staff.

17 So I put that out there because I think that
18 should just give a positive sign in terms of the way that
19 I'm thinking about the industry and all the things they
20 have to grapple with. And really, I think this is what
21 has challenged this agency in the past. Any action we
22 take, whether enforcement action or whether action on
23 licenses, shouldn't be tied to whether or not the agency
24 will have to close if we take such action.

25 So it's a great sign that we got 20 percent

1 general revenue. I think the model that we'll go after in
2 the next biennium is 80 percent general revenue, 20
3 percent licensing fees, because really we need a stable
4 source of income to be able to do good government and make
5 good decisions.

6 So we are not -- and I will send formal letters
7 to Valley Race Park that was reviewed last time and the
8 two Greyhound tracks -- we are not going to gather that
9 fee from them this year. But we will continue to work
10 with them and invite a lot of public participation on the
11 ad hoc committee and all of those recommendations that
12 we'll make to the Commission.

13 CHAIRMAN PATE: All right. So commissioners,
14 do any of y'all have any questions?

15 COMMISSIONER CONTRERAS: I do have one
16 clarifying.

17 So, Amy, I think I recall this from maybe a
18 year and a half ago. What was it that killed the
19 industry, was it COVID or was it before that? Because
20 it's my understanding the tracks have not been in racing
21 condition in terms of safety, so what was it?

22 MS. COOK: We do have some folks from the TGA
23 here that may want to speak to this. But I will tell you
24 that I met with all the Greyhound licensed racetrack
25 representatives, as well as the TGA Board members, in

1 April of 2022 and I was trying to figure out what was
2 going on with them. My job is to provide hope, not to
3 make a decision about the future of the industry.

4 But some of the discussions that we had there,
5 as well as at the Rules Committee meeting that we launched
6 last August and some of the other public meetings, was
7 that the breeding of the dogs had stopped or slowed down.

8 And the circuit in the United States which they used to
9 run -- so horses and Greyhounds run on circuits -- Florida
10 was a big part of that. Florida decided to stop Greyhound
11 racing, other states have gone away from it, so now really
12 only have one state left, and that's West Virginia, that
13 does Greyhound racing.

14 And the pandemic, I think, complicated that.
15 There was sort of a sea change going on across the United
16 States as well. So then the tracks did close, just like
17 the horse tracks, and they weren't able to come back.
18 Some of that was probably the state the agency was in,
19 quite frankly, that it was almost being abolished and
20 there was a lot of uncertainty.

21 We've had a lot of very specific discussions
22 with Paul Watt, who is the president of the TGA, who is
23 here today, as well as Nick James, who is their typical
24 representative in public meetings, about what do we do to
25 make sure that we provide some sort of a great avenue for

1 them to then conclude the business of Greyhound regulation
2 in the state. But it's still in the statute, so it's
3 important that we follow our own statute and yet support
4 them and their inputs.

5 CHAIRMAN PATE: Well, I think they're just
6 overall market conditions too. I'm no expert on it, but I
7 mean, the influences of the PETA people and then just
8 general popularity of dog racing, it just seemed to have
9 waned.

10 COMMISSIONER MACH: Mr. Chairman, I move that
11 we approve the designation of an ad hoc committee to study
12 the future of Greyhound racing in Texas, as outlined in
13 the materials today.

14 CHAIRMAN PATE: All right. There's been a
15 motion made by Commissioner Mach. Is there a second?

16 COMMISSIONER MARTIN: Second.

17 CHAIRMAN PATE: Second by Commissioner Martin.
18 Is there any further discussion?

19 (No response.)

20 CHAIRMAN PATE: Hearing none, all those in
21 favor signify by saying aye.

22 (A chorus of ayes.)

23 CHAIRMAN PATE: Any opposed?

24 (No response.)

25 CHAIRMAN PATE: All right. The motion carries.

1 We're on to the next agenda item VII.A.1 and 2,
2 Racetrack Proceedings, Discussion on the ownership and
3 management of the active Greyhound racetrack licenses
4 scheduled for review under 16 Texas Administrative Code,
5 Section 309.53.

6 Director Cook, please address the first item,
7 item 1, Gulf Greyhound Race Park.

8 MS. COOK: Thank you, Judge Pate.

9 Gulf Greyhound Park is a licensed racetrack in
10 La Marque, Texas. Their last active operating review was
11 in 2020. They've hosted live races from when they were
12 licensed until 2017, then their last racing was in
13 February of 2020, as that activity began to wind down.
14 Currently the racetrack does not have land; the land was
15 sold.

16 And we have Mr. Tommy Azopardi here as a
17 resource witness should the commissioners have any
18 questions on this review.

19 CHAIRMAN PATE: All right. Mr. Azopardi, do
20 you have any comments?

21 MR. AZOPARDI: Mr. Chairman, thank you for the
22 opportunity to be a resource for you.

23 Virginia, I'll hand you my card in a moment.

24 We appreciate the opportunity to undergo this
25 review. Both of the clients that I represent, Gulf

1 Greyhound, that you're considering now, and Gulf Coast
2 Racing, have prided themselves on being active
3 participants in the community. As Dr. McNabb said
4 earlier, it is a family.

5 Both of my clients have made a commitment to
6 this industry, the pari-mutuel industry in Texas, for many
7 decades. We find ourselves in a situation where we have
8 licenses with no money appropriated to regulate the live
9 racing activity, and we have a shortage of Greyhounds.
10 But we remain committed to try to find a path forward and
11 do the best we can for the industry.

12 So thank you.

13 CHAIRMAN PATE: All right.

14 MR. AZOPARDI: And if I may, Mr. Chairman, I
15 want to congratulate y'all and thank the Commission for
16 recognizing Chaplain Bingham. He goes way beyond.

17 As Dr. McNabb said, it's a community. And the
18 chaplains do the Lord's work not only within the confines
19 of the racetrack but beyond, as represented by Chaplain
20 Bingham. So I want to especially thank him for his
21 service to the industry.

22 CHAIRMAN PATE: Thank you for your comments.

23 COMMISSIONER McNABB: The land that has been
24 Gulf Greyhound has been sold. Has the structure been
25 taken down? That is never going to see a racetrack?

1 MR. AZOPARDI: That will never see a racetrack
2 at that site again, that is correct.

3 COMMISSIONER McNABB: Okay. Thank you.

4 MR. AZOPARDI: I will comment on that because
5 there's been a lot of questions, and I will say that
6 during the pandemic the owners of that license were very
7 frustrated because at that time, under a previous
8 administration, they kept receiving supplemental invoices
9 on top of the regular fees for regulation activity when
10 there was absolutely nothing to regulate. We were shut
11 down. We were ordered by the governor to shelter in
12 place, yet we kept getting fee increases during that whole
13 time.

14 The owners of that license became very
15 frustrated and attempted to surrender that license. The
16 previous administrator, executive director, would not set
17 it for a Commission review or action. And so when
18 Chairman Pate was appointed to the Commission and
19 subsequently Amy Cook was hired and restored fiscal
20 responsibility to the agency and started repairing the
21 relationships within the industry, my clients became very
22 encouraged and once again have an appetite and attitude to
23 see pari-mutuel racing succeed in Texas.

24 CHAIRMAN PATE: Any other questions or
25 comments, commissioners?

1 (No response.)

2 CHAIRMAN PATE: All right. Thank you very
3 much, Mr. Azopardi, for your comments.

4 Is there anyone else, Virginia, that signed up
5 for public comment on this matter?

6 MS. FIELDS: No, sir, no one else signed up for
7 public comment.

8 CHAIRMAN PATE: All right. Then, General Cook,
9 will you please address agenda item 2, Gulf Coast Racing?

10 MS. COOK: Thank you, Judge Pate.

11 Gulf Coast Racing is located in Harlingen,
12 Texas -- I apologize, that's Valley Race Park, sorry, I
13 slept since the last Commission meeting.

14 (General laughter.)

15 CHAIRMAN PATE: It's in Corpus Christi, Texas.

16 MS. COOK: It says it right here and I typed it
17 in my script the wrong way, so forgive me.

18 CHAIRMAN PATE: I drove by it this morning.

19 MS. COOK: Yes, you did.

20 It's an active operating racetrack. Last
21 review was in 2018. The difference between the two is
22 that, interestingly, Gulf Coast Racing is still
23 simulcasting.

24 They are still simulcasting because in 2023
25 they requested live race dates. They had five live race

1 dates on the calendar, those race dates were not
2 conducted, however, the racetrack restaurant on the
3 property still continues to hold opportunities for folks
4 to come and do pari-mutuel wagering.

5 How that benefits Texas at this point in time
6 is that they take signals from Lone Star Park and Sam
7 Houston Race Park, which are the exported Thoroughbred
8 signals that can't lose the state. So there is still a
9 revenue stream that comes into the horse industry, as well
10 as they take signals from other states and around the
11 world for Greyhound racing. So there is a modest amount
12 of income that comes from that, as well as some employees
13 that are employed by the restaurant and run that activity
14 and are licensed by the Commission for pari-mutuel
15 wagering.

16 Again, Mr. Azopardi is here as a resource
17 witness should y'all have any questions.

18 CHAIRMAN PATE: Mr. Azopardi, do you have
19 anything further to add?

20 I would just ask you one question if you happen
21 to know. Do you have any idea -- in reference to what Amy
22 just said, do you have any idea what the handle is,
23 related to the betting coming out of Corpus Christi on
24 intrastate racing?

25 MR. AZOPARDI: I do not know currently, Mr.

1 Chairman. Sally Briggs is here, she's the operational
2 manager for that facility, as well as for Gulf Greyhound,
3 and she may be able to answer that specifically.

4 I will tell you that prior to the pandemic,
5 prior to our shutdown, the two tracks together contributed
6 over a million dollars a year to horse purses from the
7 wagering activity at the two Greyhound tracks. So they
8 are very much an integral part of the overall community of
9 racing.

10 CHAIRMAN PATE: All right. Thank you.

11 COMMISSIONER McNABB: I do have a question. So
12 currently at Corpus Christi the only active facility is
13 the clubhouse/restaurant and facilities to do
14 simulcasting. Correct?

15 MR. AZOPARDI: That is correct. We currently
16 employ about 20 Texans in that facility.

17 COMMISSIONER McNABB: The rest of the backside
18 is just --

19 MR. AZOPARDI: It is shuttered, yes, ma'am.

20 COMMISSIONER McNABB: Okay. But everyone who
21 works at that still has to be licensed because there is
22 pari-mutuel wagering. Correct?

23 MS. COOK: There are three Greyhound licenses
24 for the mutuels team; everyone else is restaurant staff.

25 COMMISSIONER McNABB: Okay. So that's our

1 regulatory footprint is simply what goes on for that pari-
2 mutuel. But my understanding is that facility does bring
3 benefit to Sam Houston Race Park, Lone Star Park, and
4 hopefully Retama Park. It's still a player within the
5 landscape of our industry.

6 MS. COOK: Correct. And they take Gillespie
7 County Fair's signal. They take export from other tracks
8 in Texas, but particularly help Lone Star Park and Sam
9 Houston without them doing export beyond the state
10 borders. So they take that signal there.

11 COMMISSIONER McNABB: They don't take Retama?

12 MS. COOK: Retama. I'm sorry, all of them.
13 They take all of them.

14 COMMISSIONER McNABB: Okay. So again, it does
15 plow money back into the larger industry.

16 MS. COOK: It does, yes. And what I'll do is
17 I'll get that handle number, I'll get with Sally and we'll
18 get that to you in your next commissioner update so you'll
19 have that information.

20 MR. AZOPARDI: And if I may add, I appreciate
21 the opportunity to work with this committee. I do think
22 we can find a solution to move forward.

23 The only thing I will say is, once again,
24 General Cook showed in her remarks earlier that great
25 fiscal responsibility, and we appreciate that. It's not

1 something we're asking for, not to pay our fees, because I
2 recognize that the legislature didn't appropriate money
3 for the regulation of Greyhound racing. But we still have
4 licenses and so we fully expect to pay some sort of fees
5 because there is going to be cost of regulation of that
6 license.

7 Just as you pointed out, Commissioner McNabb,
8 there are employees that we have that have to be licensed,
9 so we don't fully expect to not pay fees.

10 CHAIRMAN PATE: Well, I guess that all remains
11 to be seen as we go forward here.

12 MS. COOK: I'm not going to charge you.

13 (General laughter.)

14 CHAIRMAN PATE: We really do appreciate that
15 Mr. Azopardi, as well as Ms. Brown and others, have
16 contributed a lot of discussion to these issues. And they
17 are issues that are going to have to be resolved.

18 And I think you would agree with me, ultimately
19 it is a legislative decision, don't you believe, in terms
20 of the ultimate resolution?

21 MR. AZOPARDI: Absolutely. There's statutory
22 requirements that can only be changed by the legislature.

23 CHAIRMAN PATE: Right. Thank you very much.

24 No further questions?

25 (No response.)

1 CHAIRMAN PATE: All right.

2 MR. AZOPARDI: Thank you.

3 MS. COOK: So I have said, since I got this
4 job, for example, when we did the training facility
5 licenses that we never had issued before and we needed to
6 go forward and issue the training facility license, use
7 that \$1,800 -- which didn't add to the funds of the agency
8 because we had more cash than appropriations -- to update
9 your equine ambulances and do things that keep the tracks
10 safer.

11 So I would just say whenever we have an
12 opportunity to waive fees or say that we really don't
13 think it's good government to take fees, use those fees to
14 make things more safe. Thank you.

15 So with that, I'll turn it back to you, Judge
16 Pate.

17 CHAIRMAN PATE: All right. Thank you very
18 much.

19 Commissioners, there will be no executive
20 session this meeting, so the next item on the agenda is
21 item 9, scheduling of the next Commission meeting. The
22 next meeting is scheduled for Wednesday, October 18, 2023,
23 at 10:30. The meeting will be held here at the Department
24 of Public Safety offices, 6100 Guadalupe, Building E, in
25 the Criminal Law Enforcement Auditorium here in Austin.

1 The time is now 11:11. With all business
2 concluded, we are now adjourned.

3 (Whereupon, at 11:11 a.m., the meeting was
4 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: September 6, 2023

I do hereby certify that the foregoing pages,
numbers 1 through 40, 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: September 13, 2023

/s/ Nancy H. King
(Transcriber)

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



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

Texas Racing Commission
Wednesday, September 6, 2023
10:30 a.m.
6100 Guadalupe St., Bldg. E
Criminal Law Enforcement Auditorium
Austin, Texas 78752

AGENDA

I. CALL TO ORDER

II. PLEDGES (U.S. AND TEXAS)

III. COMMISSIONER REMARKS

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

IV. PUBLIC COMMENTS

V. STAFF REPORTS

- A. Executive Director Report

VI. GENERAL BUSINESS

- A. Discussion, consideration, and possible action on Chair designation of an Ad Hoc Committee on the future of the greyhound industry in Texas.

VII. RACETRACK PROCEEDINGS

- A. Discussion on active racetrack licenses scheduled for review under TEX. OCC. CODE §2025.106 and 16 TEX. ADMIN. CODE §309.53:
 - 1. Gulf Greyhound Race Park
 - 2. Gulf Coast Racing

VIII. 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.

IX. NEXT COMMISSION MEETING

Wednesday, October 18, 2023, 10:30 a.m.

X. ADJOURN



TEXAS RACING COMMISSION
1801 N. Congress, Suite 7.600
Austin, TX 78701
(512) 833-6699
Fax (512) 833-6907

AD HOC COMMITTEE CHARTER: TEXAS GREYHOUND INDUSTRY

I. Membership.

A. Commissioners. Chair: Commissioner Mike Moore,

Vice Chair: Commissioner Connie McNabb

B. Industry Representatives. Nick James -Texas Greyhound Association (TGA),
Tommy Azopardi - Greyhound Track Representative, Sabrina Brown - Greyhound
Track Representative, Marsha Rountree - THP Executive Director.

C. Assigned Staff: Amy Cook, Executive Director, or Designee

II. Purpose. This Ad-Hoc Committee is created as a standing committee for the purpose of working with industry stakeholders to determine how to address the current and future state of greyhound racetrack licenses and related activities in Texas.

III. Scope of Work. The Ad Hoc Committee shall:

- A. Gather facts regarding the state of the Texas Greyhound Industry (breeding, training, racing and licensed greyhound tracks) including legislation filed during the 88th Legislative Session (e.g., HB 4115).
- B. Review the Texas Racing Act provisions on greyhound regulation.
- C. Review the Texas Rules of Racing provisions on greyhound regulation.
- D. Review industry proposals on regulatory matters related to the future of the greyhound industry in Texas.
- E. Review disposition of funds held by and for the Texas Greyhound Association and other industry participants.

IV. Deliverables. Provide specific recommendations on statutory, rule, fiscal and policy changes for the Texas Greyhound Industry to the full Commission no later than February 2024.

Texas Racing Commission
Staff Review of Racetrack Licenses
September 2023
Gulf Greyhound Park (La Marque, TX)

Description	Greyhound Track License
Current Status	Active-Operating (Last Review: (2020))
Live Race Dates	Hosted all live races since 2017. Last racing was February 2020

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>
Under Review	Under Review	Under Review	Under Review

Staff Analysis: A review of the agency’s records indicated Gulf Greyhound Park currently holds an Active-Operating Greyhound Track License.

Staff Recommendation: TBD



Texas Racing Commission

Staff Review of Racetrack Licenses

September 2023

Gulf Coast Racing (Corpus Christi, Texas)

Description	Active Greyhound Racetrack License (Galveston County)
Current Status	Active-Operating (Last Review of Record: 2018)
Live Race Dates	No live racing since on or around 2016

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>
Under Review	Under review. Racetrack is closed; simulcasting continues at the restaurant location.	Under Review	Under Review

Staff Analysis: A review of the agency’s records indicates that Gulf Coast Racing currently holds an Active-Operating Greyhound Racetrack License.

Staff Recommendation: TBD

