



TEXAS RACING COMMISSION
1801 N. Congress Avenue
Austin, TX 78701
(512) 833-6699
customer.service@txrc.texas.gov

Racetrack Facility License Application Form

Purpose: This form is provided for use by a racetrack association, which means a person licensed under the Texas Racing Act for the conduct of a horse race meeting with pari-mutuel wagering.¹

Responsible Individuals: An applicant business entity for a racetrack license must identify: 1) the primary contact person submitting the application on behalf of the applicant business entity; 2) the registered agent of the applicant business entity submitting the application for the racetrack license on behalf of the applicant business entity; and 3) the individual person who will be the primary racetrack association management official, qualified to hold an association officer or director occupational license who the Commission will communicate with regarding regulatory matters and enforcement actions on behalf of the applicant business entity.²

License is a Privilege. Under the Texas Racing Act, the operation of a racetrack and the participation in racing are privileges, not rights, granted only by the Commission by license and subject to reasonable and necessary conditions set by the Commission.³

Voter Approval of Racetrack Required. Voter approval is required by a majority of the votes cast in a municipality where the racetrack is located or proposed. Documents confirming the Secretary of State has certified the results of the local-option election are required to be provided to the Commission as part of the application process and should be provided under TAB C of the submitted application documents.⁴

License Eligibility Requirements and Limitations. The burden of proof is on the applicant for an original racetrack license to show compliance with the Texas Racing Act and the Rules of Racing.⁵ The Commission may condition the issuance of a license on the observance of Commission rules.⁶

Submission Instructions: Submit one original paper copy of the application form with documents organized by TAB A-Z and one electronic copy on a compact disc or USB drive with the paper application. Applications should be hand delivered or mailed to the Texas Racing Commission at 1801 N. Congress Avenue, Suite 7.600, Austin, Texas 78701. If the space for the answer to a particular question does not provide sufficient space for the information requested, insert the additional page(s) of information immediately following that page. The additional page(s) should clearly reference the application page and the answers to the question being provided on the separate documents.

Application & Processing Fees: A cashier's check or money order for the filing fees: \$7,500 (Application), \$75,000 (Processing).⁷

Organization of the Application Documents. The printed copy of the application must be tabbed in a three-ring binder with the required information and supporting documents outlined and in order of the checklist provided on Page 2-3 of this application form. The application documents must be printed or typewritten on 8-1/2" x 11" paper. Architectural drawings must be submitted on 11" x 15" paper, folded to 8-1/2" x 11" size.

Submission Deadline. If an application period has been designated by the Commission, the application and all required information and documentation must be filed in the Texas Racing Commission's Austin office no later than 5:00 p.m. on the last day of the application period.

Completed Application Notice. The Executive Director will determine whether an application is complete within fifteen (15) days of receipt of the application and notify the applicant of any deficiencies and the timeline for curing the deficiencies. The initial notice will be issued after the end date of the initial sixty (60) day application period. Therefore, applicants are encouraged to submit the application no later than 45 days before the end of the application period so that a timely notice can be issued confirming that a completed application has been received.⁸

Racetrack Facility License Application Format

TAB A: Tex. Occ. Code § 2025.033. FINGERPRINTS REQUIRED.

_____ Digital Fingerprints. 1) The registered agent of the racetrack association applying for the license; 2) applicant's primary point of contact (Association Officer/Director) for Commission staff on racetrack operations and enforcement actions; and 3) each officer or director of, and each person who owns at least a five percent interest in the racetrack association; racetrack association staff or contractors requiring an occupational license under Tex. Occ. Code § 2025.251 and 16 Texas Administrative Code (TAC) § 303 and § 313, must submit to the Commission a complete set of fingerprints accomplished through the [IdentoGo](#) website (SERVICE CODE: 11G7KX)



FIND A LOCATION AND SCHEDULE AN APPOINTMENT FOR ELECTRONIC FINGERPRINTING (ESTIMATED COST: \$43.25 PAID TO IDENTOGO USING A CASHIERS CHECK, MONEY ORDER, OR CREDIT/DEBIT CARD)

THE TEXAS RACING COMMISSION
UNIQUE NUMBER IS: **TT-64321**

THE TEXAS RACING COMMISSION
CODE IS: **11G7KX**

IdentoGO

_____ **Background Disclosure Required.** Complete a [Background Disclosure Form](#) (TXRC-BD-001) and when printed or saved digitally, mark the completed form CONFIDENTIAL. Individuals who are identified by the Texas Racing Act, Texas Rules of Racing, or who are considered key individuals in the application process (e.g. officer/director who will be primary point of contact for racetrack operations and enforcement actions for the Commission) are required to complete a background disclosure form and include it as part of the application.

_____ **Required Background Check Applicants.** 1) The registered agent of the racetrack association applying for the license; 2) each officer or director of, and each person who owns at least a five percent interest in the racetrack association; racetrack association staff or contractors requiring an occupational license under Tex. Occ. Code § 2025.251 and 16 Texas Administrative Code (TAC) § 303 and § 313.

TAB B: Tex. Occ. Code §2025.052. APPLICANT INFORMATION. TXRC Form L309-001 requests information required to determine whether an entity (e.g. individual, corporation, limited liability company, partnership) is eligible and qualified for a racetrack license.

Please indicate the applicant business entity type under the Texas Business Organizations Code:

_____ **Individual.** If the applicant is an individual: (A) the individual's full name; (B) the individual's date of birth; (C) the individual's physical description; (D) the individual's current address and telephone number; and (E) a statement by the individual disclosing any arrest or conviction for a felony or for a misdemeanor, except a misdemeanor under Subtitle C, Title 7, Transportation Code, or a similar misdemeanor traffic offense.

_____ **Corporation.** If the applicant is a corporation: (A) the state of incorporation; (B) the names and addresses of the corporation's agents for service of process in this state; (C) the name and address of each officer and director of the corporation; (D) the name and address of each stockholder of the corporation; (E) for each individual named under this subdivision, the information required by Subdivision (1); and (F) identification of: (i) any other beneficial owner of a share in the applicant that has absolute or contingent voting rights; (ii) any other person who directly or indirectly exercises any participation in the applicant; and (iii) any other ownership interest in the applicant that the applicant making its best effort is able to identify.⁹

_____ **Business Association.** If the applicant is an business association or entity as defined by the Texas Business Organizations Code (e.g. LLP, LLC): (A) the name and address of each member of the entity and, for each individual named under this subdivision, the information required by Subdivision (1); and (B) identification of: (i) any other person who exercises voting rights in the applicant or directly or indirectly exercises any participation in the applicant; and (ii) any other ownership interest in the applicant that the applicant making its best effort is able to identify.¹⁰

TAB C: Tex. Occ. Code §2025.052. PROPERTY INFORMATION. The exact location at which a race meeting is to be conducted, including, but not limited to the Property ID for the appraisal district, encroachment information (e.g., identify potential conflicting property uses around the facility such as aircraft) and real estate documents, for the existing or proposed facility.

TAB D: Tex. Occ. Code §2025.052. EXISTING RACETRACK FACILITIES. If the racetrack is in existence, whether it is owned by the applicant and, if leased to the applicant: (A) the name and address of the owner; and (B) if the owner is a corporation or unincorporated business association, the name and address of each officer and director, any stockholder or member, and each agent for service of process in this state.

TAB E: Tex. Occ. Code §2025.052. PROPOSED CONSTRUCTION. If construction of the racetrack has not been initiated, whether it is to be owned by the applicant and, if it is to be leased to the applicant: (A) the name and address of the prospective owner; and (B) if the owner is a corporation or unincorporated business association, the information required by Subdivision (5)(B).

TAB F: Tex. Occ. Code §2025.052 BENEFICIAL OWNERS. Identification of: (A) any other beneficial owner of a share that has absolute or contingent voting rights in the owner or prospective owner of the racetrack; (B) any other person that directly or indirectly exercises any participation in the owner or prospective owner; and (C) all other ownership interest in the owner or prospective owner that the applicant making its best effort can identify.

TAB G: Tex. Occ. Code §2025.052. ASSETS AND LIABILITIES. A detailed statement of the applicant's assets and liabilities.

TAB H: Tex. Occ. Code §2025.052. PLANNED RACING ACTIVITIES. The type of racing to be conducted, including whether the license request is a Class 1, Class 2, Class 3, or Class 4 Racetrack, the breeds of horse expected to race at the facility and the plan for requesting live race dates (e.g., proposed seasonal schedule).

TAB I: Tex. Occ. Code §2025.052. RESIDENCY. Proof of residency as required by Tex. Occ. Code § 2025.201.

TAB J: Tex. Occ. Code §2025.052. APPLICATION OATH. An application must be sworn to: (1) by the applicant; or (2) if the applicant is a corporation or association, by its chief executive officer. If the applicant is a nonprofit corporation, only directors and officers of the corporation must disclose the information required under §2025.052 Subsection (a)(2).

TAB K: Tex. Occ. Code §2025.053. APPLICATION FEE. An applicant for an original racetrack license must submit the required application fee. Evidence that the fee has been paid in the form of a cashier's check or certified check (e.g., copy of the check provided).

TAB L: Tex. Occ. Code §2025.054(a) MANAGEMENT, CONCESSION, AND TOTALISTOR CONTRACTS. The commission requires each applicant for an original racetrack license to submit with the application for inspection and review by the commission a copy of each management, concession, and totalisator contract associated with the proposed license at the proposed location in which the applicant has an interest.

TAB M: Tex. Occ. Code §2025.054(c). OCCUPATIONAL LICENSES REQUIRED (CONTRACTS). The criminal history record information, fingerprint, and other information required of a license applicant under Sections 2023.057, 2025.003, and 2025.052(a)(1)-(3) are required of proposed totalisator firms, concessionaires, and managers and management firms.

TAB N: Tex. Occ. Code §2025.056(a). INTERESTED PERSONS. The commission requires a complete personal, financial, and business background check of the applicant or of any person who owns an interest in or exercises control over an applicant for a racetrack license, including the partners, stockholders, concessionaires, management personnel, management firms, and creditors. In addition, provide any documentation of loan or capitalization agreements to be associated with the racetrack license and/or facilities for which default provisions affect the operations of racing at the facility or under the proposed racetrack license.

TAB O: Tex. Occ. Code §2025.057. SECURITY REQUIRED. The commission may, at any time, require a holder of or applicant for a racetrack license to post security in an amount reasonably necessary, as provided by commission rule, to adequately ensure the license holder's or applicant's compliance with substantive requirements of this subtitle and commission rules. If applicable, at the direction of the Commission, provide evidence that security has been provided as required.

TAB P: Tex. Occ. Code §2025.101(b). EXPERIENCE CONSIDERED. In considering an application for a horse racetrack license under this chapter, the commission shall give additional weight to evidence concerning an applicant who has experience operating a horse racetrack licensed under the Racing Act. Provide any information that should be considered to determine experience in operating a horse racetrack.

TAB Q: Tex. Occ. Code §2025.101(c). ARTICLES OF INCORPORATION & STOCK. The commission may not issue a license to operate a class 1 or class 2 racetrack or a greyhound racetrack to a corporation unless: (1) the corporation is incorporated under the laws of this state; and (2) a majority of any of its corporate stock is owned by individuals who meet the residency qualifications prescribed by Section 2025.201 for individual applicants.

TAB R: Tex. Occ. Code §2025.101(d). RESIDENCY REQUIREMENT. The majority ownership of a partnership, firm, or association applying for or holding a license must be held by citizens who meet the residency qualifications enumerated in Section 2025.201 for individual applicants. A corporation that holds a license to operate a racetrack under this subtitle and that violates this subsection is subject to forfeiture of its charter.

Code §2025.102 (a) ADDITIONAL COMPLIANCE STATEMENT & DOCUMENTS. Provide evidence as required in subsection (1)(A)(B)(C), and (2) as outlined below to assist the commission in determining whether the proposed licensed facility and operations will comply with the statute. The Commission may issue a racetrack license to a qualified person if the commission: (1) determines that the conduct of race meetings at the proposed racetrack and location: (A) will be in the public interest; (B) complies with all zoning laws; and (C) complies with this subtitle and commission rules; and (2) determines by clear and convincing evidence that the applicant will comply with all criminal laws of this state.

TAB T: Tex. Occ. Code §2025.102 (b) ADDITIONAL INFORMATION ON RACETRACK OPERATIONS. Provide a summary and supporting documents for each of the requirements outline under Section (b)(1-11) to provide the commission with the appropriate information that is required to determine whether to grant or deny an application for any class of racetrack license, the commission may consider: (1) the applicant's financial stability; (2) the applicant's resources for supplementing the purses for races for various breeds; (3) the location of the proposed racetrack; (4) the effect of the proposed racetrack on traffic flow; (5) facilities for patrons and occupational license holders; (6) facilities for race animals; (7) availability to the racetrack of support services and emergency services; (8) the experience of the applicant's employees; (9) the potential for conflict with other licensed race meetings; (10) the anticipated effect of the race meeting on the horse breeding industry in this state; and (11) the anticipated effect of the race meeting on the state and local economy from tourism, increased employment, and other sources.

TAB U: ACTIVE-OTHER RACETRACK LICENSE REQUEST. If the applicant is unable to request an Active-Operating Racetrack License, then the information required for a determination on whether active-other license application is appropriate alternative.¹¹ The Commission will consider whether taken the following actions to demonstrate good faith efforts to conduct live racing. Factors the Commission may consider include, but are not limited to, the license holder's: securing sufficient financial commitments to fund construction of the racetrack facility; securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more; entering into contracts for the construction of the simulcasting and racetrack facilities; securing Commission approval of the racing facility's construction plans; securing permits and utilities necessary for the construction of the racing facilities; beginning and sustaining construction of the simulcasting or live racing facilities; providing to the Commission a construction and operations management schedule demonstrating that simulcasting is imminent and that the facilities will be ready to conduct live racing by the beginning of the approved live race dates; or (C) voluntarily providing a bond under subsection (e) of this section to ensure that the license holder conducts pre-opening simulcasting and completes the pending allocated live race dates.

TAB V: FINANCIAL FORECAST AND WAGERING ACTIVITIES. Provide a financial forecast for the operation of the racetrack and pari-mutuel wagering for each of the first five years after racing with pari-mutuel wagering begins, either live or simulcast, whichever starts first. See Section III, Finances for further information.

TAB W: LEASE OF RACETRACK PREMISES. If the applicant intends to lease all or part of the land that is proposed for construction of a racetrack, provide all relevant information that comply with the disclosure requirements under § 2026.006 of the Texas Racing Act, Lease of Racetrack Premises.

TAB X: SUBSTANTIAL COMPLIANCE INFORMATION. Provide any additional information that may assist the Commission in determining whether this application substantially complies with § 2025.102, Qualifications for Issuance of a Racetrack License.

TAB Y: DISCLOSURE OF RACETRACK LICENSE INTERESTS. Disclose all information related to interests or ownership, or directly or indirectly, of the applicant’s interest in any other racetrack licenses operating in the state of Texas.¹²

TAB Z: ADDITIONAL INFORMATION: Provide any additional information that may assist the Commission in determining whether this application complies with the Texas Racing Act, including, but not limited to documentation from the Texas Secretary of State certifying the results of election to authorize pari-mutuel horseracing in the county where the racetrack facility is proposed for construction.

Section I.
Ownership and Background Information

Personal Information

A. Name, address, email, and telephone number of the Registered Agent for the applicant entity.

B. For each individual who is an applicant, director, officer, or partner in the applicant business entity, or an owner of a 5% or more interest in the applicant business entity, provide the following information:

1. General information.

Full Name: _____ Prior Name/Alias: _____

Residence Address: _____

Res. Telephone #: _____ Res. Fax #: _____

Business Address: _____

Bus. Telephone #: _____ Bus. Fax #: _____

2. Are you currently engaged in the business of racing in another state? Yes No

If "YES," describe the racing business and the state.

3. Prior history of Registered Agents, Officers/Directors/Managers of Applicant Business Entity.

Have You (Registered Agent of Entity) or Your Spouse/Significant Other Ever:	Applicant		Spouse	
	Yes	No	Yes	No
• Been licensed to participate in racing in another jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Been found to have violated a rule of racing by the stewards/judges, a racing association, or a racing commission, or currently have a license suspended, denied, or revoked in another racing jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Been ejected or excluded from a racetrack by the stewards/judges or a racing association, or currently excluded from a racetrack by a steward/judge or a racing commission?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Been convicted of a felony or capital grade offense, regardless of whether the punishment was a suspended sentence, probation, or a non-adjudicated conviction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Been convicted of a crime, regardless of whether the punishment was a suspended sentence, probation, or a non-adjudicated conviction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Been convicted of a single misdemeanor within the past two years or two or more misdemeanors within the past four years, excluding traffic offenses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Had a professional permit or license denied, suspended, or revoked by any governmental entity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If “YES” to any of the questions above, provide all pertinent and explanatory details in the space provided below, including the approximate date, state, county, racing jurisdiction, racetrack, ruling number, type of offense or infraction, sentence, fine amount, length of suspension, etc. Attach additional sheets if necessary. If any individuals currently hold an occupational license with the Texas Racing Commission, list the license type, number, and date of expiration.

Business Information

A. All applicants that are not individuals must complete the following section.

1. Describe the applicant's entity's business structure. Include an organizational chart.

2. Provide the following information regarding applicant's registered agent for service of process in Texas:

Name of Registered Agent: _____

Business Address: _____

Bus. Telephone #: _____

3. If applicant was organized less than five years before the date on which the application is submitted, provide the following information regarding the applicant's organizer or promoter.

Name of Organizer or Promoter: _____

Business Address: _____

Bus. Telephone #: _____

- a. Describe the nature and amount of assets, services, or other consideration that the organizer or promoter contributed to application.

- b. Describe the nature and amount of anything of value given by applicant to the organizer or promoter.

4. Are there any provisions for the redemption, repurchase, retirement, conversion, or exchange of an ownership interest in applicant? Yes No

If “YES,” describe the procedure by which these provisions may be executed, and provide any documents related to these provisions.

5. Provide a copy of each prospectus, pro forma, or other promotional material given to potential investors about the proposed track.
6. Provide the following information for individuals who are serving or who are designated to serve, during the first year after the date the application is submitted to the Commission, in the following positions: Director, Officer, Partner, or Member of the management committee.

Name	Address	Position or Office	Principal Occupation for Prior 5-Year Period	Nature and Extent of any Ownership Interest

7. Does any other entity exercise, or is any other entity in the position to exercise, control in the management or financial affairs of the applicant? Yes No

If "YES," describe the nature of the relationship between the entity and applicant and the extent of the control exercised by the entity.

8. List all paid consultants who have performed services or are expected to perform services for the applicant to prepare the application, prepare for the hearing on the application, and prepare the racetrack for racing. Include all consulting services such as veterinary, racetrack design and maintenance, management, marketing, legal, or legislative services. Attach additional pages as necessary.

Consultant's Name	Bus. Address	Bus. Telephone #	Bus. Fax #	Type of Services Rendered or Expected to be Rendered

9. List all lawsuits, arbitration proceedings, and criminal proceedings that the applicant entity business, or any owner with 5% or more controlling interest, partner, officer, or director of the applicant entity, is or has been a party to. For each lawsuit, arbitration proceeding, or criminal proceeding, attach:

- A written statement summarizing the details of each incident.
- A copy of the petition, complaint, or other document that commenced the lawsuit, arbitration, or criminal proceeding; and
- A copy of the official document that demonstrates the resolution of the charges or any final judgment.

B. If applicant is a corporation, partnership or limited liability company, the applicant must complete this section.

1. Information regarding incorporation or certificate of formation of applicant.

Date Incorporated: _____ State Incorporated: _____

Provide a copy of the articles of incorporation and bylaws with the application.

2. Has the corporation been reorganized or reincorporated during the five-year period preceding the date on which this application is submitted to the Commission? Yes No

If "YES," provide documentation regarding the reorganization or reincorporation.

3. Has the corporation filed restated articles of incorporation? Yes No

IF "YES," provide a copy of the restated articles of incorporation.

4. Provide the Texas Business Entity Number issued by the Texas Secretary of State: _____

5. Identify each beneficial owner of shares in the applicant that bear voting rights, absolute or contingent.

_____	_____
_____	_____
_____	_____

6. Identify each person who directly or indirectly participates in upper-level decision making in the applicant.

_____	_____
_____	_____
_____	_____
=====	=====

C. If applicant is an unincorporated business association, applicant must complete this section.

1. Provide a copy of each organizational document for the applicant, including any partnership agreement.
2. Describe any oral agreements involving the organization of the applicant.

3. List each person who is entitled to exercise voting rights or participate, directly or indirectly, in upper-level decision making in the applicant.

_____	_____
_____	_____
_____	_____

D.

1. If applicant is authorized to issue capital stock, provide the following information:

Class of Stock Authorized	Total # of Shares Authorized	Par Value	Voting Rights	Current Rate of Dividend	# of Shares Outstanding	Market Value

2. Describe the terms of any proxy by which any capital stock may be voted.

Provide the following information regarding proxy voting:

Name and Address of Person Holding Proxy	Name and Address of Stockholder Who Granted Proxy	Class of Stock for which Proxy May Vote	Total # of Shares Voted by Proxy

3. May the applicant's stock be traded through options? Yes No

Has any stockholder executed an agreement or contract to convey any of the stockholder's stock at a future date? Yes No

If "YES," provide a copy or a description of each agreement or contract disclosed in this question.

Section II. Site and Facilities

A. Racetrack Location.

1. Provide the following information regarding the location of the racetrack:

County: _____

Municipality: _____

Provide a legal description of the racetrack site, including any geographical or structural defects and a description of the engineering, design, and construction plans to remedy the defect. If the site is in a flood plain, include a description of the site's flood history.

Provide the name and address of each person who holds a mortgage or other security interest in the real property.

Name	Address

Provide a copy of the title insurance policy held on the real property.

Describe the current residential, commercial, and industrial uses for all property within a three-mile area around the racetrack site.

2. Provide the following documents:

- Copy of the deed or lease for the property from the county records
- Copies of any easements or deed restrictions
- Copies of relevant real estate documents
- Copies of any relevant lease documents (if applicable).
- Aerial photograph of the racetrack site; and
- Photograph of the site from each roadway adjacent to the site.

B. Zoning and governmental improvements.

1. Describe the zoning designation for the racetrack site and whether any variance will be required.

2. Describe any local zoning or special use permits that must be obtained for the racetrack site, including procedures to obtain the permit, likely conditions to be placed on the permit, and estimated date that permit will be obtained.
3. To adequately serve the racetrack site, does the sewer system, water system, or other utility need any improvements? Yes No

If “YES,” provide the following information:

Improvement and Procedure for Approval	Estimated Cost	Estimated Completion Date	Name of Parties Initiating Improvement	Name of Parties Responsible for Cost and Proportionate Share

4. To ensure adequate access to the racetrack site, do the roadways need any improvements or changes?
 Yes No

If “YES,” provide the following information:

Change or Improvement and Procedure for Approval	Estimated Cost	Estimated Completion Date	Name of Parties Initiating Improvement	Name of Parties Responsible for Cost and Proportionate Share

C. Traffic study.

1. Provide a traffic flow study prepared by a traffic engineer. The study should contain distance of the racetrack site from the nearest population center, description of roadway access and transportation facilities, and a photograph of each roadway that will be used to access the site. Class 3 and Class 4 horse racetrack license applicants do not have to provide this information.

D. Racetrack facilities.

1. Provide the dimensions and specifications of each track to be provided on association grounds, including:
- Total length and width.
 - Banking, with description of method of transition into and out of turns.
 - Radius of each turn and length of each stretch and chute.
 - Type of inside and outside rail, and location and method of closing gaps.
 - Composition and depth of base, subsurface, and cushion of track with a schematic drawing of racing surface and type of turf for a turf racetrack.
 - Drainage system for racing surface.
 - Location and design of video towers and lighting for racetrack; and
 - Racing surface maintenance plan, method to be used to winterize track, and necessary maintenance equipment.

2. Provide the specification for areas of the racetrack facility to which the public will have access, plans for maintaining these areas, pattern of pedestrian traffic around the facility, and provisions for disabled patrons in compliance with the Americans with Disabilities Act.

3. Provide the specifications for the racetrack parking facilities.

4. Provide a description of the facilities for race animals and licensees, and the plan to maintain these facilities sufficient to ensure compliance with Texas Rules of Racing, 16 TACr 309, including, but not limited to, facilities for housing race animals and obtaining test specimens; facilities for jockeys, racing officials, the racetrack chaplain, and Commission employees; lock and pre-race holding areas; paddocks; and lounge areas.

5. Describe the location of utilities throughout the racetrack site, including whether electrical service is overhead or underground; location, depth, and size of water and sewer lines; and name of each utility easement owner and description of easement.

6. Provide any architectural or schematic drawings, sketches, photographs, and/or video footage of the facilities described in questions D. (1) through D. (5).

7. Provide property descriptions of surrounding residential or business activities that may conflict with the use of the property as a horseracing facility (e.g., aircraft operations, or other similar activities).

Section III. Finances

A. Fiscal Documents.

1. Profit/Loss Statements. Provide balance sheets and profit-and-loss statements prepared by a certified public accountant using generally accepted accounting principles for the applicant's three fiscal years preceding the date the application is submitted. If the applicant has been organized for less than three years, provide the fiscal documents for each fiscal year organized.

B. General Fiscal Information.

1. Indebtedness. Please describe any indebtedness secured by any ownership interest in the applicant business entity. Provide the name and address of the borrower, amount of the loan, and terms of the loan. Include a copy of the loan documents.
2. Tax Liens. Please describe any unpaid federal or state tax liens that affect the applicant business entity.
3. Encumbrances. Are there any liens that encumber one percent or more of the applicant business entity's assets or a 25% owner of the applicant? *Yes* *No*

If "YES," provide the name and address of the lender or secured party, amount of the indebtedness, and terms of the lien. Include a copy of the documents regarding the lien.

C. Construction, renovation, and operation of racetrack facilities

1. Describe the costs, whether determined or projected, of construction or renovation of the racetrack facilities, including, but not limited to, the costs of architectural and engineering services, land acquisition, site development, facility construction, equipment acquisition, capitalized interest, loan placement and other guarantee fees, and administrative and legal services relating to construction.

2. Describe the costs of operating the facility and the association before the first day of racing, including, but not limited to, the costs of promotion and advertising, application development, application and license fees, management, administrative and other salaries, and interest and other financing costs relating to construction.

3. Describe the time schedule, estimated in number of weeks, for preparing the racetrack for racing, including, but not limited to, acquiring land, soliciting bids, awarding construction contracts, completing construction, hiring management personnel, staffing, and implementing marketing plan, and training staff.

4. State the source of funds for the construction and operation of the racetrack, including source, amount, and terms of any equity contribution or commitment; source, amount, and terms of any debt contribution or commitment; and the basis for valuing non-cash contributions. Provide any documents that support a described source of funds.

5. Describe alternate sources of funds for unexpected occurrences, such as cost overruns, non- receipt of equity or debt funds, or overestimated revenues.

6. State the amount of working capital that the applicant intends to have available for the first six weeks of racetrack operations, including funds for payment or expenses for officials, drug testing, and purses.

7. Provide a financial forecast for the operation of the racetrack and pari-mutuel wagering for each of the first five years after racing with pari-mutuel wagering begins, either live or simulcast, whichever starts first. Include forecasts of revenues and expenses and changes in capital accounts and cash flows. Also include a projected balance sheet to document the financial forecasts for each year for which a financial forecast is made, based on such variables as:

- Average daily attendance.
- Average daily handle.
- Average per capita wager.
- Average number of admissions.
- Shares for state from pari-mutuel handle.
- Minimum purse schedule.
- Payroll.
- Taxes.
- Cost of interest.
- Cost of insurance, legal, and accounting services.
- Cost of operating services and supplies.
- Cost of tote services and pari-mutuel operations.
- Cost of maintenance and repairs.
- Advertising and promotion expenses.
- Travel expenses; and
- Equipment depreciation.

Include a projection of break-even operations prepared based on cash flow from operations after debt service, and use the same number of race days, per capita handle, and other assumptions used in the financial forecasts.

The financial forecasts must be presented in the following format:

BALANCE SHEET – ASSETS

Current Assets

Cash
Marketable securities
Receivables

- Trade
- Associated companies
- Officers, directors, employees, and security holders
- Others

Allowance for doubtful receivables
Inventories
Prepaid expenses
Other current assets
Total current assets

Investments

Investments in associated companies
Other investments
Total investments

Property

Land
Land improvements
Buildings and building improvements
Equipment, furnishings, and fixtures
Work in progress
Accumulated depreciation and amortization
Total property

Other Assets

Intangibles
Organization expenses
Non-current receivables

- Trade
- Officers, directors, employees, and security holders
- Others
- Deferred charges
- Miscellaneous

Total other assets
TOTAL ASSETS

BALANCE SHEET – LIABILITIES & CAPITAL

Current Liabilities

Accounts and Notes Payable

- Trade
- Associated companies
- Officers, directors, employees, and security holders
- Others

Notes payable – banks
Accrued liabilities

- Outstanding mutual tickets
- Common purse pool and stakes
- Extra days proceeds
- State mutual tax
- State and federal income tax
- Interest
- Other

Current portion of long-term debt
Dividends payable
Other current liabilities
Total current liabilities

Long-Term Liabilities

Long-term liabilities

- Associated companies
- Officers, directors, employees, and security holders
- Others

Total long-term liabilities

Other Liabilities

Deferred credits
Other liabilities
Total other liabilities
TOTAL LIABILITIES

Capital

Capital shares
Additional paid-in capital
Retained earnings
Required capital
Total capital
TOTAL LIABILITIES AND CAPITAL

INCOME STATEMENT

Revenue

- Pari-mutuel commissions (takeout)
 - Commission from live racing
 - Commission from simulcasting

Proceeds from simulcasting

Breakage

Outstanding tickets

Other revenue

- Admissions
- Parking
- Programs
- Concessions
- Miscellaneous
- Charity day proceeds

Total racing-related revenue

Expenses

Statutory expenses

- State pari-mutuel tax
- Admissions tax
- Texas Racing Commission license fees
 - Initial license fees
 - Purses and awards
 - Drug testing
 - Breakage
 - Outstanding tickets
 - Total statutory expenses

Operating expenses

- Compensation expenses
 - Salaries and wages
 - Payroll taxes and fringe benefits
 - ***Total compensation expenses***
- Management fees
- Non-statutory purses, stakes, & awards
- Simulcast expenses
- Advertising, publicity, & public relations
- Concession expenses

- Repairs and maintenance
 - Totalisator expenses
- Rent
 - Track and facilities
 - Other
- Insurance
- Utilities
- Real estate taxes
- Other taxes
- General and administrative
- Legal and audit
- Travel and entertainment
- Depreciation
- Amortization
- Operating supplies and services
- Charitable contributions
- Other expenses (Identify separately if amount exceeds 10% of total operating expenses)

- ***Total operating expenses***

TOTAL STATUTORY & OPERATING EXPENSES

Income from Operations

Other Income and Expenses

- Interest income
- Interest expenses
- Other (identify separately)

Income Before Federal Income Tax

Provision for Federal Income Taxes

- Current
- Deferred
- ***Total provisions for federal income taxes***

NET INCOME

The financial forecasts must include a report on the forecasts by an independent certified public accountant.

Section IV. Operations

A. *Live Race Dates.*

- Describe the type of live race meetings planned for each year, including:

# of Race Meets Per Year: _____	# of Races Per Day: _____
Opening Day: _____	Total # of Days: _____
Closing Day: _____	Post Time: _____
Thoroughbred -- # of Races Per Day: _____	
Quarter Horse -- # of Races Per Day: _____	
Mixed -- # of Races Per Day: _____	Th: _____ QH: _____ Other: _____

B. *Simulcasting.*

- Although the Commission approves all simulcasting on a track-by-track basis after review of all pertinent contracts, describe the proposed simulcast plans, including days of the week, number of signals per day, and proposed sending and receiving tracks.

- ### C. Management.
- Identify each individual who will be responsible for the operation of the racetrack. For each individual listed, also provide the information requested in Section I, Personal Information, Questions A(1) through A(6), Background Disclosure Form and an IdentoGo receipt for fingerprint processing.

Full Name	Position

- For everyone listed above, describe, or attach a resume showing the individual's experience and qualifications in the racing industry, including pari-mutuel and non-pari-mutuel operations, general business, finance and accounting, and any other experience relevant to the position.

2. Does the applicant intend to contract with a person or management company to manage the racetrack operation? Yes No

If “YES,” provide a description of the person or company’s previous experience operating a pari-mutuel racetrack and a completed TXRC Background Disclosure Form (TXRC-BD-001) with fingerprint receipt, and a copy of the written contract, marked “Confidential.”

D. Concessions.

1. Does the applicant intend to contract with a person or concessions company to provide the racetrack concessions, including food, beverages, and promotional material? Yes No

If “YES,” provide a completed TXRC Background Disclosure Form (TXRC-BD-001) with fingerprint receipt, and a copy of the written contract, marked “Confidential.”

E. Totalisator company.

1. Identify the totalisator company that the applicant intends to use to conduct the racetrack’s pari-mutuel operations. Describe the pari-mutuel facilities and the totalizator equipment to be used. Attach a copy of the contract with the totalizator company, marked “Confidential.”

F. Racing Equipment.

1. Describe the equipment to be used in conducting races, including, but not limited to, the starting gate or box and the timing, photo finish, and videotape equipment.

G. Purse structure.

1. Describe the source of all funds for purses beyond the statutory requirements.

H. Safety information

1. Describe the first-aid facilities and personnel available at the racetrack, including level of training, travel time to the hospital nearest to the racetrack, and the hospital's average response time.

2. Describe the applicant's plan for monitoring the safety of the race animals, patrons, and racetrack personnel.

3. Provide a copy of the most recent fire inspection and describe the fire safety and emergency procedures for the racetrack and how it complies with the National Fire Protection Association Standards, including the procedures for:

- Protecting and evacuating the patrons and controlling traffic in an emergency.
- Inspecting the facilities for fire hazards.
- Restricting smoking in areas where smoking would create a fire hazard; and
- Coordinating efforts of the security personnel and the local emergency services.

4. Describe the locations of all fire hydrants on the racetrack site.

I. Economic and social projections impacting operations.

1. Describe the demographics of the area in which the racetrack is to be located, including estimated population, recent population growth trend, and potential market for the racetrack. encroachment information (e.g., identify potential conflicting property uses around the facility such as aircraft) and real estate documents, for the existing or proposed facility.

2. Describe the racetrack's projected economic impact on the area, including impact on employment, sale of goods and services, tax revenues, and investments.

4. Describe any local organized opposition to the racetrack.

5. Describe the applicant's plan to encourage the growth in the horse breeding industry in Texas.

Section V. Security

The security plan and information provided in response to this section are confidential and shall be reviewed in executive session, pursuant to the Texas Racing Act, Art. 179e, §6.03(b). Information in response to this section shall be placed in a separate folder, notebook, or envelope, and will be clearly marked “Confidential – Security Plan.”

A. Security plan, Texas Occ. Code § 2025.152

1. Submit a security plan that provides for the safety and security of the patrons, racing animals, and track personnel. The security plan shall include the information requested in this section. In addition, the security plan should include sufficient information to show that the association is in compliance with the applicable sections of the Texas Racing Act and the Texas Rules of Racing relating to the operation of racetracks.
2. Describe the local law enforcement services that will be available to the racetrack.
3. Describe the security equipment for the racetrack facilities—such as fences, locks, alarms, and monitoring equipment—including, but not limited to, the perimeter, stables or kennels, paddock or lockout, cash room and vault, mutuel ticket windows, tote room, pre-race holding area, test barn, and parking area.
4. Provide a detailed aerial view map of the restricted area and describe the security procedures to be used to admit individuals to restricted areas of the racetrack.
5. Describe the security procedures to be used to transfer money and mutuel tickets in each phase of pari-mutuel operations.
6. Describe the security personnel at the racetrack, including:
 - Whether the personnel will be employed by the association or by an independent contractor; if the later, describe the organization and qualifications of the contractor.
 - The number of individuals to be employed and the racetrack areas at which each will serve.
 - The number of security personnel who are also peace officers and/or are licensed by the Department of Public Safety as private security.
 - An organizational chart of the security force with a job description of each level.
 - The training requirements for the personnel and a description of any training program provided by the association; and
 - Whether the security personnel are bonded and, if so, the amount and conditions of the bond, and the name and address of the surety company that issued the bond.
7. Describe the alternate source of power in the event of a power failure and the length of time the alternate source to provide power, in the event of an outage. Include a description of the facilities for storing fuel and/or generator power arrangements for the alternate power source.

¹ See *Texas Occupations Code* § 2021.003.

² *Ibid.*; *Texas Rules of Racing* 16 TAC 311

³ See *Texas Occupations Code* § 2025.002.

⁴ See *Texas Occupations Code* § 2035.001.

⁵ See *Texas Occupations Code* § 2025.001 (a)

⁶ See *Texas Occupations Code* § 2025.001 (f)

⁷ See *Texas Occupations Code* §2025.053(a); 16 TAC 309.7.

⁸ See *Texas Occupations Code* §2025.102(c); See also *Texas Occupations Code* §2025.058; 16 TAC 303.8.

⁹ See *Texas Business Organizations Code*.

¹⁰ See *Texas Business Organizations Code*.

¹¹ See *Texas Rules of Racing*, 16 TAC § 309.51.

¹² See *Texas Occupations Code* § 2025.001 (a-b)