

TEXAS RACING COMMISSION 1801 N Congress Avenue, Suite 7.600 Austin, Texas 78701 512-833-6699

February 20, 2024

Office of the Governor Office of the Lieutenant Governor Office of the Speaker of the House

Gentlemen:

I write to you today to discuss the current state of the Texas Racing Commission and report on the operations of the commission and other matters during the past two years.¹ Our efforts remain focused on building a specialized law enforcement agency, informed by Department of Public Safety crime trends to provide support to our agency partners as well as to contribute to the emergency management mission in Texas.²

The current state budget made an investment in the Racing Commission, and it shifted a part of the agency's funding toward General Revenue.³ The current budget specifically appropriated funds for the administration of the agency's drug testing program, while other operations, including enforcement actions, continue to rely on the General Revenue-Dedicated funds gathered through licensing fees.

In 2022, the Racing Commission's headquarters moved from leased office space to the George H.W. Bush State Office Building, in Austin. The agency joined the Department of Information Resources shared information technology infrastructure and continued to support the legal challenge to the federal *Horseracing Integrity and Safety Act of 2020* and amendments with the Office of the Attorney General (OAG).

Additionally, there has been no live Greyhound racing in Texas since February 2020. In September 2022, OAG issued an opinion (KP-0412)⁴ outlining a process to divest funds held in escrow by the Texas Greyhound Association (TGA). However, in October 2022, TGA and others were provided a declaratory judgement contrary to KP-0412 from the 74th Judicial District, in McClennan County, further complicating the status of funds. The commission directed TGA to provide third-party, independent audit of all funds, which has yet to occur, leading the agency to suspend disbursement of state-controlled funds. The agency also submitted its Agency Strategic Plan⁵ and Legislative Appropriations Request⁶ prior to the 88th Regular Session.

In 2023, the commission reviewed eight of the ten current racetrack licenses in Texas. During the review, the agency worked with Retama Park, a Class I Horse Track in Selma, as they addressed unsafe conditions. The commission stood up an Ad Hoc Greyhound Committee to review the industry and identify recommendations for the 89th Texas Legislature. Additionally, in October, the Texas A&M Veterinary Medical Diagnostic Laboratory raised concerns about their ability to continue performing race animal drug testing services designed to prevent unlawful influence on racehorses.

"Excellence Starts Here"

Throughout, the agency continued to administer the Texas-bred Incentive Program and Horse Industry Escrow Account to further the horseracing industry and continued a review and modernization of the Texas Rules of Racing. Information on Texas horse breeding is available through the Texas Thoroughbred Association⁷ and the Texas Quarter Horse Association⁸.

If you or your staff have any questions about this information, please do not hesitate to contact me.

Sincerely,

Amy F. Cook

Amy F. Cook Executive Director

- ¹ Sec. 2023.061, Texas Occupations Code
- ² <u>https://www.dps.texas.gov/section/crime-records/crime-texas</u>
- ³ HB1 Conference Committee Report (2024-2025 State Budget)
- ⁴ https://www.texasattorneygeneral.gov/sites/default/files/opinion-files/opinion/2022/kp-0412.pdf
- ⁵ Texas Racing Commission, Agency Strategic Plan for Fiscal Years 2023-2027
- ⁶ Texas Racing Commission, Legislative Appropriations Request for Fiscal Years 2024 and 2025 ⁷ https://texasthoroughbred.com/
- ⁸ <u>https://www.tqha.com/</u>