



TEXAS RACING COMMISSION
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Texas Racing Commission
Tuesday, April 9, 2013
10:30 a.m.
Texas Animal Health Commission
2105 Kramer Lane
Austin, Texas 78758

AGENDA

I. CALL TO ORDER
Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

Discussion and consideration of the following matters:

- A. Reports by the Executive Director and Staff regarding Administrative Matters
 - 1) Budget and Finance Update
 - 2) Report on Racetrack Inspections
 - 3) Report on Wagering Statistics
 - 4) Enforcement Report
 - 5) Report on Status of Texas Legislative Proposals
- B. Presentation on the Racing Medication and Testing Consortium's Recommended Threshold Levels for Therapeutic Medications

IV. PROCEEDINGS ON RACETRACKS

Discussion and consideration on the following matter:

- A. Report by Saddle Brook Park on its Operations

Discussion, consideration, and possible action on the following matters:

- B. Request by Saddle Brook Park for Approval of a Change in Ownership of More Than 5% That Does Not Cause a Change in Control
- C. Request by Gulf Coast Racing to Amend its Contract with United Tote Company
- D. Request by Gulf Greyhound Park to Amend its 2013 Live Racing Schedule
- E. Request by Sam Houston Race Park to Amend its 2013 Live Racing Schedule
- F. Request by Valley Race Park to Amend its 2013 Live Racing Schedule

V. PROCEEDINGS ON RULEMAKING

Discussion and consideration of the following matter:

- A. Report by the Committee on Rules

Discussion, consideration, and possible action on the following matters:

Rule Proposals

- B. Proposal to Amend Rule 311.5, License Fees
- C. Proposal for New Rule 311.112, Equine Dental Provider

Rule Adoptions

- D. Adoption of New Rule 307.8, Negotiated Rulemaking and Alternative Dispute Resolution
- E. Adoption of New Rule 309.53, Ownership and Management Review of Active Racetrack Licenses.

The following proposed rule adoptions relate to the prohibition of live lures in the training of greyhounds:

- F. Adoption of Amendment to Rule 309.359, Live Lures
- G. Adoption of Amendment to Rule 311.6, Denial, Suspension, and Revocation of Licenses

- H. Adoption of Amendment to Rule 311.102, Greyhound Owners
- I. Adoption of Amendment to Rule 311.104, Trainers
- J. Adoption of New Rule 311.217, Greyhound Training
- K. Adoption of New Rule 315.112, Ineligibility Due to Improper Greyhound Training

VI. EXECUTIVE SESSION

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

- A. Under Government Code Sec. 551.071(1), the Commission may open an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Government Code Sec. 551.071(2), the Commission may open an executive session to discuss all matters identified in this agenda where the commission seeks the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and to discuss the Open Meetings Act and the Administrative Procedures Act.
- C. Under Texas Racing Act, Tex. Rev. Civ. Stat. Ann. art. 179e, Sec. 6.03, the Commission may open an executive session to review security plans and management, concession, and totalisator contracts.

VII. OLD/NEW BUSINESS

Schedule next Commission Meeting

VIII. ADJOURN



**Fiscal Year 2013
Operational Budget**

Updated: March 18, 2013

Thru: February 28, 2013

Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected Balance	%
Account 597 - Racing Commission - GRD	\$ 9,788,218	\$ 6,396,432	\$ 75,000	\$ 3,083,306	32%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL REVENUES	\$ 9,788,218	\$ 6,396,432	\$ 75,000	\$ 3,083,306	32%

Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended Balance	%
1001 - Salaries and Wages:	\$ 2,838,364	\$ 1,308,552	\$ -	\$ 1,529,812	54%
1002 - Other Personnel Cost:	\$ 190,829	\$ 56,860	\$ -	\$ 133,969	70%
2001 - Professional Fees and Services:	\$ 240,500	\$ 52,781	\$ -	\$ 187,719	78%
2003 - Consumable Supplies:	\$ 38,500	\$ 8,051	\$ -	\$ 30,449	79%
2004 - Utilities:	\$ 60,000	\$ 26,026	\$ -	\$ 33,974	57%
2005 - Travel:	\$ 177,789	\$ 42,097	\$ -	\$ 135,692	76%
2006 - Rent Building:	\$ 87,979	\$ 52,057	\$ -	\$ 35,923	41%
2007 - Rent Machine and Other:	\$ 14,500	\$ 5,201	\$ -	\$ 9,299	64%
2009 - Other Operating Expense:	\$ 575,098	\$ 115,983	\$ -	\$ 459,115	80%
4000 - Grants	\$ 4,125,000	\$ 1,450,987	\$ -	\$ 2,674,013	65%
5000 - Capital Expenditures:	\$ -	\$ 274	\$ -	\$ (274)	n/a
TOTAL - ALL APPROPRIATED EXPENDITURES	\$ 8,348,559	\$ 3,118,869	\$ -	\$ 5,229,691	63%

Unappropriated Operating Expenses

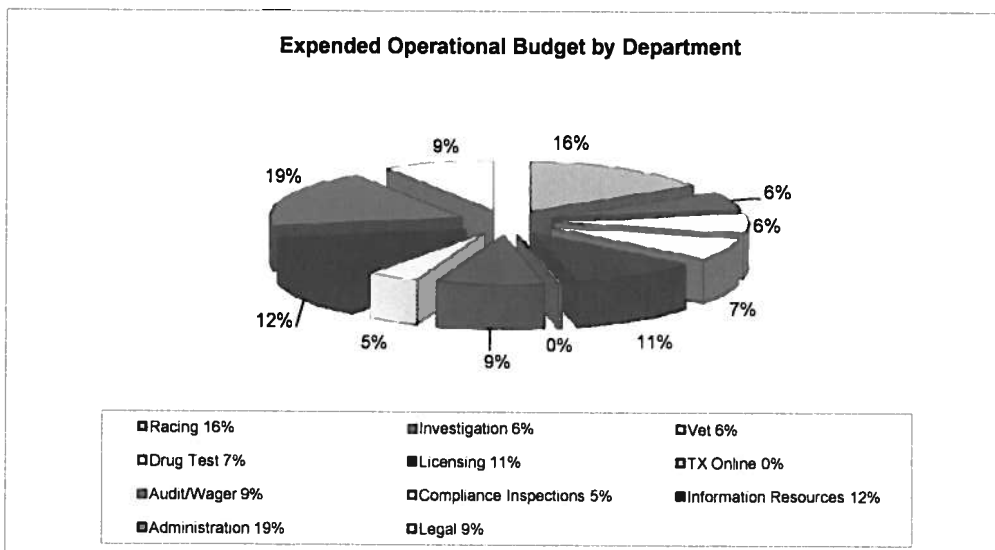
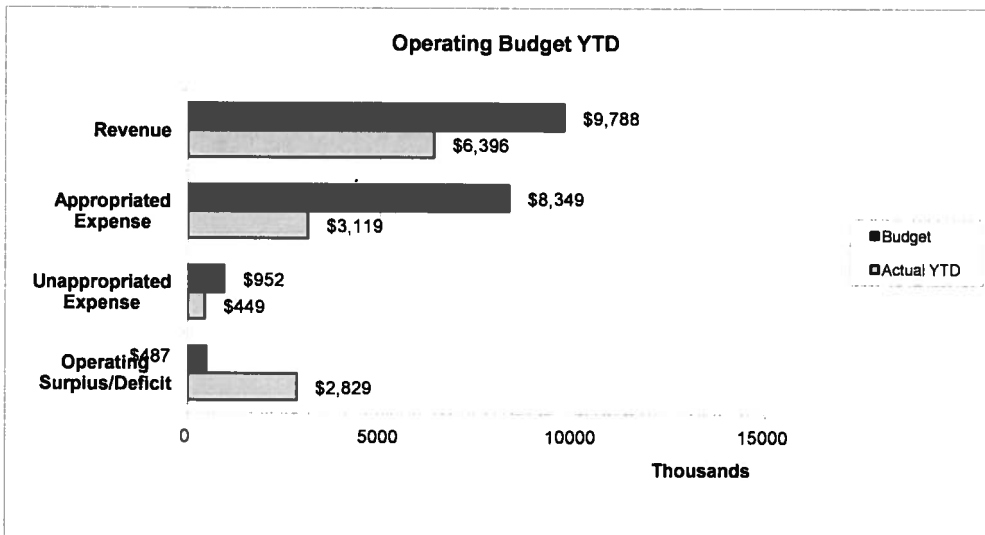
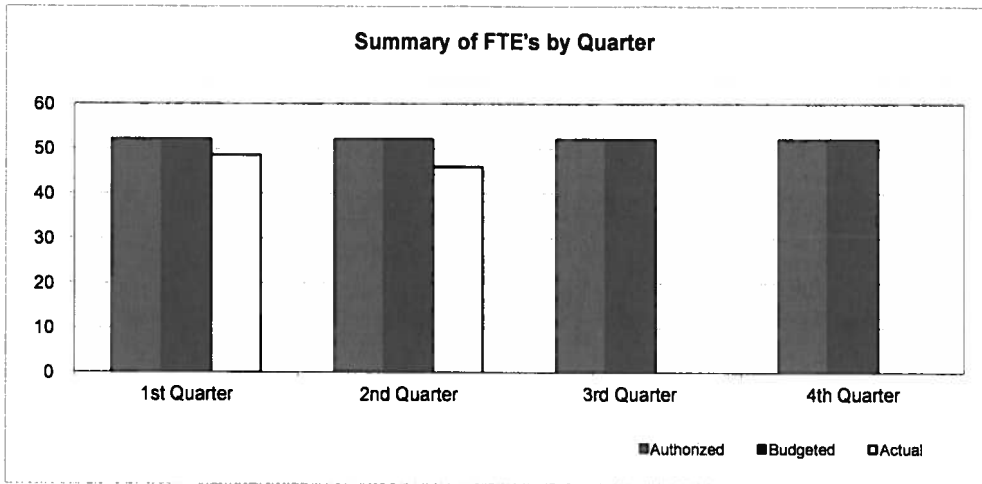
Type:	Budget	Expended	Encumbered	Unexpended Balance	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 952,248	\$ 448,941	\$ -	\$ 503,307	53%
TOTAL - ALL EXPENDITURES	\$ 9,300,807	\$ 3,567,810	\$ -	\$ 5,732,998	62%

OPERATING SURPLUS / (DEFICIT)

\$ 487,410 \$ 2,828,622

Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	52.10	52.10	52.10	52.10
Budgeted FTE's	52.10	52.10	52.10	52.10
Actual FTE's	48.56	46.00	0.00	0.00
Actual FTE's Over / (Under) Budget	(3.54)	(6.10)		
Actual FTE's Over / (Under) Authorization	(3.54)	(6.10)		



Texas Racing Commission
 Report on Racetrack Inspection Activities
 April 9, 2013

Summary of Inspections Performed
 For the Period of February 1, 2013, through April 1, 2013

Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Saddle Brook Park	Safety & Security	2/9/2013	0	0	0
Sam Houston Race Park	Racing - Stewards	3/3/2013	0	0	0
Gulf Greyhound Park	Veterinary	2/13/2013 - follow-up	1	1	0
	Racing - Judges	2/14/2013 - follow-up	3	3	0
	Administration	3/7/2013	0	0	0
Gillespie County Fair	Wagering	2/18/2013	4		
		3/28/2013 - follow-up		3	1*

*When a patron purchases a program for a racetrack from the Bettor's Program Kiosk, all of the required TxRC information is printed; however, if a patron purchases a partial program, none of the required information is included in the print-out. Gillespie is working with the vendor to update the software.

Inspection Counts by Area and Type

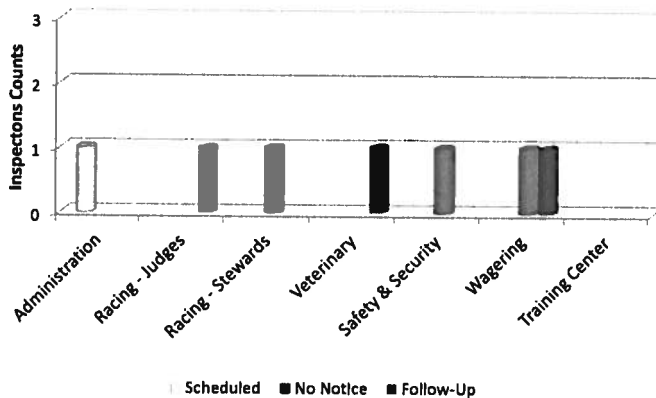
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administration	1			1
Racing - Judges			1	1
Racing - Stewards		1		1
Veterinary			1	1
Safety & Security		1		1
Wagering		1	1	2
Training Center				-
TOTAL INSPECTIONS	1	3	3	7

Important Notes Regarding Inspections at Racetracks:

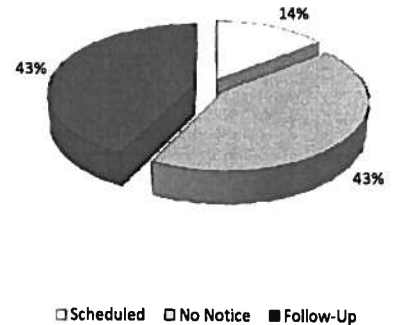
1) Scheduled inspections typically occur before the beginning of each race meet. Random inspections typically are planned to occur during the middle of a meet, depending on the length of the meet.

2) Follow-up inspections are only performed when a Scheduled or No Notice inspection identifies an unsatisfactory item. The follow-up inspection is performed after the association has had an opportunity to remedy any unsatisfactory item initially reported.

Inspections by Area and Type



Inspection Type
 As Percentage of Total Inspections





**Texas Pari-Mutuel Racetracks Wagering Statistics
Comparison Report on Total Wagers Placed
in Texas & on Texas Races**

For the Period: 01/01/12 -03/31/12 to 01/01/13 -03/31/13

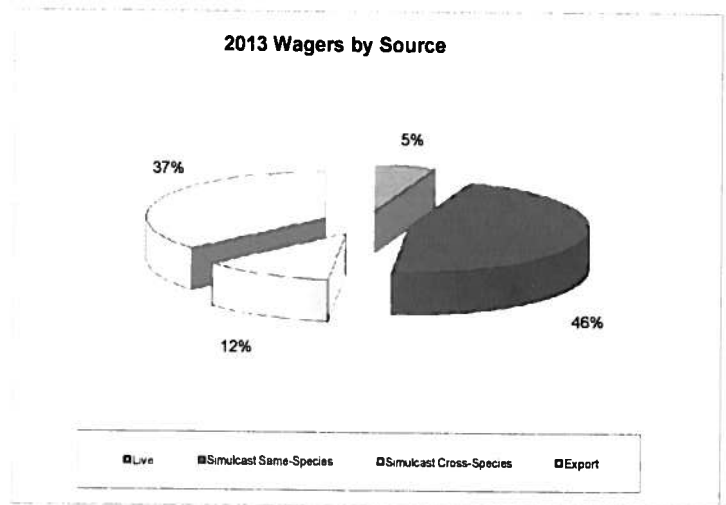
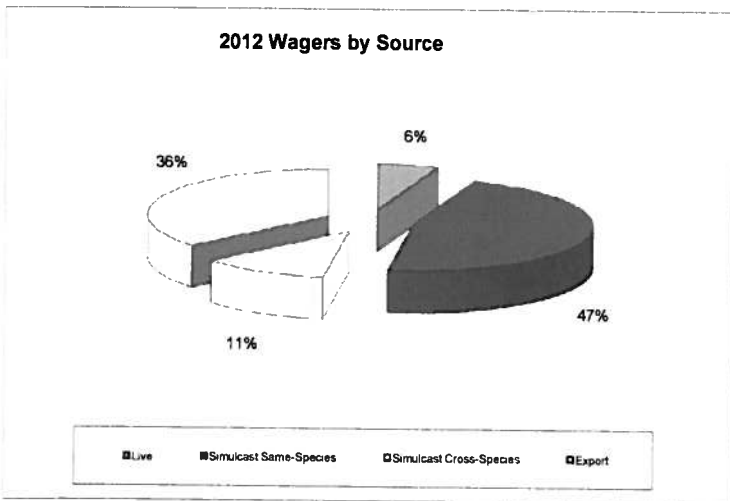
Sources of Wagers	Year 2012 01/01 - 03/31				Year 2013 01/01 -03/31				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers		
Greyhound Racetracks										
Live	63	2,434,251	\$ 38,639	63	2,206,947	\$ 35,031	-9.34%	-9.34%		
Simulcast Same-Species	234	7,175,728	\$ 30,666	231	6,737,778	\$ 29,168	-6.10%	-4.88%		
Simulcast Cross-Species	234	5,253,033	\$ 22,449	231	5,332,525	\$ 23,085	1.51%	2.83%		
Export	63	<u>3,248,183</u>	<u>\$ 51,558</u>	63	<u>3,054,600</u>	<u>\$ 48,486</u>	-5.96%	-5.96%		
Total Wagers		18,111,194	N/A		17,331,850	N/A	-4.30%	N/A		

Sources of Wagers Horse Racetracks										
Live	37	4,332,549	\$ 117,096	36	4,482,634	\$ 124,518	3.46%	6.34%		
Simulcast Same-Species	325	50,208,167	\$ 154,487	385	48,813,849	\$ 126,789	-2.78%	-17.93%		
Simulcast Cross-Species	325	8,642,489	\$ 26,592	341	8,851,273	\$ 25,957	2.42%	-2.39%		
Export	37	<u>41,544,117</u>	<u>\$ 1,122,814</u>	36	<u>41,226,244</u>	<u>\$ 1,145,173</u>	-0.77%	1.99%		
Total Wagers		104,727,322	N/A		103,374,000	N/A	-1.29%	N/A		

Sources of Wagers All Texas Racetracks										
Live	100	6,766,800	\$ 67,668	99	6,689,581	\$ 67,572	-1.14%	-0.14%		
Simulcast Same-Species	559	57,383,895	\$ 102,655	616	55,551,627	\$ 90,181	-3.19%	-12.15%		
Simulcast Cross-Species	559	13,895,521	\$ 24,858	572	14,183,798	\$ 24,797	2.07%	-0.25%		
Export	100	<u>44,792,301</u>	<u>\$ 447,923</u>	99	<u>44,280,844</u>	<u>\$ 447,281</u>	-1.14%	-0.14%		
Total Wagers		122,838,516	N/A		120,705,849	N/A	-1.74%	N/A		

Total Wagers Placed in Texas		78,046,215	N/A		76,425,005	N/A	-2.08%	N/A
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Total Wagers Placed on Texas Races		51,559,100	N/A		50,970,425	N/A	-1.14%	N/A
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**Greyhound Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed
in Texas & on Texas Races**

For the Period: 01/01/12 -03/31/12 to 01/01/13 -03/31/13

Sources of Wagers	Year 2012				Year 2013				Percentage	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager	Change In	
Gulf Coast Racing										
Live	0	0	N/A	0	0	N/A	N/A	N/A		
Simulcast Same-Species	65	1,940,766	\$ 29,858	64	1,911,599	\$ 29,869	-1.50%	0.04%		
Simulcast Cross-Species	65	926,177	\$ 14,249	64	1,038,301	\$ 16,223	12.11%	13.86%		
Export	0	0	N/A	0	0	N/A	N/A	N/A		
Total Wagers		2,866,944	N/A		2,949,899	N/A	2.89%	N/A		

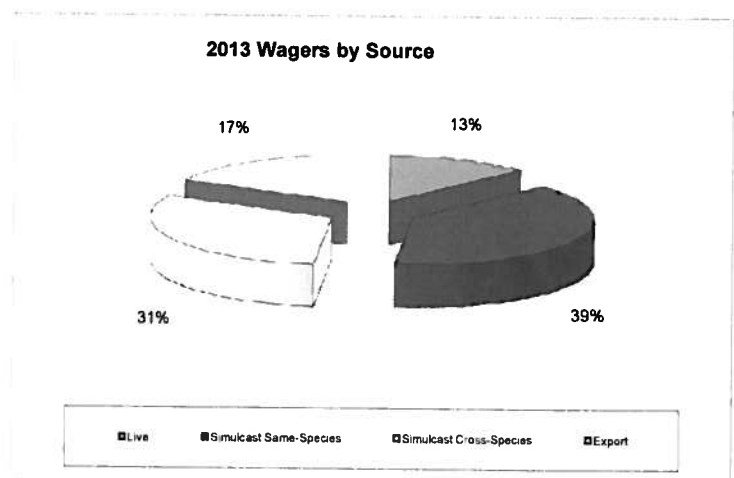
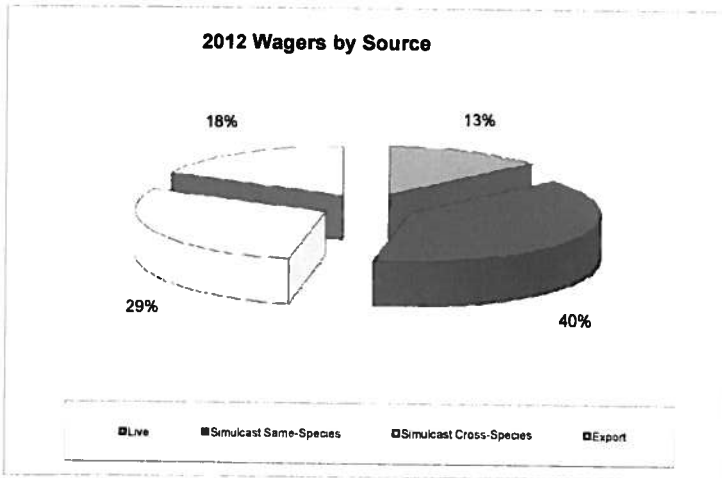
Sources of Wagers										
Gulf Greyhound Park										
Live	63	2,434,251	\$ 38,639	63	2,206,947	\$ 35,031	-9.34%	-9.34%		
Simulcast Same-Species	91	3,288,898	\$ 36,142	90	3,169,814	\$ 35,220	-3.62%	-2.55%		
Simulcast Cross-Species	91	2,771,791	\$ 30,459	90	2,731,538	\$ 30,350	-1.45%	-0.36%		
Export	63	3,248,183	\$ 51,558	63	3,054,600	\$ 48,486	-5.96%	-5.96%		
Total Wagers		11,743,124	N/A		11,162,899	N/A	-4.94%	N/A		

Sources of Wagers										
Valley Race Park										
Live	0	0	N/A	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	78	1,946,063	\$ 24,950	77	1,656,366	\$ 21,511	-14.89%	-13.78%		
Simulcast Cross-Species	78	1,555,064	\$ 19,937	77	1,562,686	\$ 20,295	0.49%	1.80%		
Export	0	0	N/A	0	0	N/A	N/A	N/A		
Total Wagers		3,501,127	N/A		3,219,052	N/A	-8.06%	N/A		

Sources of Wagers										
All Greyhound Racetracks										
Live	63	2,434,251	\$ 38,639	63	2,206,947	\$ 35,031	-9.34%	-9.34%		
Simulcast Same-Species	234	7,175,728	\$ 30,666	231	6,737,778	\$ 29,168	-6.10%	-4.88%		
Simulcast Cross-Species	234	5,253,033	\$ 22,449	231	5,332,525	\$ 23,085	1.51%	2.83%		
Export	63	3,248,183	\$ 51,558	63	3,054,600	\$ 48,486	-5.96%	-5.96%		
Total Wagers		18,111,194	N/A		17,331,850	N/A	-4.30%	N/A		

Total Wagers Placed in Texas		14,863,011	N/A		14,277,250	N/A	-3.94%	N/A	
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Total Wagers Placed on Texas Races		5,682,434	N/A		5,261,547	N/A	-7.41%	N/A	
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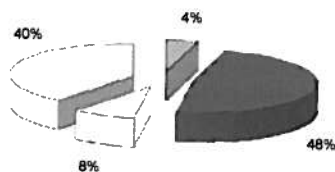


**Horse Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed
in Texas & on Texas Races**

For the Period: 01/01/12 -03/31/12 to 01/01/13 -03/31/13

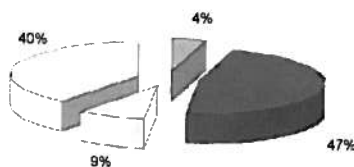
Sources of Wagers	Year 2012 01/01 - 03/31				Year 2013 01/01 -03/31				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager
Gillespie County Fair										
Live	0	0	N/A	0	0	N/A	N/A	N/A	N/A	N/A
Simulcast Same-Species	52	643,635	\$ 12,378	51	731,285	\$ 14,339	13.62%	15.85%		
Simulcast Cross-Species	52	86,614	\$ 1,666	51	98,302	\$ 1,927	13.49%	15.72%		
Export	0	0	N/A	0	0	N/A	N/A	N/A	N/A	N/A
Total Wagers		730,249	N/A		829,587	N/A	13.60%	N/A		
Lone Star Park										
Live	0	0	N/A	0	0	N/A	N/A	N/A	N/A	N/A
Simulcast Same-Species	91	24,175,527	\$ 265,665	90	22,876,347	\$ 254,182	-5.37%	-4.32%		
Simulcast Cross-Species	91	1,379,245	\$ 15,157	90	1,641,913	\$ 18,243	19.04%	20.37%		
Export	0	0	N/A	0	0	N/A	N/A	N/A	N/A	N/A
Total Wagers		25,554,772	N/A		24,518,261	N/A	-4.06%	N/A		
Retama Park										
Live	0	0	\$ -	0	0	N/A	N/A	N/A	N/A	N/A
Simulcast Same-Species	91	9,347,497	\$ 102,720	90	9,476,647	\$ 105,296	1.38%	2.51%		
Simulcast Cross-Species	91	2,022,548	\$ 22,226	90	2,025,479	\$ 22,505	0.14%	1.26%		
Export	0	0	\$ -	0	0	N/A	N/A	N/A	N/A	N/A
Total Wagers		11,370,045	N/A		11,502,126	N/A	1.16%	N/A		
Saddle Brook Park										
Live	0	0	\$ -	0	0	\$ -				
Simulcast Same-Species	0	0	\$ -	64	1,092,363	\$ 17,068	100.00%	100.00%		
Simulcast Cross-Species	0	0	\$ -	20	23,738	\$ 1,187	100.00%	100.00%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A	N/A	N/A
Total Wagers		0	\$ -		1,116,101	N/A	100.00%	N/A		
Sam Houston Race Park										
Live	37	4,332,549	\$ 117,096	36	4,482,634	\$ 124,518	3.46%	6.34%		
Simulcast Same-Species	91	16,041,508	\$ 176,280	90	14,637,207	\$ 162,636	-8.75%	-7.74%		
Simulcast Cross-Species	91	5,154,081	\$ 56,638	90	5,061,841	\$ 56,243	-1.79%	-0.70%		
Export	37	41,544,117	\$ 1,122,814	36	41,226,244	\$ 1,145,173	-0.77%	1.99%		
Total Wagers		67,072,256	N/A		65,407,926	N/A	-2.48%	N/A		
All Horse Racetracks										
Live	37	4,332,549	\$ 117,096	36	4,482,634	\$ 124,518	3.46%	6.34%		
Simulcast Same-Species	325	50,208,167	\$ 154,487	385	48,813,849	\$ 126,789	-2.78%	-17.93%		
Simulcast Cross-Species	325	8,642,489	\$ 26,592	341	8,851,273	\$ 25,957	2.42%	-2.39%		
Export	37	41,544,117	\$ 1,122,814	36	41,226,244	\$ 1,145,173	-0.77%	1.99%		
Total Wagers		104,727,322	N/A		103,374,000	N/A	-1.29%	N/A		
Total Wagers Placed in Texas		63,183,204	N/A		62,147,755	N/A	-1.64%	N/A		
Total Wagers Placed on Texas Races		45,876,666	N/A		45,708,878	N/A	-0.37%	N/A		

2012 Wagers by Source



Legend: Live, Simulcast Same Species, Simulcast Cross-Species, Export

2013 Wagers by Source



Legend: Live, Simulcast Same Species, Simulcast Cross-Species, Export

**Texas Racing Commission
Enforcement Report
Selected Regulatory Statistics
January 1, 2013 – March 31, 2013**

	GREYHOUND	HORSE	NOTES
# of Live Race Performances/Days	63	36	
# of Live Races	867	365	
# of Animals Inspected	6,840	3,184	
# of Samples	876	742	
# of Animal Drug Positives	0	16	
% of Samples Testing Positive	0%	2.16%	
# of Simulcast Days	231	385	
# of Simulcast Races	71,450	104,361	
# of Import and Export Requests	84	481	
# of New Licenses Issued	572		
# of Licenses Renewed	1,154		
# of Gate, Barn, and Kennel Searches	14		
# of Administrative Investigations	39		
# of Rulings	5	40	
# of Suspensions	0	8	
# of Revocations	0	0	
# of Animals DQ'ed for Drug Positive – Purse Redistributed	0	0	
# of Rulings with Fines	5	29	
Total Fines Assessed	\$225	\$5,975	

CLASSIFICATION OF DRUG POSITVES: Drugs are classified by their effect on the animals. Class 1 is the most serious for greyhounds and horses. The least serious violations are class 6 for greyhounds and class 5 for horses.



THERAPEUTIC SUBSTANCES

Substance	Restricted Administration Time	Threshold	Route of Administration	Experimental Administration Dosage
Acepromazine	48 hours	HEPS – 10 ng/mL of urine	Intravenous	0.05 mg/kg
Betamethasone	7 days	10 pg/mL in plasma or serum	Intra-articular	9 mg total in one articular space
Butorphanol	48 hours	Free butorphanol – 2 ng/mL of plasma, or Total butorphanol – 300 ng/mL of urine.	Intravenous	0.1 mg/kg
Clenbuterol	14 days	140 pg/mL of urine or LOD in plasma	Oral	0.8 mcg/kg
Dantrolene	48 hours	5-OH dantrolene - 0.1 ng/mL of plasma or serum	Oral	500 mg total dose
Detomidine	72 hours	1 ng/mL of carboxydetomidine in urine; LOD for detomidine in plasma	Sublingual detomidine (Domosedan gel)	40 mcg/kg
Dexamethasone	72 hours	5 pg/mL of plasma or serum	Oral, Intravenous, IM	0.05 mg/kg
Diclofenac	48 hours	5 ng/mL of plasma or serum	Topical	5" ribbon of Surpass every 12 hours to one site
DMSO	48 hours	10 mcg/mL of plasma or serum	Oral or IV	
Firocoxib	14 days	20 ng/mL of plasma or serum	Oral	0.1 mg/kg for 4 days
Flunixin	24 hours	20 ng/mL of plasma or serum	Intravenous	1.1 mg/kg
Furosemide	4 hours	100 ng/mL in blood and urine specific gravity < 1.010	Intravenous	Up to 500 mg total dose
Glycopyrrolate	48 hours	3 pg/mL of plasma or serum	Intravenous	1 mg total dose
Ketoprofen	24 hours	10 ng/mL of plasma or serum	Intravenous	2.2 mg/kg
Lidocaine (interim)	72 hours	20 pg/mL of total 30H-lidocaine in	Subcutaneous – distal limb	200 mg of lidocaine

		plasma		hydrochloride salt
Mepivacaine	72 hours	3OH-mepivacaine - 10 ng/mL in urine or mepivacaine at LOD in plasma	Subcutaneous – distal limb	0.07 mg/kg
Methocarbamol	48 hours	1 ng/mL of plasma or serum	IV or Oral	0.15 mg/kg IV, 5 g oral
Methylprednisolone	7 days	100 pg/mL in plasma or serum	Intra-articular	100 mg total in one articular space ¹
Omeprazole	24 hours	omeprazole sulfide - 1 ng/mL in urine	Oral	3.9 mg/kg
Phenylbutazone	24 hours	2 mcg/mL of plasma or serum	Intravenous	2.2 mg/kg
Prednisolone	48 hours	1 ng/mL of plasma or serum	Oral	1 mg/kg
Procaine penicillin	Time of entry	25 ng/mL of plasma	Intra-muscular	
Triamcinolone acetonide	7 days	100 pg/mL of plasma or serum	Intra-articular	9 mg total in one articular space
Xylazine (interim)	48 hours	0.01 ng/mL of plasma	Intravenous	


¹ Note: At the 100 mg experimental dose, the safe time for administration to meet the 100 pg/mL threshold was 21 days – the 7 day withdrawal time anticipates that protocols vary and a smaller dose may be utilized which may allow plasma concentrations to fall below the threshold more quickly.



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

Date: April 2, 2013

To: Chuck Trout
Executive Director

From: Jim Blodgett 
Director of Investigations

Re: Ownership Change – Saddle Brook Park

On October 31, 2012, the Commission received a request from Saddle Brook Park LLC to approve the issuance of new stock and its transfer to Richard Lynn Alexander and Corey Severyn Johnsen. As a result of this change, Mr. Richard Lynn Alexander will hold a 30% ownership interest in Saddle Brook Park LLC and its racing license and Mr. Johnsen will hold a 2% ownership interest.

Background information forms for Mr. Alexander and Mr. Johnsen were forwarded to the Department of Public Safety (DPS) for investigation. On December 18, 2012, DPS provided its written report on Mr. Johnsen. On March 19, 2013, DPS provided its written report on Mr. Alexander.

The requested transfer is eligible for the Commission's consideration at its April 9, 2013, meeting.

2012 OCT 31 AM 9: 34

RECEIVED
TEXAS RACING
COMMISSION

Yellow Rose Entertainment, Inc.
2107 Club View Drive
Amarillo, TX 79124

October 29, 2012

Mark Fenner
General Counsel
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Mr. Fenner,

Enclosed with this letter are the two Consent to Action memorandums of Yellow Rose Entertainment, Inc., that will allow for ownership changes once these actions are reviewed and approved by the Texas Racing Commission.

It is our hopes that the investigation ongoing for Lynn Alexander's percentage can be completed in time to have both of these items placed on the December meeting of the commission.

As always, we appreciate your continued assistance and if you need anything further, please do not hesitate to contact either me or my brother, Lynn.

Respectfully,



Drew Alexander

**CONSENT TO ACTION IN LIEU OF MEETING
OF THE SHAREHOLDERS OF
YELLOW ROSE ENTERTAINMENT, INC.
SADDLE BROOK PARK, LLC**

The undersigned, being all the persons entitled to vote on the following matter at a meeting of the Shareholders of the Company, by our signatures which follow, hereby authorize the actions and resolutions written out in full below:

it is hereby agreed that Lynn Alexander will contribute \$700,000.00 to Yellow Rose Entertainment, Inc. in exchange for 1,090,000 shares of newly issued stock, bringing his total 1,170,000 shares or 30% of the Company (See Exhibit A attached).


E. Drew Alexander


Date

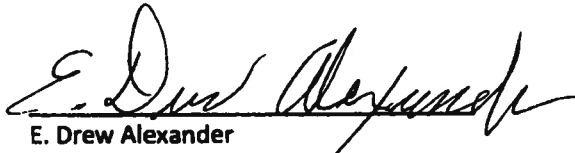
**CONSENT TO ACTION IN LIEU OF MEETING
YELLOW ROSE ENTERTAINMENT, INC.**


Page 1 of 1

**CONSENT TO ACTION IN LIEU OF MEETING
OF THE SHAREHOLDERS OF
YELLOW ROSE ENTERTAINMENT, INC.
SADDLE BROOK PARK, LLC**

The undersigned, being all the persons entitled to vote on the following matter at a meeting of the Shareholders of the Company, by our signatures which follow, hereby authorize the actions and resolutions written out in full below:

Contingent upon approval of the Texas Racing Commission, Yellow Rose Entertainment, Inc. will issue 78,000 new shares of its stock to Corey Johnson, making his ownership in the company 2% (see Exhibit A attached).


E. Drew Alexander


Date

**CONSENT TO ACTION IN LIEU OF MEETING
YELLOW ROSE ENTERTAINMENT, INC.**

Page 1 of 1

EXHIBIT A

**Yellow Rose Entertainment, Inc.
and Saddle Brook Park, LLC. (formerly Saddle Brook Park, Inc.) , a wholly owned subsidiary**

Amarillo, Texas

Capitalization in Shares	Pending Capital Injection					% Owned
	Current	Lynn Invest	Corey	Monte	Go Fed	
Drew Alexander	2,984,000	(390,000)	(78,000)	(39,000)	2,467,000	0.6300000
Lynn Alexander	80,000	1,090,000			1,170,000	0.3000000
Ed Laur	10,000				10,000	0.0025641
Monte Griffin	144,000			39,000	183,000	0.0489231
Don Essary	1,000				1,000	0.0002564
Wayne Cogdill	1,000				1,000	0.0002564
Corey Johnsen			78,000		78,000	0.0200000
	3,200,000	700,000	-	-	3,900,000	100.000000%



Texas Racing Commission


MAILING ADDRESS: P.O. BOX 12080 - AUSTIN, TX 78711-2080

PHONE: (512) 833-6699 FAX: (512) 833-6907

www.txrc.state.tx.us

MEMORANDUM

To: Mark Fenner, General Counsel

From:  Sammy Jackson, Deputy Director for Finance and Wagering

Date: March 28, 2013

Subject: Totalisator Contract between Gulf Coast Racing and United Tote

Attached to this memorandum is an amendment to the tote contract between Gulf Coast Racing and United Tote Company that has been requested to be placed on the April 9, 2013, Commission Agenda for consideration. The amendment extends the contract previously approved by the Commission through March 2015. Staff has completed a review of the amendment and finds it to be in compliance with the Texas Racing Act and the Texas Rules of Racing.

If you have any questions, please feel free to contact Curley Trahan or me.

Cc: Chuck Trout, Executive Director
Curley Trahan, Compliance Auditor

2013 MAR 25 PM 4: 08

RECEIVED
TEXAS RACING
COMMISSION



GULF COAST RACING

5302 Leopard Street
Corpus Christi, Texas 78408

★
361.289.9333

www.gulfcoastracetrack.com

March 23, 2013

Mr. Chuck Trout
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

Re: United Tote Contract

Dear Mr. Trout:

Attached please find the Second Amendment to the May 1, 2009 Agreement between Gulf Coast Racing and United Tote. Please place this Amendment on the Agenda for the next Texas Racing Commission meeting.

If you have questions or need additional information, please let me know. Thank you.

Yours truly,

A handwritten signature in black ink that reads "Sally B. Briggs". The signature is written in a cursive, flowing style.

Sally B. Briggs
Operations Manager

C: Mark Fenner, Texas Racing Commission



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

March 14, 2013

Sally Briggs
General Manager
Gulf Greyhound Park
P.O. Box 488
La Marque, TX 77568

via email

Dear Ms. Briggs:

I have received your letter of March 7, 2013, in which you requested approval to add an additional performance on Tuesday evenings beginning April 2, 2013. I have also received a letter from the Texas Greyhound Association expressing support for your request.

Changes to an association's allocated race dates must be approved by the Commission under Rule 303.41. However, since April 2 precedes the next Commission meeting date, and since your letter explains the need for the change and has the support of the industry, I am tentatively approving your request so that you may begin conducting this performance on April 2. Your request will still be presented to the Commission at its next meeting for approval.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Trout", written over a horizontal line.

Chuck Trout
Executive Director

2013 MAR -8 AM 11: 32



■ GULF GREYHOUND PARK ■

RECEIVED
TEXAS RACING
COMMISSION

Sally B. Briggs
General Manager

March 7, 2013

Mr. Chuck Trout
Executive Director
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711-2080

Dear Mr. Trout:

Gulf Greyhound Park is requesting to add an additional performance on Tuesday evenings beginning April 2, 2013. We will offer thirteen (13) races with a 7 PM post time. By offering this additional performance on Tuesdays, it will allow a better rotation of the greyhounds and offer more opportunities for them to enter races within a week. We also look forward to providing more opportunity for our customers to wager on our product.

Thank you for your consideration of this request.

Yours truly,

Sally B. Briggs
General Manager

C: Eric L. Wilson
Nick James, TGA



texas greyhound association

March 11, 2013

Chuck Trout
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

2013 MAR 13 PM 1:03
RECEIVED
TEXAS RACING
COMMISSION

Dear Mr. Trout,

It has recently come to my attention that Gulf Greyhound Park is requesting an additional performance beginning April 2, 2013.

The TGA is happy to endorse this request and asks the commission to grant this request as soon as possible. The additional racing opportunities allow a better rotation of greyhounds each week by giving them more starting opportunities. This will help to prevent injuries; as the greyhounds will remain in race ready condition and provide the public better performance criteria.

Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Nick James
Executive Director

Cc: Sally Briggs, GGP
Eric Wilson, GGP



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

April 2, 2013

Andrea Young
President
Sam Houston Race Park
7575 North Sam Houston Parkway West
Houston, TX 77064

via email

Dear Ms. Young:

I have received your letter of February 18, 2013, in which you requested approval to reschedule two performances in March from Sundays to Mondays. I also received letters from the Texas Horsemen's Partnership and the Texas Thoroughbred Association expressing support for your request.

As we discussed at the time, changes to an association's allocated race dates must be approved by the Commission under Rule 303.41. However, since the two performances in question preceded the next Commission meeting date, and since your letter explained the need for the change and has the support of the industry, I tentatively approved your request. Your request will still be presented to the Commission at its meeting on April 9, 2013, for approval.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chuck Trout".

Chuck Trout
Executive Director

2013 FEB 19 PM 1:01



RECEIVED
TEXAS RACING
COMMISSION

February 18, 2013

Mr. Chuck Trout
Executive Director
Texas Racing Commission
8508 Cross Park Dr. #110
Austin, TX 78754

Dear Mr. Trout:

Sam Houston Race Park would like to formally request a change to our March 2013 Thoroughbred racing schedule. The request is as follows:

- Eliminate two (2) Sundays - March 10 and March 17
- Add two (2) Mondays – March 11 and March 18

It is our position that this request is in the best interest of Texas racing. It has become clear that Mondays during the current meet significantly outperform Sundays in terms of total handle generated and therefore maximize purse generation for both the track and horsemen. As a point of reference some Mondays have nearly doubled the Sunday handle total.

While Sunday racing for the first portion of the meeting have taught us several valuable lessons, the significant difference in export simulcasting revenues has dictated a change to the business plan during the three-day per week portion of Sam Houston Race Park's Thoroughbred schedule.

We have briefed both the Texas Horsemen's Partnership and the Texas Thoroughbred Association and believe we have the support of both groups.

Thank you for your consideration of this request.

Sincerely,


Andrea B. Young
President

Cc: Marsha Rountree
Jan Haynes
Mary Ruyle

SAM HOUSTON RACE PARK LTD.

7575 North Sam Houston Parkway West, Houston, TX, 77064 • 281.807.8700 • shrp.com



T E X A S
H O R S E M E N ' S
P A R T N E R S H I P

February 28, 2013

Mr. Chuck Trout
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

2013 MAR -7 PM 1:50
RECEIVED
TEXAS RACING
COMMISSION

Dear Mr. Trout:

This letter is in reference to the request by Sam Houston Race Park to amend their 2013 Thoroughbred Race Dates.

Texas Horsemen's Partnership, with its partner, Texas Thoroughbred HBPA is in support of the request to move the races on Sunday, March 10 and Sunday, March 17 to Monday, March 11 and Monday, March 18, 2013.

As Andrea Young stated in her letter to you, it appears that the handle on Mondays outperforms Sundays and this change will benefit the thoroughbred horsemen through additional purse revenue.

Thank you for your consideration of this request and should you have any questions, please let me know.

Sincerely,

Marsha Rountree
Executive Director/Controller

P.O. Box 142533

Austin, Texas 78714

512.467.9799

Fax 512.467.9790



February 28, 2013

Dr. Robert Schmidt, Chair
 Texas Racing Commission
 P.O. Box 12080
 Austin, TX 78711

RECEIVED
 TEXAS RACING
 COMMISSION

2013 FEB 28 PM 2:29

Dear Chairman Schmidt:

At the February 16 meeting of the Texas Thoroughbred Association Board of Directors, Sam Houston Race Park President Andrea Young stated that they would be requesting a change to eliminate two Sundays (March 10 and 17) and to add two Mondays (March 11 and 18) to their March 2013 racing schedule.

This letter is sent on behalf of Texas Thoroughbred Association to express its full support of this change as it should maximize purse generation.

If you have any questions, we would welcome an opportunity to respond to them.

Respectfully yours,

Mary Ruyle
 Executive Director

CC: Andrea Young, Sam Houston Race Park



March 29, 2013

Mr. Chuck Trout
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Mr. Trout:

As previously communicated to you, Valley Race Park would like to request an agenda item at the April 9, 2013 meeting of the Texas Racing Commission. Specifically, Valley Race Park would like to request to amend our 2013 racing and charity dates.

Over the past year, Valley Race Park has been working diligently with industry stakeholders including the Texas Greyhound Association and Gulf Greyhound on plans to address the concerns raised by both parties as a result of experiences during the 2011 Valley Race Park live meet. These concerns include lack of participation by Texas kennels and purse dollars that have to be redirected from Gulf Greyhound to Valley Race Park. While Valley Race Park is happy to run our dates in the format currently granted or similar to 2011, our request is based on the industry's feedback in light of the intense pressure it currently faces.

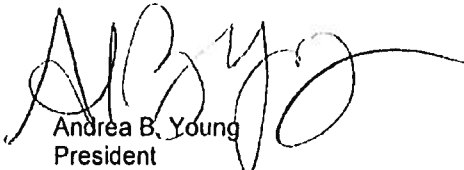
Specifically, Valley Race Park is requesting the Commission's approval to:

- Eliminate our performances currently scheduled for July 2013 and add one performance on Saturday, November 30, 2013.
- Relocate our five charity dates from July 2013 to April 13, June 1, June 15, July 13 and November 30, 2013.

We believe this request is in the best interest of Texas Greyhound racing. This proposal has the support of the Texas Greyhound Association and Gulf Greyhound and is made in an effort to benefit all parties.

Thank you for your consideration and please feel free to contact me if you need any further information.

Sincerely,



Andrea B. Young
President

CC: Nick James
Sally Briggs



texas greyhound association

March 29, 2013

Mr. Chuck Trout
Executive Director
Texas Racing Commission
PO Box 12080
Austin, TX 78711

2013 APR -1 PM 3: 22
RECEIVED
TEXAS RACING
COMMISSION

Dear Mr. Trout,

The Texas Greyhound Association (TGA) supports Valley Race Park's request to amend their 2013 racing and charity dates.

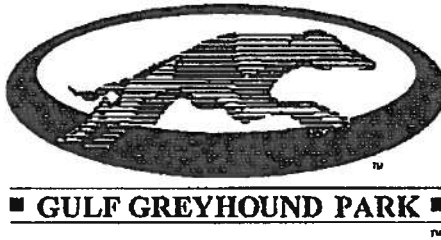
We have been working with Andrea Young and Sally Briggs on this matter and feel it is in the best interest of all involved and Texas Greyhound racing for several reasons:

- The purse money will stay in Texas.
- Texas greyhounds will be running for this purse money.
- Amending the dates will not adversely impact Gulf Greyhound's performances.
- It will bring positive attention to Valley Race Park's 2013 meet.

Sincerely,

Nick James
Executive Director

CC: Andrea Young
Sally Briggs



Sally B. Briggs
General Manager

March 29, 2013

Mr. Chuck Trout
Executive Director
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711

Re: Valley Race Park

Dear Mr. Trout:

Please let this letter serve as confirmation that Gulf Greyhound Park is supportive of Valley Race Park's request to run their performance on Saturday, November 30, 2013, with greyhounds from Gulf Greyhound Park.

In December 2012, after meeting with Ms. Young and her staff, Gulf Greyhound Park met with the kennel owners currently housed here. All kennels were agreeable to take greyhounds to the Valley to run a meet as outlined by Valley Race Park. We look forward to being able to furnish greyhounds at Harlingen as well as run our races that evening at Gulf Greyhound.

Thank you for your consideration of this request.

Yours truly,

A handwritten signature in black ink that reads "Sally B. Briggs". The signature is written in a cursive, flowing style.

Sally B. Briggs
General Manager

C: Andrea Young, Valley Race Park
Nick James, TGA

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: March 7, 2013

***Request for Proposed Change to an Existing Rule or
Addition of a New Rule to the Rules of Racing***

Please submit this information to the attention of the Executive Director *at least 14 days* in advance of the next scheduled Committee on Rules meeting. An electronic form is available to assist in your submission or feel free to add additional pages as necessary in order to provide as much detail as possible. Filing this request does not guarantee that your proposal will be considered by the Committee on Rules.

Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754-4552
Phone: 512/833-6699 Fax: 512-833-6907
email: info@txrc.state.tx.us

Contact Information:

Name:	TxRC Staff-Licensing & Veterinary	Phone(s):	512-833-6699
E-mail address:		Fax number:	512-833-6907
Mailing address:	8505 Cross Park, Suite 110, Austin, TX 78754-4552		

Check appropriate box(s)

<input type="checkbox"/>	Personal Submission <i>OR</i>
<input checked="" type="checkbox"/>	Submission on behalf of <u>TxRC Staff</u> (Name of Organization)

<input checked="" type="checkbox"/>	If known, Proposed Change to Chapter:	Chapter: <u>311</u>	Rule: <u>311.5</u>
<input checked="" type="checkbox"/>	If known, Proposed Addition to Chapter:	Chapter: <u>311</u>	Rule: <u>311.112</u>
<input type="checkbox"/>	If known, Other Rules Affected by Proposal:	Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____

A. Brief Description of the Issue

With the implementation of HB414 on September 1, 2011, several changes were effective to the Veterinary Licensing Act (VLA) and the Texas State Board of Veterinary Medical Examiners' (TBVME) rules relating to equine dentistry. The profession of tooth floater is now referred to as an equine dental provider and the scope of practice is

defined by the VLA and the regulation of equine dental providers is performed by TBVME.

The person performing these procedures has customarily been known as a tooth floater. TxRC adopted a policy effective September 1, 2011, to comply with the new VLA and TBVME rules and regulations that require a person applying for a Tooth Floater license to show proof that he/she is currently licensed as an Equine Dental Provider by TBVME. However, TxRC Rule 311.5 still refers to the occupation as Tooth Floater.

B. Discussion of the Issue and Problem

The VLA and the TBVME's new rules provide that a person qualified to be licensed by the TBVME as an "Equine Dental Provider" (EDP) may perform ONLY the following equine dental procedures:

1. removing sharp enamel points;
2. removing small dental overgrowths;
3. rostral profiling of the first cheek teeth;
4. reducing incisors;
5. extracting loose, deciduous teeth;
6. removing supragingival calculus;
7. extracting loose, mobile, or diseased teeth or dental fragments with minimal periodontal attachments by hand and without the use of an elevator; and
8. removing erupted, non-displaced wolf teeth.

To perform these procedures, the EDP must be active and in good standing with the TBVME and perform equine dentistry under the **general supervision** of a veterinarian who is active and in good standing with the TBVME. According to the VLA, **general supervision** means supervision of a person by a responsible veterinarian who is readily available to communicate with the person.

Employees of veterinarians who are not licensed as an EDP may perform the above named procedures when under the **direct supervision** of a veterinarian. According to the VLA, **direct supervision** means supervision of a person by a responsible veterinarian who is physically present on the premises.

The Racing Commission should adjust its rules and policies in order to address the changes made by HB414 and the TBVME.

C. Possible Solutions and Impact

Amend Rule 311.5, License Fees to rename the "Tooth Floater" occupational license to "Equine Dental Provider."

Adopt new rule, 311.112, Equine Dental Provider, specifying that EDP's must be licensed and in good standing with the TBVME.

Amend the occupational license addendum form by adding applicable acknowledgment statements to ensure that an applicant for a Veterinary Assistant's license, as well the employing veterinarian, certify that any work done on the grounds of a licensed racetrack will be done in accordance with the TBVME rules. (This requires a policy change, not a rule change.)

D. Support or Opposition

Not applicable.

E. Proposal

Revise Occupational Licensing Addendum Form:

**VETERINARIAN'S ASSISTANT AND EMPLOYING VETERINARIAN'S
ACKNOWLEDGEMENT**

We certify that when working on the grounds of a licensed racetrack, the applicant will work at all times under the supervision of the employing veterinarian or of another veterinarian in the practice as provided for by Texas State Board of Veterinary Medical Examiners' Rules.

Further, as provided for under the Texas State Board of Veterinary Medical Examiners' Rules, *we understand that **any equine dentistry procedures performed by the applicant will be under the direct supervision of the employing veterinarian or of another veterinarian in the practice. According to Sec. 801.002 of the Veterinary Licensing Act, "direct supervision" means supervision of a person by a responsible veterinarian who is physically present on the premises.***

Printed Name of Employing Veterinarian If applicable, Name of Veterinary Practice

Signature of Employing Veterinarian Date Signed TSBVME License Number

Signature of Applicant Date Signed

Revise Rule 311.5, License Fees, to reflect change in name of Occupational License.

Adopt new Rule 311.112, Equine Dental Provider.

CHAPTER 311. OTHER LICENSES
SUBCHAPTER A. LICENSING PROVISIONS
DIVISION 1. OCCUPATIONAL LICENSES

Sec. 311.5. License Fees.

(a) - (c) (No change.)

(d) The fee for an occupational license is as follows:

Type of License.....	1 Year	2 Year	3 Year
	Fee	Fee	Fee
Adoption Program Personnel	\$ 25		
Announcer.....	\$ 35		
Apprentice Jockey.....	\$ 75		
Assistant Farrier/Plater/Blacksmith....	\$ 25		
Assistant Starter	\$ 25		
Assistant Trainer	\$ 100		
Assistant Trainer/Owner.....	\$ 100		
Association Assistant Management....	\$ 50		
Association Management Personnel...	\$ 75		
Association Officer/Director	\$ 100		
Association Other.....	\$ 75		
Association Staff	\$ 35		
Association Veterinarian.....	\$ 75		
Authorized Agent.....	\$ 15		
Chaplain	\$ 25		
Chaplain Assistant.....	\$ 25		
<u>Equine Dental Provider</u>	<u>\$ 100</u>		
Exercise Rider	\$ 25		
Farrier/Plater/Blacksmith	\$ 75		
Groom/Hot Walker.....	\$ 25		
Jockey	\$ 100	\$ 200	\$ 300
Jockey Agent.....	\$ 100		
Kennel	\$ 75		
Kennel Helper	\$ 25		
Kennel Owner	\$ 100	\$ 200	\$ 300
Kennel Owner/Owner	\$ 100	\$ 200	\$ 300
Kennel Owner/Owner-Trainer.....	\$ 100	\$ 200	\$ 300
Kennel Owner/Trainer.....	\$ 100	\$ 200	\$ 300
Lead-Out	\$ 25		
Kennel	\$ 75		
Kennel Helper	\$ 25		
Kennel Owner	\$ 100	\$ 200	\$ 300
Kennel Owner/Owner	\$ 100	\$ 200	\$ 300
Kennel Owner/Owner-Trainer.....	\$ 100	\$ 200	\$ 300
Kennel Owner/Trainer.....	\$ 100	\$ 200	\$ 300
Lead-Out	\$ 25		
Maintenance.....	\$ 35		
Medical Staff.....	\$ 35		
Miscellaneous.....	\$ 25		
Multiple Owner	\$ 35	\$ 70	\$ 105
Mutuel Clerk	\$ 35		
Mutuel Other	\$ 35		
Owner.....	\$ 100	\$ 200	\$ 300
Owner-Trainer.....	\$ 100	\$ 200	\$ 300
Pony Person.....	\$ 25		

CHAPTER 311. OTHER LICENSES
SUBCHAPTER A. LICENSING PROVISIONS
DIVISION 1. OCCUPATIONAL LICENSES

Racing Industry Representative.....	\$ 100		
Racing Industry Staff	\$ 30		
Racing Official.....	\$ 50		
Security Officer.....	\$ 30		
Stable Foreman.....	\$ 50		
Tattooer.....	\$ 100		
Test Technician.....	\$ 25		
Tooth Floater.....	\$ 100		
Trainer.....	\$ 100	\$ 200	\$ 300
Training Facility Employee.....	\$30		
Training Facility General Manager	\$ 50		
Valet.....	\$ 25		
Vendor Concessionaire	\$ 100		
Vendor/Concessionaire Employee	\$30		
Vendor/Totalisator	\$ 500		
Vendor/Totalisator Employee	\$ 50		
Veterinarian.....	\$ 100	\$ 200	\$ 300
Veterinarian Assistant	\$ 30		

CHAPTER 311. OTHER LICENSES
SUBCHAPTER B. SPECIFIC LICENSES

Sec. 311.112. Equine Dental Provider.

To be eligible to be licensed by the Commission and hold a license as an Equine Dental Provider, an individual must be currently licensed and in good standing with the Texas State Board of Veterinary Medical Examiners.

CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 307.8. Negotiated Rulemaking and Alternative Dispute Resolution.

(a) Policy. It is the Commission's policy to encourage the use of negotiated rulemaking and alternative dispute resolution procedures in appropriate situations.

(b) Negotiated Rulemaking. When the Commission finds that a rule to be proposed is likely to be complex, controversial, or affect disparate groups, the Commission may propose to engage in negotiated rulemaking in accordance with Government Code, Chapter 2008.

(1) When negotiated rulemaking is considered, the Commission's general counsel, or designee, shall be the Commission's negotiated rulemaking convener.

(A) The convener shall assist in identifying persons who are likely to be affected by a proposed rule, including those who oppose issuance of a rule. The convener shall discuss with those persons or their representatives the factors provided in Government Code §2008.052(c).

(B) The convener shall then recommend to the Commission whether negotiated rulemaking is a feasible method to develop the proposed rule and shall report to the agency on the relevant considerations, including those listed in Government Code §2008.052(d).

(2) Upon the convener's recommendation to proceed, the Commission may initiate negotiated rulemaking according to the provisions of Government Code, Chapter 2008, including the appointment of the negotiated rulemaking committee's members under Government Code § 2008.054.

(3) The executive secretary shall appoint the negotiated rulemaking committee's facilitator, subject to the requirements of Government Code § 2008.055.

(c) Alternative Dispute Resolution. The Commission encourages the fair and expeditious resolution of disputes through alternative dispute resolution (ADR) procedures.

CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION
SUBCHAPTER A. GENERAL PROVISIONS

(1) ADR procedures include any procedure or combination of procedures described by Civil Practice and Remedies Code, Chapter 154. ADR procedures are intended to supplement and not limit other dispute resolution procedures available for use by the Commission.

(2) Any ADR procedure used to resolve disputes with the Commission shall conform with Government Code, Chapter 2009, and, to the extent possible, the model guidelines for the use of ADR issued by the State Office of Administrative Hearings (SOAH).

(3) Upon receipt of notice of a dispute, the Commission's executive secretary, in consultation with the Commission's general counsel, shall determine whether use of an ADR procedure is an appropriate method for resolving the dispute.

(4) If an ADR procedure is determined to be appropriate, the Commission's executive secretary shall recommend to the opposing party the use of ADR to resolve the dispute. The Commission's general counsel will collaborate with the opposing party to select an appropriate procedure for dispute resolution and implement the agreed upon procedure consistent with SOAH's model guidelines.

(5) ADR for Breach of Contract Claims. Resolution of breach of certain contract claims brought by a contractor against the Commission shall conform to the requirements of Government Code, Chapter 2260. The Commission adopts by reference the Office of the Attorney General's rules regarding the negotiation and mediation of certain contract disputes (1 Texas Administrative Code Part 3, Chapter 68).

(6) The requirements of Government Code, Chapter 2260, and the Office of the Attorney General's model rules are required prerequisites to a contractor filing suit in accordance with Civil Practices and Remedies Code, Chapter 107.

(d) The Commission's general counsel, or designee, shall coordinate the implementation of the policy set out in subsection (a) of this section in accordance with state law and provide necessary training. The Commission's general counsel, or designee, is designated as the coordinator to implement the Commission's policy under this rule,

CHAPTER 307. PROCEEDINGS BEFORE THE COMMISSION
SUBCHAPTER A. GENERAL PROVISIONS

provide necessary training, and collect data concerning the effectiveness of the implemented procedures.

CHAPTER 309. RACETRACK LICENSES AND OPERATIONS
SUBCHAPTER A. RACETRACK LICENSES
DIVISION 1. GENERAL PROVISIONS

309.53. Ownership and Management Review of Active Racetrack Licenses

(a) Scheduling of review.

(1) Except as otherwise provided in this subsection, an association holding a racetrack license designated as "Active-Operating" or "Active-Other" shall be subject to an ownership and management review in calendar year 2013.

(2) An association that has undergone an ownership and management review in connection with a change of controlling interest during any year from 2009 through 2012 shall be subject to review under this section in the year beginning five years after the Commission approved the change in controlling interest.

(3) An association whose status has changed from Inactive to Active-Operating or Active-Other shall be subject to review in the year beginning five years after the Commission approved the change in status.

(4) An association which receives its original license during or after calendar 2013 shall be subject to review under this section in the year beginning five years after its date of original licensure.

~~(5) On its own motion or at the request of an association, the Commission may adjust the schedule of ownership and management reviews so that the interval between an association's reviews is shorter or longer than five years.~~

(b) Submission requirements. Not later than June 30 of the year in which an association is subject to review, the association shall submit to the Commission:

(1) copies of its current management, concession, and totalisator contracts;

(2) a copy of its current security plan;

(3) for each officer or director and for each person owning an interest of at least five percent of the association:

(A) a completed background information form and written authorization for the Commission and the Department of Public Safety to conduct any investigation deemed necessary; and

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SUBCHAPTER A. RACETRACK LICENSES
DIVISION 1. GENERAL PROVISIONS

(B) a set of fingerprints on a form prescribed by the Department of Public Safety, or if the person already has a set of fingerprints classified and on file with the Department of Public Safety, authorization to resubmit those fingerprints to the Federal Bureau of Investigation and the Department of Public Safety for investigation;

(5) a review fee of \$5,000, to be held by the Commission in the state treasury in a suspense account until the review is complete or transferred to the Texas Racing Commission Fund as costs are incurred;
and

(7) any other information required by the Commission.

(c) Commission Review.

(1) The executive secretary shall prepare a report for the Commission's review summarizing:

(A) the information provided by the association under this section or under Section 309.152 of this Chapter;

(B) the Commission's inspection reports from the prior five years;

(C) the results of any inspections or investigations conducted by the Commission as part of the review; and

(D) any other information relevant to the ownership or management of the association.

(2) The executive secretary will separately provide to the Commission the results of any background investigations conducted by the Department of Public Safety.

(3) At the conclusion of each review, the Commission:

(A) may take any action authorized under the Act or the Rules;
and

(B) shall schedule the next ownership and management review of the association's license. ~~The Commission may require an association to undergo the next review in less than five years.~~

(d) Reconciliation of costs.

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SUBCHAPTER A. RACETRACK LICENSES
DIVISION 1. GENERAL PROVISIONS

(1) Upon completion of the review, the Commission shall determine its total cost of processing the review, including its administrative costs and any investigative costs that are reimbursable to the Department of Public Safety.

(A) If the actual cost to the Commission of processing the review exceeds the amount of the review fee paid by the association, the Commission shall bill the association for any additional amount, to be paid not later than 10 days after receipt of a bill from the Commission.

(B) If the actual cost to the Commission of processing the review are less than the amount of the review fee paid by the association, the Commission shall refund the excess not later than 10 business days after the Commission's decision on the review becomes final.

CHAPTER 309. RACETRACK LICENSES AND OPERATIONS
SUBCHAPTER D. GREYHOUND RACETRACKS
DIVISION 2. OPERATIONS

Sec. 309.359. Use of Lures in Training or Racing. ~~Live Lures~~

(a) An association may not permit the use of a live or dead animal or fowl for training or racing purposes ~~lure~~ on association grounds. This subsection does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public.

(b) An association may not permit a greyhound to be kenneled or to race on association grounds if the association knows or can reasonably be expected to know that the greyhound was trained in a state that by statute or rule does not prohibit the knowing use of live lures.

(c) An association may not permit a greyhound to be kenneled or to race on association grounds if the association knows or can reasonably be expected to know that the greyhound has been banned from pari-mutuel racing by any racing jurisdiction.

CHAPTER 311. OTHER LICENSES
SUBCHAPTER A. LICENSING PROVISIONS
DIVISION 1. OCCUPATIONAL LICENSES

Sec. 311.6. Denial, Suspension, and Revocation of Licenses.

(a) (No change.)

(b) (1)-(4) (No change.)

(5) Detrimental Practices. A license may be denied, suspended or revoked if it is determined that the licensee is engaged in activities or practices that are detrimental to the best interests of the public, racing animals, or to the racing industry.

CHAPTER 311. OTHER LICENSES
SUBCHAPTER B. SPECIFIC LICENSES

Sec. 311.102. Greyhound Owners.

(a)-(c) (No change.)

(d) Restriction on Racing. An owner may not enter a greyhound or cause a greyhound to be entered in a race at a racetrack if:

(1) the owner knows or can reasonably be expected to know that the greyhound was trained using a live or dead animal or fowl as a lure in this state or out of this state. This paragraph does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public;

(2) the owner or trainer is employed by the racetrack association in a management or supervisory position that is capable of affecting the conduct of races or pari-mutuel wagering at the racetrack; or

(3) ~~(2)~~ the owner or trainer is involved in any way with the sale or publication of tip sheets on association grounds.

CHAPTER 311. OTHER LICENSES
SUBCHAPTER B. SPECIFIC LICENSES

Sec. 311.104. Trainers.

(a)-(e) (No change.)

(f) Restriction on Racing. A trainer may not enter a race animal or cause a race animal to be entered in a race at a racetrack if:

(1) the trainer knows or can reasonably be expected to know that the greyhound was trained using a live or dead animal or fowl as a lure in this state or out of this state. This paragraph does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public;

(2) the owner or trainer is employed by the racetrack association in a management or supervisory position that is capable of affecting the conduct of races or pari-mutuel wagering at the racetrack;

(3) ~~(2)~~ the owner or trainer is involved in any way with the sale or publication of tip sheets on association grounds.

CHAPTER 311. OTHER LICENSES
SUBCHAPTER C. RESPONSIBILITIES OF INDIVIDUALS

Sec. 311.217. Greyhound Training.

(a) A person may not use a live or dead animal or fowl to train a greyhound, or send a greyhound to a facility located in this state or out of state for the purpose of being trained using a live or dead animal or fowl. Such activities and practices are detrimental to the best interests of a racing animal and the racing industry.

(b) This section does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public.

CHAPTER 315. OFFICIALS AND RULES FOR GREYHOUND RACING
SUBCHAPTER B. ENTRIES AND PRE-RACE PROCEDURES

Sec. 315.112. Ineligibility Due to Improper Greyhound Training

(a) The board of racing judges may ban a greyhound for life from being kenneled or participating in racing on association grounds if it finds that the greyhound has been trained at any facility that has engaged in any detrimental practice related to the training of greyhounds using a live or dead animal or fowl.

(b) This section does not apply to the use of a training lure that is made from cured animal hides or pelts and is commercially available to the public.