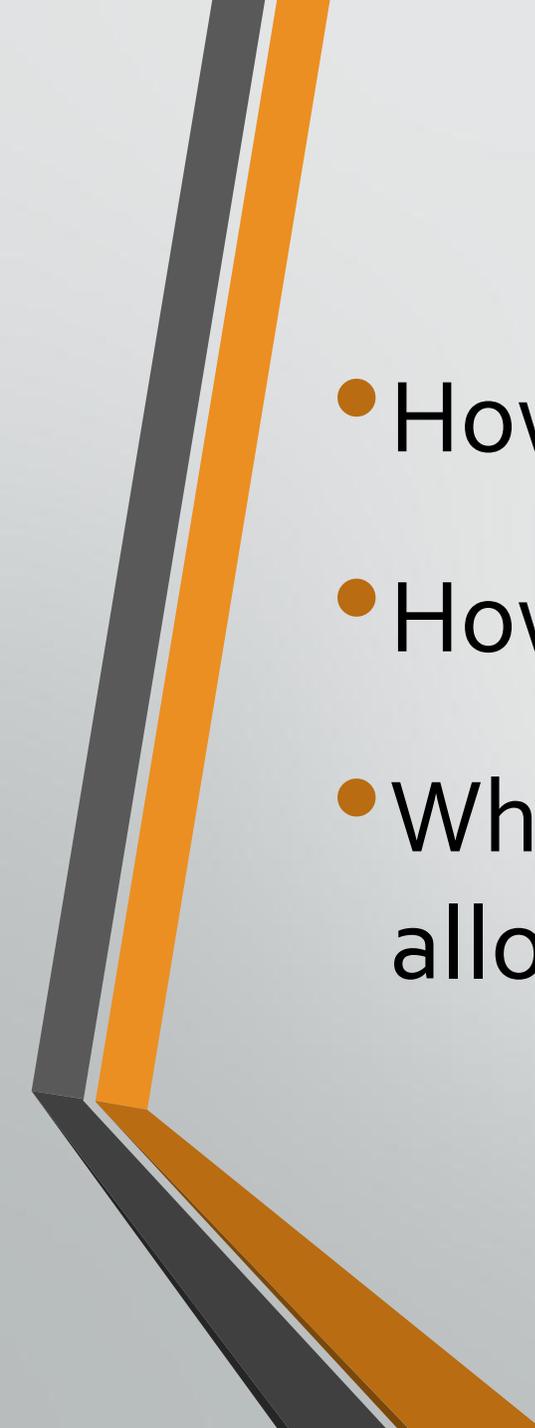




Greyhound Racetracks Fundamentals of Purse & Texas Bred Incentive Program Funds

Prepared by: Sammy Jackson

October 8, 2013

- 
- How are these funds earned?
 - How are these funds allocated?
 - What is the Commission's role in the allocation process?



- How are these funds earned?

LIVE WAGERING

On-Track

Off-Track

SIMULCAST WAGERING

Same-Species (greyhound on greyhound)

Cross-Species (greyhound on horse)

FUNDING FROM SIMULCAST WAGERING

Cross-Species

Purse Funds

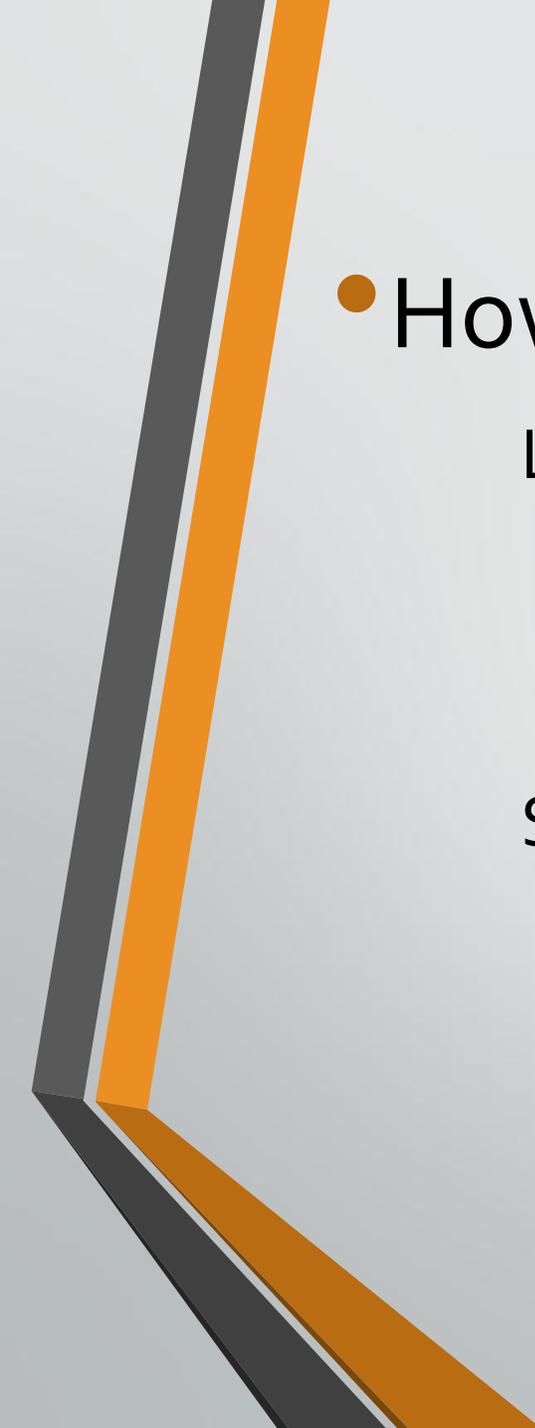
Racing Act, §6.091 - from the total amount wagered at a greyhound racetrack on horse races:

- For Horse Purses: (In-State-Signal)
 - 4.5 % to the sending Texas horse racetrack
- For Horse Purses: (Out-of-State-Signal)
 - 4.5% to TxRC Escrow Purse Account
 - 0.75% to Texas Quarter Horse Association
 - 0.75% to Texas Thoroughbred Association
- For Greyhound Purses:
 - No statutory provision.
 - By contract with the Texas Greyhound Association.

Texas Bred Program

Racing Act, §6.091 - from the total amount wagered at a greyhound racetrack on horse races:

- 1 % of a multiple two wagering pool,
- 1 % of a multiple three wagering pool, &
- 50% of Breakage (*The odd cents by which the amount payable on each dollar wagered exceeds a multiple of 10 cents.*)



- How are these funds allocated?

LIVE WAGERING

On-Track

Off-Track

SIMULCAST WAGERING

Same-Species (greyhound on greyhound)

Cross-Species (greyhound on horse)

ALLOCATIONS FROM SIMULCAST WAGERING

Cross-Species

TxRC Escrow Purse Account

Distribution is requested by the horse racetracks from the Commission.

Allocated by racetrack recommended breed split, industry agreement, or Commission decision.

Arabian
Purse
Account

QH
Purse
Account

Paint
Purse
Account

TB
Purse
Account

Texas Bred Program

Allocated to the Texas Greyhound Association.

- 
- What is the Commission's role in the allocation process?

LIVE WAGERING

On-Track

Off-Track

SIMULCAST WAGERING

Same-Species (greyhound on greyhound)

Cross-Species (greyhound on horse)

COMMISSION'S ROLE - SIMULCAST WAGERING Cross-Species

TxRC Escrow Purse Account

Commission

- Approves request for distribution by a horse racetrack,
- Approves allocation percentages/methodology, or
- Determines allocation percentages/methodology.

Staff

- Approves racetrack's request to import a horse track signal,
- Audits fund calculations daily,
- Collects funds from racetrack daily,
- Remits funds to the horse racetrack as approved by the Commission, &
- Audits allocations to the respective purse accounts monthly.

Texas Bred Program

Staff

- Approves racetrack's request to import a horse track signal,
- Audits fund calculations daily,
- Collects funds from racetrack daily, &
- Remits funds to the Texas Greyhound Association monthly.

Commission Rule §321.509: Escrow Purse Account

(a) At least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). The executive secretary shall establish a deadline for receiving requests for distribution from the account and publicize that deadline to the horse racetrack associations at least 30 days before the deadline. The associations when requesting for distribution from the account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

(b) The Commission shall determine the amount of the distribution to each racetrack in accordance with the standards set forth in the Act, §6.091(e) and (f).

(c) The percentages by which an association will divide the escrowed purse account revenue among the various breeds of horses is subject to the approval of the Commission. When requesting Commission approval of the percentages, the association shall present in writing studies, statistics, or other documentation to support its proposed division of escrowed purse account revenue. The Commission may consider the following criteria when evaluating the association's studies, statistics, or other documentation submitted to support its proposed division of escrowed purse account revenue before granting its approval:

(1) local public interest in each breed as demonstrated by, but not limited to, the following factors:

(A) simulcast import handle by breed;

(B) live handle by breed; and

(C) live attendance.

(2) earnings generated by the association from each breed;

(3) racetrack race date request and opportunities given to each breed;

(4) statewide need by breed; and

(5) national public interest in each breed as determined by the live simulcast export handle of each Texas meet.

(d) If the Commission determines that the association's proposed division of the escrowed purse account revenue is inconsistent with the association's obligation to accord reasonable access to races for all breeds of horses, the Commission may:

(1) require the association to submit additional information supporting its recommendation for consideration at the next Commission meeting;

(2) reject the association's recommendation and require the association to submit a new recommendation for consideration at the next Commission meeting; or

(3) reject the association's recommendation and approve an alternate division of the escrowed purse account revenue as determined by the Commission.

(e) In lieu of the process outlined in subsections (c) and (d) of this section, a signed agreement between the association and the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers, and/or breeders may be submitted to the Commission for consideration and approval. For the Commission to approve the agreement, the agreement must:

(1) delineate the percentages by which the escrowed purse account revenue received by the association will be divided amongst the various breeds of horses; and

(2) be signed by all organizations recognized by the Commission or in the Act as representatives of horse owners, trainers, and/or breeders.