



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

Texas Racing Commission  
Tuesday, October 8, 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. CEREMONIAL ITEMS**  
Welcome New Staff Members
- IV. 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 Wagering Statistics
    - 3) Report on Racetrack Inspections
    - 4) Enforcement Report
    - 5) Report on Veterinary Policies and Procedures – Management of Racing Emergencies

Discussion, consideration and approval of the following matter:

  - B. Approval of the Commission's Operating Budget for Fiscal Year 2014

**V. PROCEEDINGS ON RACETRACKS**

Discussion only on the following matters:

- A. Allocation of purses as provided under Commission Rule 321.505(a)  
(All horse racetracks)
- B. Distribution of funds in the Escrowed Purse Account among the various breeds of horses under Commission Rule 321.509  
(All horse racetracks)

Discussion, consideration and possible action on the following matters:

- C. Allocation of purses as provided under Commission Rule 321.505(a)  
(Gillespie County Fair and Festivals Association only)
- D. Distribution of funds in the Escrowed Purse Account among the various breeds of horses under Commission Rule 321.509  
(Gillespie County Fair and Festivals Association only)
- E. Allocation of funds for the Texas Bred Incentive Program as provided under Commission Rule 321.505(b)
- F. Allocation by the Texas Greyhound Association of Interstate Cross-Species Purse Money
- G. Allocation and Amendment of Live Race Dates under Commission Rule 303.41 for the month of November, 2015
- H. Ownership and Management Review of Active Racetrack Licenses under Commission Rule 309.53
  - 1) Gillespie County Fair and Festivals Association
  - 2) Gulf Greyhound Park
  - 3) Saddle Brook Park
  - 4) Valle de los Tesoros
- I. Review of the License Designation of Valle de los Tesoros as required under Commission Rule 309.51(f)

**VI. 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 307.64, Penalties
- C. Proposal to Amend Rule 307.69, Review by Executive Secretary

D. Proposal to Amend Rule 319.3, Medication Restricted

Rule Adoptions

E. Adoption of Amendment to Rule 319.5, Report of Treatment by Veterinarians

Rule Reviews

Adoption of Completed Rule Reviews

F. Chapter 309, Racetrack Licenses and Operations

G. Chapter 311, Other Licenses

Opening of Rule Reviews

H. Chapter 313, Officials and Rules of Horse Racing

I. Chapter 315, Officials and Rules for Greyhound Racing

**VII. 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.

**VIII. SCHEDULING OF NEXT COMMISSION MEETING**

**IX. ADJOURN**

## **IV. 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 Wagering Statistics
- 3) Report on Racetrack Inspections
- 4) Enforcement Report
- 5) Report on Veterinary Policies and  
Procedures – Management of Racing  
Emergencies



**Fiscal Year 2013  
Operational Budget**

Updated: September 12, 2013

Thru: August 31, 2013

**Summary of Operating Revenue**

By Revenue Type:	Budget	Collected	Suspended	Uncollected Balance	%
<b>Account 597 - Racing Commission - GRD</b>	\$ 9,788,218	\$ 8,939,397	\$ 40,000	\$ 775,085	8%
<b>Account 1 - State of Texas - GR</b>	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL - ALL REVENUES</b>	\$ 9,788,218	\$ 8,939,397	\$ 40,000	\$ 775,085	8%

**Summary of Appropriated Operating Expenses**

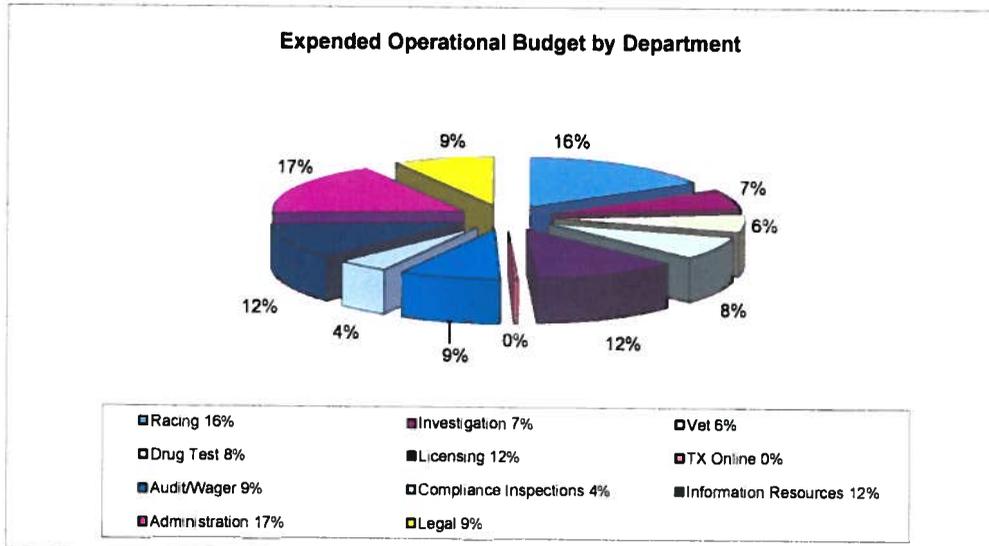
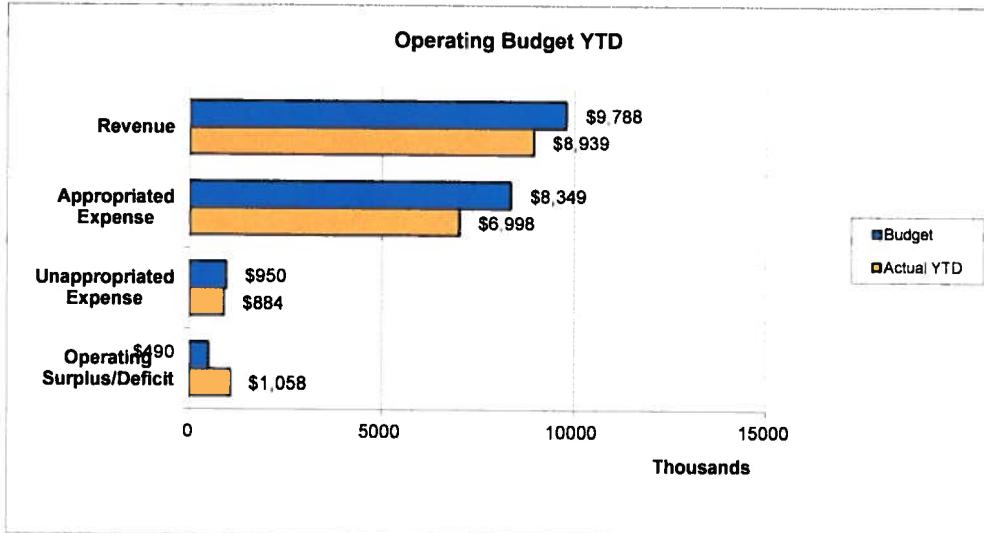
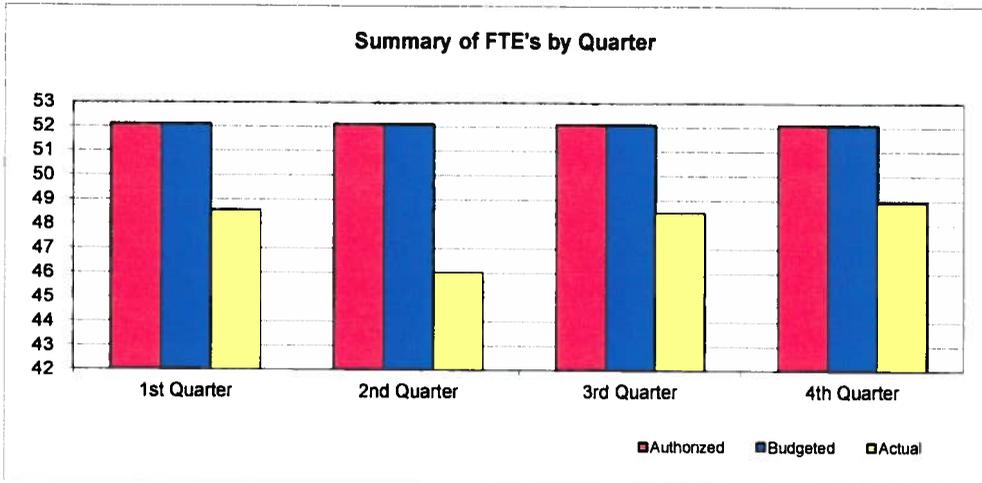
	Budget	Expended	Encumbered	Unexpended Balance	%
<b>1001 - Salaries and Wages:</b>	\$ 2,829,397	\$ 2,662,955	\$ -	\$ 166,442	6%
<b>1002 - Other Personnel Cost:</b>	\$ 190,829	\$ 195,199	\$ -	\$ (4,370)	-2%
<b>2001 - Professional Fees and Services:</b>	\$ 249,466	\$ 142,145	\$ -	\$ 107,321	43%
<b>2003 - Consumable Supplies:</b>	\$ 38,500	\$ 23,449	\$ -	\$ 15,051	39%
<b>2004 - Utilities:</b>	\$ 60,000	\$ 52,982	\$ -	\$ 7,018	12%
<b>2005 - Travel:</b>	\$ 177,789	\$ 128,358	\$ -	\$ 49,431	28%
<b>2006 - Rent Building:</b>	\$ 87,979	\$ 87,799	\$ -	\$ 181	0%
<b>2007 - Rent Machine and Other:</b>	\$ 14,500	\$ 8,767	\$ -	\$ 5,733	40%
<b>2009 - Other Operating Expense:</b>	\$ 575,098	\$ 385,237	\$ -	\$ 189,861	33%
<b>4000 - Grants</b>	\$ 4,125,000	\$ 3,310,869	\$ -	\$ 814,131	20%
<b>5000 - Capital Expenditures:</b>	\$ -	\$ 274	\$ -	\$ (274)	n/a
<b>TOTAL - ALL APPROPRIATED EXPENDITURES</b>	\$ 8,348,559	\$ 6,998,034	\$ -	\$ 1,350,525	16%

**Unappropriated Operating Expenses**

Type:	Budget	Expended	Encumbered	Unexpended Balance	%
<b>TOTAL - ALL UNAPPROPRIATED EXPENDITURES</b>	\$ 950,122	\$ 883,665	\$ -	\$ 66,457	7%
<b>TOTAL - ALL EXPENDITURES</b>	\$ 9,298,681	\$ 7,881,699	\$ -	\$ 1,416,982	15%
<b>OPERATING SURPLUS / (DEFICIT)</b>	\$ 489,537	\$ 1,057,698			

**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	48.48	48.95
<b>Actual FTE's Over / (Under) Budget</b>	(3.54)	(6.10)	(3.62)	(3.15)
<b>Actual FTE's Over / (Under) Authorization</b>	(3.54)	(6.10)	(3.62)	(3.15)





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

For the Period: 01/01/12 - 09/29/12 to 01/01/13 -09/29/13

Sources of Wagers <u>Greyhound Racetracks</u>	Year 2012 01/01 - 09/29				Year 2013 01/01 -09/29				Percentage Change in	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers		
Live	189	7,052,827	\$ 37,317	219	6,705,523	\$ 30,619	-4.92%	-17.95%		
Simulcast Same-Species	703	20,383,824	\$ 28,995	701	20,374,312	\$ 29,065	-0.05%	0.24%		
Simulcast Cross-Species	457	16,533,150	\$ 36,178	701	17,321,517	\$ 24,710	4.77%	-31.70%		
Export	189	<u>9,049,125</u>	<u>\$ 47,879</u>	219	<u>9,862,106</u>	<u>\$ 45,032</u>	<u>8.98%</u>	<u>-5.95%</u>		
<b>Total Wagers</b>		<b>53,018,926</b>	<b>N/A</b>		<b>54,263,457</b>	<b>N/A</b>	<b>2.35%</b>	<b>N/A</b>		

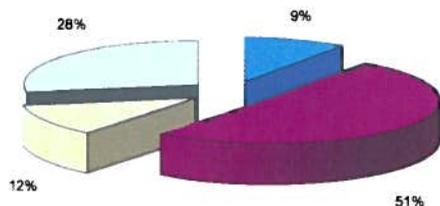
Sources of Wagers <u>Horse Racetracks</u>	Year 2012 01/01 - 09/29				Year 2013 01/01 -09/29				Percentage Change in	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers		
Live	149	25,922,573	\$ 173,977	143	24,287,027	\$ 169,839	-6.31%	-2.38%		
Simulcast Same-Species	976	156,883,189	\$ 160,741	1,169	154,125,832	\$ 131,844	-1.76%	-17.98%		
Simulcast Cross-Species	976	23,860,037	\$ 24,447	1,124	23,600,648	\$ 20,997	-1.09%	-14.11%		
Export	141	<u>88,342,625</u>	<u>\$ 626,543</u>	135	<u>86,524,343</u>	<u>\$ 640,921</u>	<u>-2.06%</u>	<u>2.29%</u>		
<b>Total Wagers</b>		<b>295,008,424</b>	<b>N/A</b>		<b>288,537,851</b>	<b>N/A</b>	<b>-2.19%</b>	<b>N/A</b>		

Sources of Wagers <u>All Texas Racetracks</u>	Year 2012 01/01 - 09/29				Year 2013 01/01 -09/29				Percentage Change in	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers		
Live	338	32,975,400	\$ 97,560	362	30,992,550	\$ 85,615	-6.01%	-12.24%		
Simulcast Same-Species	1,679	177,267,013	\$ 105,579	1,870	174,500,144	\$ 93,316	-1.56%	-11.62%		
Simulcast Cross-Species	1,433	40,393,187	\$ 28,188	1,825	40,922,165	\$ 22,423	1.31%	-20.45%		
Export	330	<u>97,391,749</u>	<u>\$ 295,127</u>	354	<u>96,386,449</u>	<u>\$ 272,278</u>	<u>-1.03%</u>	<u>-7.74%</u>		
<b>Total Wagers</b>		<b>348,027,349</b>	<b>N/A</b>		<b>342,801,308</b>	<b>N/A</b>	<b>-1.50%</b>	<b>N/A</b>		

<b>Total Wagers Placed in Texas</b>	<b>250,635,600</b>	<b>N/A</b>	<b>246,414,859</b>	<b>N/A</b>	<b>-1.68%</b>	<b>N/A</b>
-------------------------------------	--------------------	------------	--------------------	------------	---------------	------------

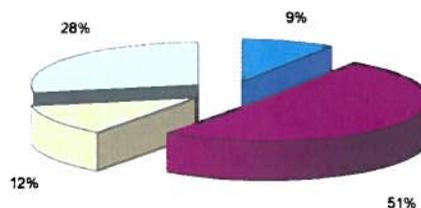
<b>Total Wagers Placed on Texas Races</b>	<b>130,367,150</b>	<b>N/A</b>	<b>127,378,999</b>	<b>N/A</b>	<b>-2.29%</b>	<b>N/A</b>
---	--------------------	------------	--------------------	------------	---------------	------------

2012 Wagers by Source



■ Live ■ Simulcast Same-Species ■ Simulcast Cross-Species ■ Export

2013 Wagers by Source



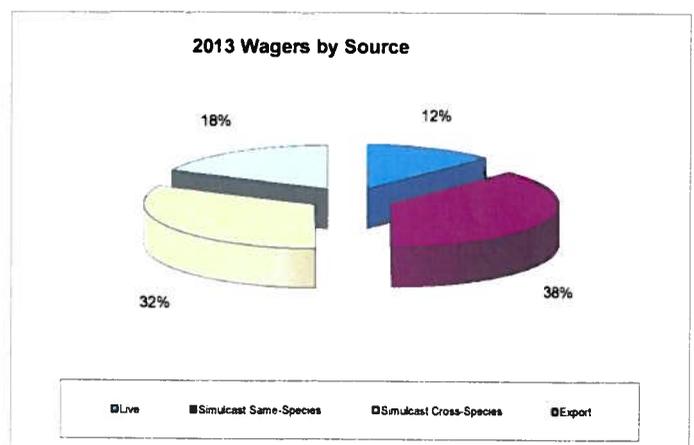
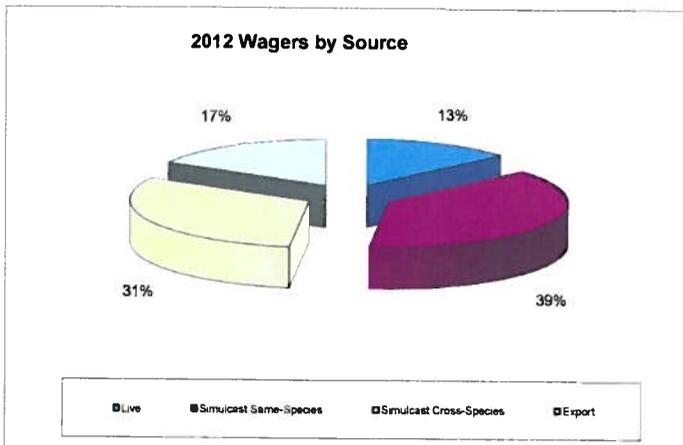
■ Live ■ Simulcast Same-Species ■ Simulcast Cross-Species ■ Export



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

For the Period: 01/01/12 - 09/29/12 to 01/01/13 -09/29/13

Sources of Wagers	Year 2012 01/01 - 09/29			Year 2013 01/01 -09/29			Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager
<b>Gulf Coast Racing</b>								
Live	0	0	N/A	0	0	N/A	N/A	N/A
Simulcast Same-Species	196	5,885,262	\$ 30,027	196	5,906,400	\$ 30,135	0.36%	0.36%
Simulcast Cross-Species	196	3,110,715	\$ 15,871	196	3,607,221	\$ 18,404	15.96%	15.96%
Export	0	0	N/A	0	0	N/A	N/A	N/A
<b>Total Wagers</b>		<b>8,995,977</b>	<b>N/A</b>		<b>9,513,621</b>	<b>N/A</b>	<b>5.75%</b>	<b>N/A</b>
<b>Gulf Greyhound Park</b>								
Live	189	7,052,827	\$ 37,317	219	6,705,523	\$ 30,619	-4.92%	-17.95%
Simulcast Same-Species	273	9,300,801	\$ 34,069	272	9,130,273	\$ 33,567	-1.83%	-1.47%
Simulcast Cross-Species	27	8,664,920	\$ 320,923	272	8,415,908	\$ 30,941	-2.87%	-90.36%
Export	189	9,049,125	\$ 47,879	219	9,862,106	\$ 45,032	8.98%	-5.95%
<b>Total Wagers</b>		<b>34,067,673</b>	<b>N/A</b>		<b>34,113,810</b>	<b>N/A</b>	<b>0.14%</b>	<b>N/A</b>
<b>Valley Race Park</b>								
Live	0	0	N/A	0	0	\$ -	N/A	N/A
Simulcast Same-Species	234	5,197,760	\$ 22,213	233	5,337,638	\$ 22,908	2.69%	3.13%
Simulcast Cross-Species	234	4,757,516	\$ 20,331	233	5,298,388	\$ 22,740	11.37%	11.85%
Export	0	0	N/A	0	0	N/A	N/A	N/A
<b>Total Wagers</b>		<b>9,955,276</b>	<b>N/A</b>		<b>10,636,026</b>	<b>N/A</b>	<b>6.84%</b>	<b>N/A</b>
<b>All Greyhound Racetracks</b>								
Live	189	7,052,827	\$ 37,317	219	6,705,523	\$ 30,619	-4.92%	-17.95%
Simulcast Same-Species	703	20,383,824	\$ 28,995	701	20,374,312	\$ 29,065	-0.05%	0.24%
Simulcast Cross-Species	457	16,533,150	\$ 36,178	701	17,321,517	\$ 24,710	4.77%	-31.70%
Export	189	9,049,125	\$ 47,879	219	9,862,106	\$ 45,032	8.98%	-5.95%
<b>Total Wagers</b>		<b>53,018,926</b>	<b>N/A</b>		<b>54,263,457</b>	<b>N/A</b>	<b>2.35%</b>	<b>N/A</b>
<b>Total Wagers Placed in Texas</b>		<b>43,969,801</b>	<b>N/A</b>		<b>44,401,351</b>	<b>N/A</b>	<b>0.98%</b>	<b>N/A</b>
<b>Total Wagers Placed on Texas Races</b>		<b>16,101,952</b>	<b>N/A</b>		<b>16,567,629</b>	<b>N/A</b>	<b>2.89%</b>	<b>N/A</b>

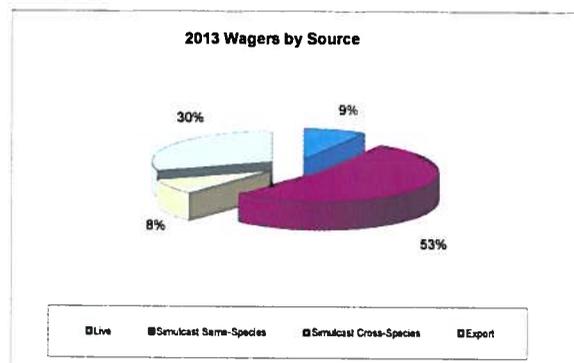
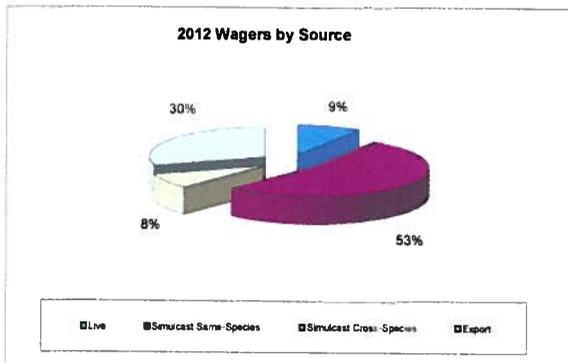




**Horse Racetrack Wagering Statistics  
Comparison Report on Total Wagers Placed  
in Texas & on Texas Races**

For the Period: 01/01/12 - 09/29/12 to 01/01/13 -09/29/13

Sources of Wagers	Year 2012 01/01 - 09/29				Year 2013 01/01 -09/29				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager
<b>Gillespie County Fair</b>										
Live	8	1,292,129	\$ 161,516	8	1,299,531	\$ 162,441			0.57%	0.57%
Simulcast Same-Species	157	2,340,975	\$ 14,911	157	2,513,892	\$ 16,012			7.39%	7.39%
Simulcast Cross-Species	157	278,257	\$ 1,772	157	295,836	\$ 1,884			6.32%	6.32%
Export	0	0	N/A	0	0	N/A			N/A	N/A
<b>Total Wagers</b>		<b>3,911,361</b>	<b>N/A</b>		<b>4,109,259</b>	<b>N/A</b>			<b>5.06%</b>	<b>N/A</b>
<b>Lone Star Park</b>										
Live	61	15,600,993	\$ 255,754	58	14,398,118	\$ 248,243			-7.71%	-2.94%
Simulcast Same-Species	273	73,629,381	\$ 269,705	272	71,687,190	\$ 263,556			-2.64%	-2.28%
Simulcast Cross-Species	273	4,046,454	\$ 14,822	272	4,372,516	\$ 16,075			8.06%	8.46%
Export	61	37,554,158	\$ 615,642	58	36,430,451	\$ 628,111			-2.99%	2.03%
<b>Total Wagers</b>		<b>130,830,985</b>	<b>N/A</b>		<b>126,888,275</b>	<b>N/A</b>			<b>-3.01%</b>	<b>N/A</b>
<b>Retama Park</b>										
Live	22	2,772,194	\$ 126,009	20	2,397,061	\$ 119,853			-13.53%	-4.89%
Simulcast Same-Species	273	29,774,359	\$ 109,064	272	30,094,170	\$ 110,640			1.07%	1.45%
Simulcast Cross-Species	273	5,300,070	\$ 19,414	272	5,239,846	\$ 19,264			-1.14%	-0.77%
Export	22	3,723,038	\$ 169,229	20	3,744,938	\$ 187,247			0.59%	10.65%
<b>Total Wagers</b>		<b>41,569,661</b>	<b>N/A</b>		<b>41,476,014</b>	<b>N/A</b>			<b>-0.23%</b>	<b>N/A</b>
<b>Saddle Brook Park</b>										
Live	0	0	\$ -	0	0	\$ -				
Simulcast Same-Species	0	0	\$ -	196	3,301,524	\$ 16,845			100.00%	100.00%
Simulcast Cross-Species	0	0	\$ -	151	137,519	\$ 911			100.00%	100.00%
Export	0	0	\$ -	0	0	\$ -			N/A	N/A
<b>Total Wagers</b>		<b>0</b>	<b>\$ -</b>		<b>3,439,043</b>	<b>N/A</b>			<b>100.00%</b>	<b>N/A</b>
<b>Sam Houston Race Park</b>										
Live	58	6,257,257	\$ 107,884	57	6,192,318	\$ 108,637			-1.04%	0.70%
Simulcast Same-Species	273	51,138,474	\$ 187,320	272	46,529,056	\$ 171,063			-9.01%	-8.68%
Simulcast Cross-Species	273	14,235,256	\$ 52,144	272	13,554,932	\$ 49,834			-4.78%	-4.43%
Export	58	47,065,429	\$ 811,473	57	46,348,955	\$ 813,140			-1.52%	0.21%
<b>Total Wagers</b>		<b>118,696,416</b>	<b>N/A</b>		<b>112,625,260</b>	<b>N/A</b>			<b>-5.11%</b>	<b>N/A</b>
<b>All Horse Racetracks</b>										
Live	149	25,922,573	\$ 173,977	143	24,287,027	\$ 169,839			-6.31%	-2.38%
Simulcast Same-Species	976	156,883,189	\$ 160,741	1,169	154,125,832	\$ 131,844			-1.76%	-17.98%
Simulcast Cross-Species	976	23,860,037	\$ 24,447	1,124	23,600,648	\$ 20,997			-1.09%	-14.11%
Export	141	88,342,625	\$ 626,543	135	86,524,343	\$ 640,921			-2.06%	2.29%
<b>Total Wagers</b>		<b>295,008,424</b>	<b>N/A</b>		<b>288,537,851</b>	<b>N/A</b>			<b>-2.19%</b>	<b>N/A</b>
<b>Total Wagers Placed in Texas</b>		<b>206,665,799</b>	<b>N/A</b>		<b>202,013,508</b>	<b>N/A</b>			<b>-2.25%</b>	<b>N/A</b>
<b>Total Wagers Placed on Texas Races</b>		<b>114,265,198</b>	<b>N/A</b>		<b>110,811,370</b>	<b>N/A</b>			<b>-3.02%</b>	<b>N/A</b>



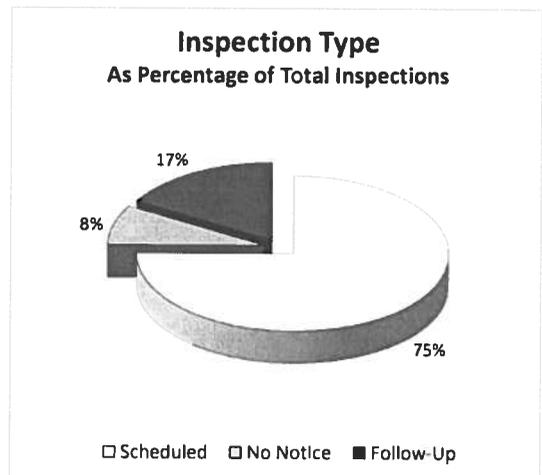
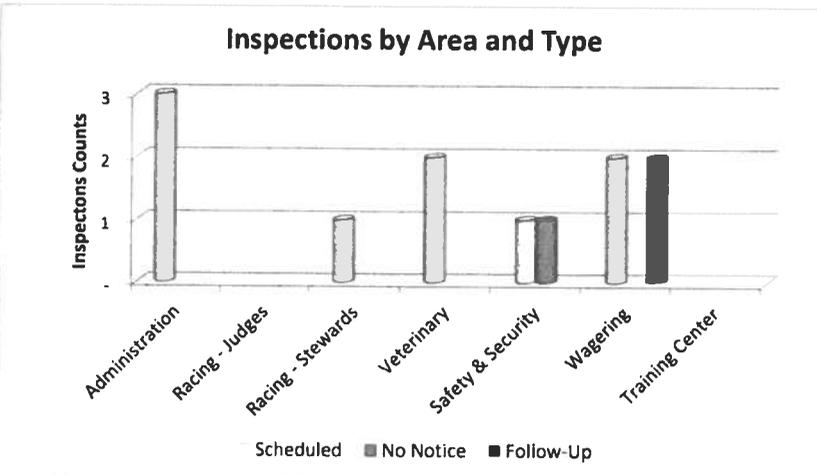
**Texas Racing Commission**  
 Report on Racetrack Inspection Activities  
 October 8, 2013

Summary of Inspections Performed For The Period of August 1, 2013 thru October 1, 2013					
Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Sam Houston Race Park	Admin.	8/2/2013	0		
	Wagering	9/18/2013	(Follow-up from 8/22/13)	1	0
Retama Park	Veterinary	10/1/2013	0		
	Wagering	9/27/2013	0		
	Stewards	10/1/2013	0		
	Admin.	9/27/2013	0		
	Security	9/25/2013	0		
Gulf Greyhound Park	Security	8/2/2013	0		
Lone Star Park	Admin.	8/29/2013	0		
	Veterinary	9/1/2013	0		
	Wagering	8/29/2013	0		
Valley Greyound Park	Wagering	9/17/2013	(Follow-up from 8/22/13)	3	0

Inspection Counts by Area and Type				
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administration	3			3
Racing - Judges				
Racing - Stewards	1			1
Veterinary	2			2
Safety & Security	1	1		2
Wagering	2		2	4
Training Center				
<b>TOTAL INSPECTIONS</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>12</b>

**Important Notes Regarding Inspections at Racetracks:**

- 1) Scheduled inspections typically occur before the beginning of each race meet. No Notice inspections typically are planned to occur during the middle of a meet, but may occur at any time.
- 2) Follow-Up inspections are 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.



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

	GREYHOUND	HORSE	NOTES
# of Live Race Performances/Days	194	135	
# of Live Races	2,603	1,325	
# of Animals Inspected	20,599	11,271	
# of Samples	2,620	2,682	
# of Animal Drug Positives	3	92	Horse Violations - 34 Class 3; 53 Class 4; 4 Class 5; and 1 violation of a permitted medication at a level above allowable concentration Greyhound Violations - 3 Class 6
% of Samples Testing Positive	0.1%	3.4%	
# of Simulcast Days	625	1,041	
# of Simulcast Races	192,491	309,438	
# of Import and Export Requests	239	994	
# of New Licenses Issued	1,559		
# of Licenses Renewed	3,397		
# of Gate, Barn, and Kennel Searches	66		
# of Administrative Investigations	143		
# of Rulings	14	170	
# of Suspensions	0	63	
# of Revocations	0	1	
# of Animals DQ'ed for Drug Positive – Purse Redistributed	0	22	
# of Rulings with Fines	14	125	
Total Fines Assessed	\$900	\$24,275	

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.

#### **IV. GENERAL BUSINESS**

Discussion, consideration and approval of the following matter:

B. Approval of the Commission's Operating Budget for Fiscal Year 2014



Texas Racing Commission  
 FY 2014  
 Proposed Operating Budget

<u>FY 2014 Appropriated Operating Budget</u>							
<u>Budget by Strategy</u>	<u>Strategy Description</u>	<u>Base FTE's</u>	<u>Base Appropriations</u>	<u>Proposed FTE's</u>	<u>Proposed Budget</u>	<u>Lapsed FTE's</u>	<u>Transfer Authority</u>
1.1.1.	License / Regulate Racetracks	5.00	400,839	4.00	369,800	(1.00)	(31,039)
1.2.1.	Texas Bred Incentive Program	-	4,125,000	-	4,125,000	-	-
1.3.1.	Supervise & Coduct Live Races	8.70	596,283	8.80	606,263	0.10	9,980
1.3.2.	Monitor Licensee Activities	4.20	270,601	3.20	236,478	(1.00)	(34,123)
1.4.1.	Inspect & Provide Emergency Care	2.70	290,308	2.35	270,043	(0.35)	(20,265)
1.4.2.	Adminster Drug Test	4.70	254,753	4.35	322,485	(0.35)	67,732
2.1.1.	Occupational Licensing Program	7.70	562,587	7.70	563,951	-	1,364
2.1.2.	Texas OnLine	-	22,500	-	22,500	-	-
3.1.1.	Monitor Wagering	5.00	321,110	5.00	324,504	-	3,394
3.1.2.	Wagering Compliance & Inspections	3.00	242,242	3.00	242,980	-	738
4.1.1.	Central Administration	6.80	730,012	7.00	729,738	0.20	(274)
4.1.2.	Information Resources	4.80	499,171	4.80	501,664	-	2,493
	<b>Total Base Appropriations</b>	52.60 \$	8,315,406	50.20 \$	8,315,406	(2.40) \$	-
<u>Budget by Rider / Art</u>							
#	<u>Rider or Article Description</u>						
7	New Racetrack Appropriations	-	-	-	-	-	-
Article IX	Section 17.06, GAA,	-	30,483	-	30,483	-	-
	<b>Total Rider or Article Appropriations</b>	- \$	30,483	- \$	30,483	- \$	-
	<b>Total Appropriations for FY 2014 Operating Budget</b>	52.60 \$	8,345,889	50.20 \$	8,345,889	(2.40) \$	-



Texas Racing Commission  
 FY 2014  
 Proposed Operating Budget

**FY 2014 Appropriated Operating Budget by Object-of-Expense (OOE)**

<u>Budget by OOE</u>	Base Appropriations	Proposed Budget	Transfer Authority
Salaries & Wages	2,880,255	2,831,186	(49,069)
Other Personnel Costs	123,613	137,548	13,935
Professional Fees & Services	240,500	283,275	42,775
Consumable Supplies	39,500	39,500	-
Utilities	60,000	60,000	-
Travel	177,789	170,148	(7,641)
Rent-Building	87,979	87,979	-
Rent-Machine & Other	14,500	14,500	-
Other Operating Expense	566,270	566,270	-
Grants	4,125,000	4,125,000	-
Capital Expenditures	-	-	-
<b>Total Base Appropriations by OOE</b>	<b>\$ 8,315,406</b>	<b>\$ 8,315,406</b>	<b>\$ -</b>
 <u>Riders / Art by OOE</u>			
Salaries & Wages	30,483	30,483	-
Other Personnel Costs	-	-	-
Travel	-	-	-
Grants	-	-	-
Capital Expenditures	-	-	-
<b>Total Rider Appropriations by OOE</b>	<b>\$ 30,483</b>	<b>\$ 30,483</b>	<b>\$ -</b>
 <b>Total OOE for FY 2014 Operating Budget</b>	<b>\$ 8,345,889</b>	<b>\$ 8,345,889</b>	<b>\$ -</b>



Texas Racing Commission  
 FY 2014  
 Proposed Operating Budget

<u>FY 2014 Unappropriated Operating Budget by Object-of-Expense (OOE)</u>			
<u>Budget by OOE</u>	<u>Base Appropriations</u>	<u>Proposed Budget</u>	<u>Transfer Authority</u>
OASI Match	218,918	218,918	-
Group Insurance	268,968	268,968	-
State Retirement	164,225	164,225	-
Benefit Replacement	16,000	16,000	-
ERS Retiree Insurance	220,000	220,000	-
SWCAP GR Reimbursement	30,000	30,000	-
Unemployment Cost	20,000	20,000	-
Other	-	-	-
<b>Total Unappropriated Operating Budget by OOE</b>	<b>\$ 938,111</b>	<b>\$ 938,111</b>	<b>\$ -</b>
<b>Total Appropriated and Unappropriated FY 2014 Operating Budget</b>	<b>\$ 9,284,000</b>	<b>\$ 9,284,000</b>	<b>\$ -</b>



Texas Racing Commission  
 FY 2014  
 Cash Flow of Proposed Operating Budget

<u>Regulatory Operations Budget</u>	
<b>Appropriated Regulatory Budget by OOE</b>	<b>Proposed Budget</b>
Salaries & Wages	2,861,669
Other Personnel Costs	137,548
Professional Fees & Services	283,275
Consumable Supplies	39,500
Utilities	60,000
Travel	170,148
Rent-Building	87,979
Rent-Machine & Other	14,500
Other Operating Expense	566,270
Grants	-
Capital Expenditures	-
<b>Total Appropriated Regulatory Budget by OOE</b>	<b>\$ 4,220,889</b>
<b>Unappropriated Regulatory Budget by OOE</b>	
OASI Match	218,918
Group Insurance	268,968
State Retirement	164,225
Benefit Replacement	16,000
ERS Retiree Insurance	220,000
SWCAP GR Reimbursement	30,000
Unemployment Cost	20,000
Other	-
<b>Total Unappropriated Regulatory Budget by OOE</b>	<b>\$ 938,111</b>
<b>Total Regulatory Budget</b>	<b>\$ 5,159,000</b>



Texas Racing Commission

FY 2014

Cash Flow of Proposed Operating Budget

		<u>Regulatory Operations Cash Flow</u>	
<b>Beginning Cash Balance:</b>			\$ 750,000
<b>Annual Racetrack Fees:</b>			
Class 1	Lone Star Park	616,250	
	Retama Park	503,750	
	Sam Houston Race Park	541,250	
	<b>Sub-Total Class 1</b>	<b>\$ 1,661,250</b>	
Class 2	Laredo Downs	230,000	
	Laredo Race Park	230,000	
	KTAGS Downs / Austin Jockey Club	230,000	
	Manor Downs	230,000	
	Saddle Brook Park	230,000	
	Valle de los Tesoros	230,000	
	<b>Sub-Total Class 2</b>	<b>\$ 1,380,000</b>	
Class 3	Gillespie County Fair	70,000	
	<b>Sub-Total Class 3</b>	<b>\$ 70,000</b>	
Greyhound	Gulf Greyhound Park	372,225	
	Gulf Coast Racing	360,000	
	Valley Race Park	360,000	
	<b>Sub-Total Greyhound</b>	<b>\$ 1,092,225</b>	
	<b>Total Annual Racetrack Fees</b>		<b>\$ 4,203,475</b>
<b>Other Revenue:</b>			
	Occupational Licensing / Finger Print	725,000	
	Other	25,000	
	<b>Total Other Revenue</b>		<b>\$ 750,000</b>
<b>Cash Available to Fund Regulatory Budget</b>			<b>\$ 5,703,475</b>
<b>Less Total Regulatory Cost</b>			<b>\$ (5,159,000)</b>
<b>Ending Cash Balance:</b>			<b>\$ 544,475</b>



Texas Racing Commission  
FY 2014

Cash Flow of Proposed Operating Budget

<u>Accredited Texas Bred Incentive Program Budget</u>	
	<u>Proposed Budget</u>
<b>Appropriated ATB Incentive Program Budget by OOE</b>	
Salaries & Wages	-
Other Personnel Costs	-
Professional Fees & Services	-
Consumable Supplies	-
Utilities	-
Travel	-
Rent-Building	-
Rent-Machine & Other	-
Other Operating Expense	-
Grants	4,125,000
Capital Expenditures	-
<b>Total Appropriated ATB Incentive Program Budget by OOE</b>	<b>\$ 4,125,000</b>
<b>Unappropriated Regulatory Budget by OOE</b>	
OASI Match	-
Group Insurance	-
State Retirement	-
Benefit Replacement	-
ERS Retiree Insurance	-
SWCAP GR Reimbursement	-
Unemployment Cost	-
Other	-
<b>Total Unappropriated Regulatory Budget by OOE</b>	<b>\$ -</b>
<b>Total Accredited Texas Bred Incentive Program Budget</b>	<b>\$ 4,125,000</b>



Texas Racing Commission  
FY 2014  
Cash Flow of Proposed Operating Budget

<u>Accredited Texas Bred Incentive Program Cash Flow</u>	
Beginning Cash Balance:	\$ -
ATB Incentive Program Revenue Greyhound:	
Breakage	164,928
1% Exotic Wager	<u>494,783</u>
Sub-Total Revenue Greyhound:	\$ 659,711
ATB Incentive Program Revenue Horse:	
Breakage	1,559,380
1% Exotic Wager	<u>1,905,909</u>
Sub-Total Revenue Horse:	\$ 3,465,289
Total ATB Incentive Program Revenue	\$ 4,125,000
Cash Available to Fund ATB Program Budget	\$ 4,125,000
Less Total ATB Program Cost	<u>\$ (4,125,000)</u>
Ending Cash Balance:	\$ -

## **V. PROCEEDINGS ON RACETRACKS**

Discussion only on the following matters:

- A. Allocation of purses as provided under Commission Rule 321.505(a)  
(All horse racetracks)
- B. Distribution of funds in the Escrowed Purse Account among the various breeds of horses under Commission Rule 321.509  
(All horse racetracks)

# Association Recommended Allocation of 2014 Simulcast Purse Funds

Association Name: Love Star Park at Grand Prairie

*Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.00%
Paint Horse	.25%
Quarter Horse	18.2875%
Thoroughbred	80.4625%

*Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.*

Negotiations Conducted	
<input type="checkbox"/> Texas Arabian Breeders' Association	<input type="checkbox"/> Texas Paint Horse Breeders Association
<input type="checkbox"/> Texas Thoroughbred Association	<input type="checkbox"/> Texas Quarter Horse Association
<input type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: Scott Wells, Paula Newman Date: 9/24/13



**LONE STAR PARK**

*at Grand Prairie*

*Our Mission:  
Create Winning Experiences.*

2013 SEP 27 PM 2:13

RECEIVED  
TEXAS RACING  
COMMISSION

September 24, 2013

Sammy Jackson  
Deputy Director  
Texas Racing Commission

Dear Mr. Jackson,

Included herein are Lone Star Park at Grand Prairie's recommendations for allocation to the various breeds of 2014 simulcast funds, as well as our plans for distribution of the escrowed purse account.

As you are no doubt aware, discussion regarding the percentage distribution for simulcast funds has been an ongoing process. My predecessor, Drew Shubeck, as well as the Chief Operating Officer of Global Gaming LSP, LLC, Robert "Skip" Lannert were involved in these discussions dating back to previous years and including the prior months of 2013 leading up to this deadline. My employment by Lone Star Park at Grand Prairie only began a few weeks ago; however, I was present for one respectful meeting between the various entities involved. That meeting underlined the unwillingness of the respective breed associations to compromise further on what we all agree is a critical matter.

Despite my brief tenure here, I can fully appreciate the difficulties inherent in this debate, having endured a similar process in Oklahoma in 2007. Unfortunately, the situation facing Texas horseracing is much more about the survival of the respective breeding programs in this state than it is about dividing up a growing pie, as was the case in Oklahoma. After listening to the pleas of the breed organization representatives and after extensive internal discussions, it is the recommendation of Lone Star Park at Grand Prairie to continue in 2014 the allocation percentages approved by the Texas Racing Commission for 2013.

Despite the temporary and/or long term implications of our required recommendations, we support the mission of the Texas Racing Commission and will respectfully comply with your final decisions regarding this and all other pertinent matters.

Sincerely,

Scott Wells  
President and General Manager

## Allocation of Purses

---

Lone Star Park at Grand Prairie (LSP) has reviewed its operational data and statistics from the Thoroughbred (TB) and Quarter Horse/Mixed Breed (QH) meets for 2013 and 2012. Based on local and national interest, the 2014 race dates and the availability and ability to attract competitive horses, LSP advocates the following splits:

<u>Breed</u>	<u>2014 Proposed</u>	<u>2013 Actual</u>
TB	80.4625%	80.4625%
QH	18.2875%	18.2875%
Arabian	1.00%	1.00%
Paint	.25%	.25%

## Factors for Consideration as Defined by Commission Rule 321.505 and 321.509

### 1. Earnings

Net commissions represent LSP's earnings from wagering after mandatory deductions and other track fees. The combined net commissions earned from live and export handle by breed are as follows:

▪ Thoroughbred	83.05%
▪ Quarter Horse	13.34%
▪ Arabian	2.55%
▪ Paint	1.06%

Net commissions from Thoroughbred handle are a significant source of revenue for LSP. The substantial premium in earnings is driven in part by higher per caps as well as overall higher attendance. The ability to run one additional day per week during 8 of the 14 weeks during the 2014 Thoroughbred drives a substantial difference in operating income between the two race meets for LSP.

During the 2013 Thoroughbred meet, LSP generated more than \$410,000 in positive EBITDA. However during the 2012 QH meet, LSP experienced approximately \$725,000 in EBITDA losses. LSP is working to reduce this tendency during the 2013 QH meet.

## 2. National Public Interest

National public interest can be demonstrated in the export handle. It should be noted, not all interstate jurisdictions that accept wagering on Texas Thoroughbreds are able to accept wagering on Texas Quarter Horses. The percentage of export handle for 2013TB meet and 2012 QH meet are as follows:

▪ Thoroughbred	84.69%
▪ Quarter Horse	14.26%
▪ Arabian	.75%
▪ Paint	.30%

LSP's daily export handle for the 2013 Thoroughbred meet averaged \$685,000 compared to \$238,000 for the 2012 Quarter Horse meet.

## 3. Local Interest

Following is the on track Live Racing Handle and Live Racing Attendance for the 2013 Thoroughbred meet and 2012 Quarter Horse/Mixed Breed meet:

### Live Handle

▪ Thoroughbred	86.25%
▪ Quarter Horse	13.01%
▪ Arabian	.39%
▪ Paint	.35%

### Live Attendance

▪ Thoroughbred	87.88%
▪ Quarter Horse	12.12%

The average live handle on a comparative basis for Fridays and Saturdays during the 2013 TB meet was \$ 309,000 per day compared to \$98,000 per day average for the 2012 QH meet.

## 4. Race Date Request

LSP has been granted 50 Thoroughbred race days and 26 Quarter Horse race days for 2014. The dates translate to the following percentages:

▪ Thoroughbred	65%
▪ Quarter Horse	35%

## 5. Availability and Ability to Attract Competitive Horses

Following are the statistics for LSP's 2013 TB season and 2012 QH season:

- Thoroughbred, 8.3 runners per race
- Quarter Horse, 8.4 runners per race

### Allocation of Escrowed Purse Account

---

Lone Star Park at Grand Prairie does not recommend changing the breed splits for the 2014 Escrowed Purse Account. The criteria listed in rule 321.509 are similar to those in rule 321.505. Despite the criteria in rule 321.509 clearly favoring a majority split to the Thoroughbred breed, the current allocation significantly favors the Quarter Horse breed. However the industry is working against an un-level playing field with our competitors in neighboring states. LSP acknowledges that a change in the splits would impact the Texas Quarter Horse breed significantly given the limited purse structure. Therefore, LSP recommends the splits remaining constant with 2013 as follows:

<u>Breed</u>	<u>2014 Proposed</u>	<u>2013 Actual</u>
TB	20.925%	20.925%
QH	72.075 %	72.075%
Arabian	3.50%	3.50%
Paint	3.50%	3.50%

# Association Recommended Allocation of 2014 Simulcast Purse Funds

Association Name: Retama Park

*Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.50%
Paint Horse	0.50%
Quarter Horse	23.52%
Thoroughbred	74.48%

*Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.*

Negotiations Conducted	
<input checked="" type="checkbox"/> Texas Arabian Breeders' Association	<input type="checkbox"/> Texas Paint Horse Breeders Association
<input checked="" type="checkbox"/> Texas Thoroughbred Association	<input checked="" type="checkbox"/> Texas Quarter Horse Association
<input checked="" type="checkbox"/> Texas Horsemen's Partnership	

Prepared by:  Date: 9/23/10



## RETAMA PARK

September 23, 2013

Mr. Sammy Jackson  
Deputy Director  
Texas Racing Commission  
8505 Cross Park Drive, Suite 100  
Austin, TX 78754

Re: Retama Park 2014 Simulcast Purse Distribution Request

Dear Sammy,

Please find attached Retama Park's analysis of Rules 321.505 and 321.509 regarding allocation of purses and the escrowed purse account distribution.

Retama Park has requested a 76% (TB) and 24% (QH) breed split (after payment of 2% to minor breeds) for simulcast purse funds. We are requesting that Retama Park's share of the Escrowed Purse Account remain 32.45% and be split 77.5% (QH) and 22.5% (TB) (after payment of 7% to minor breeds).

As we have done in recent years, we would like to have one set of splits in place for the period of time leading up to and including most of the Quarter Horse meet and a second set of splits for the balance of the year.

While for simplicity's sake we requested the split as 76% (TB) and 24 % (QH) for simulcast purse funds, the breakdown for the year would be as follows:

- 67% (TB) and 33% (QH) for the period 1/1/14 through 7/31/14
- 91% (TB) and 9% (QH) for the period 8/1/14 through 12/31/14
- The above percentages are after payment of 2% to minor breeds.
- Distribution of funds from the Escrowed Purse Account would be constant all year.

The analysis includes a weighting of the various Rule 321.505 and 321.509 factors which results in a calculated 70% (TB) and 30% (QH) overall breed split.

Mr. Sammy Jackson

Page 2

Re: Retama Park 2014 Simulcast Purse Distribution Request

The breed splits requested above work out to an approximately 71% (TB) and 29% (QH) overall share of the combined simulcast and escrowed purse account funds which is very close to the levels calculated.

Please let me know if you have any questions.

Thank you,



Chris Corrado  
Vice President and General Manager  
Retama Park

cc: Chuck Trout  
Tommy Hayes  
Jan Haynes  
Greg LaMantia

James Leatherman  
Lisa Medrano  
Marsha Rountree  
Scott Wells

Rob Werstler  
Andrea Young

**Retama Park**  
**Analysis of Section 321.505 and 321.509 Breed Split Criteria**  
**September 24, 2013**

	Relative Percentages		Assigned Importance Factor	Implied Breed Split	
	QH 2013	IB 2012		QH	TB
Average Live Handle	\$119,853	\$84,037	5.0%	3%	2%
Average Export Handle	\$187,247	\$503,961	5.0%	1%	4%
Average Live Attendance	2,659	2,149	5.0%	3%	2%
Average Daily Total Racing Earnings	\$19,002	\$21,719	12.5%	6%	7%
Average Daily Non-Racing Earnings	\$37,921	\$21,316	12.5%	8%	4%
Simulcast Import Handle 2012	\$3,413,382	\$33,204,027	50.0%	5%	45%
Race Dates	20	26	5.0%	2%	3%
Availability of Horses - Starters Per Race	9.01	9.61	5.0%	2%	3%
			100.0%	30%	70%
Simulcast Accruals (1)	Total	QH%	TB Accrual	QH Accrual	
Cross Species Accrual (2)	\$2,861,256	24.00%	\$2,174,555	\$686,701	
	\$275,644	77.50%	\$62,020	\$213,624	
Overall Projected Breed Split			\$2,236,574	\$900,326	
(1) After Payment of 2% to minor breeds			29%		
(2) After Payment of 7% to minor breeds			71%		
			QH	\$900,326	
			TB	\$2,236,574	
			Total	\$3,136,900	

# Association Recommended Allocation of 2014 Simulcast Purse Funds

Association Name: Sam Houston Race Park

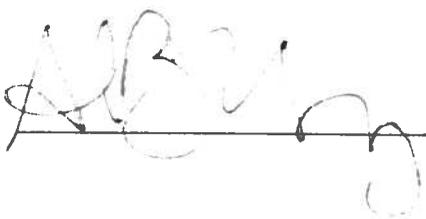
*Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
<b>Arabian</b>	1.40%
<b>Paint Horse</b>	0.60%
<b>Quarter Horse</b>	21.56%
<b>Thoroughbred</b>	76.44%

*Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.*

Negotiations Conducted	
<input checked="" type="checkbox"/> Texas Arabian Breeders' Association	<input checked="" type="checkbox"/> Texas Paint Horse Breeders Association
<input checked="" type="checkbox"/> Texas Thoroughbred Association	<input checked="" type="checkbox"/> Texas Quarter Horse Association
<input checked="" type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: \_\_\_\_\_



Date: \_\_\_\_\_

9/24/2013



2013 SEP 27 PM 2:14

TEXAS RACING  
OR RACING

September 24, 2013

Mr. Sammy Jackson  
Deputy Director  
8505 Cross Park Drive  
Austin, TX 78754

Dear Mr. Jackson:

Please find attached Sam Houston Race Park's analysis of Rules 321.505 and 321.509 regarding allocation of purses and the escrowed purse account distribution. Our request for 2014 comes after an internal review and discussions with both horse breeds. Sam Houston Race Park (SHRP) is sympathetic to the relentless pressure placed on Texas horse tracks and horsemen of both breeds by the un-level playing field Texas racing faces everyday. Neighboring states, all of which offer additional forms of gaming at in-state racetracks, have higher purses and stronger breeder incentives. The position we find ourselves in is a difficult one and represents the dire straits the industry currently faces due to the declining availability of purse dollars. Despite what the criteria may suggest, SHRP believes these are unique times and that any significant changes to the allocations would be detrimental to the 2014 calendar. Dates have already been awarded and plans are already underway. Both breeds have repeatedly asked for more. However, at this time, we believe no change is justified given the pressure facing the industry.

Sam Houston Race Park appreciates the opportunity to present its recommendation to the Commission. Please feel free to contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea B. Young".

Andrea B. Young  
President

Enclosures

## Allocation of Purses

---

Sam Houston Race Park has reviewed its operational data and statistics from the Thoroughbred (TB) and Quarter Horse (QH) meets of 2013. Based on local and national interest, the 2014 race dates and the availability and ability to attract competitive horses, SHRP advocates the following splits:

Breed	2014 Proposed	2013 Actual
TB	76.44%	76.44%
QH	21.56%	21.56%
Arabian	1.40%	1.40%
Paint	0.60%	0.60%

## Factors for Consideration as Defined By Commission Rule 321.505 And 321.509

---

### 1. Earnings

Net commissions represent SHRP's earnings from wagering after mandatory deductions and other track fees. The combined net commissions earned from live, export and simulcast handle by breed year-to-date are listed below:

- Thoroughbred 86.8%
- Quarter Horse 11.6%
- Arabian 1.4%
- Paint 0.2%

Net commissions from Thoroughbred handle are a significant source of revenue for SHRP. The significant premium in earnings is driven in part by higher per caps and overall attendance statistics. In addition, the ability to run one additional day per week during the Thoroughbred meet (more supply) drives a significant difference in operating income between the two meets for SHRP.

For the first three months of 2013 when running primarily Thoroughbreds, SHRP earned more than \$638,000 in positive EBITDA. However, during April and May when running Quarter Horses, SHRP suffered approximately \$140,000 in EBITDA losses despite premium simulcast dates like the Kentucky Derby and Preakness.

## 2. National Public Interest

National public interest can be clearly demonstrated by export handle. Please note, not all interstate jurisdictions that accept wagering on Texas Thoroughbreds are able to accept wagering on Texas Quarter Horses. The percentage of export handle for 2013 attracted by each breed is listed below.

- Thoroughbred 83.7%
- Quarter Horse 13.6%
- Arabian 2.5%
- Paint 0.2%

SHRP's daily export handle for the Thoroughbred meet averaged \$1.21 million compared to \$283,000 for the Quarter Horse meet.

## 3. Local Interest

One way to gauge local interest at SHRP is through simulcast handle as SHRP operates as simulcast-only for about half of the calendar year. Below is simulcast handle for the four breeds year-to-date:

- Thoroughbred 88.4%
- Quarter Horse 10.1%
- Arabian 1.4%
- Paint 0.2%

Another way to gauge interest is through live handle and live attendance. Below is live handle and attendance data for 2013 as percentages:

### Live Handle

- Thoroughbred 64.0%
- Quarter Horse 33.3%
- Arabian 2.1%
- Paint 0.7%

### Live Attendance

- Thoroughbred 56.4%
- Quarter Horse 43.6%

Over the past three years, SHRP's daily average live handle for Thoroughbreds has grown each and every year bucking all national trends. However, despite an 11% increase in daily purses during the 2013 Quarter Horse meet, daily live handle fell 2% year-over-year. Unfortunately, the results of the QH meet are consistent with national trends.

The average live handle on an “apples to apples basis” for Fridays and Saturdays during the 2013 Thoroughbred meet was approximately \$173,000 per day compared to only \$114,000 for the Quarter Horse meet, a difference of about 51%.

Both meets enjoy similar marketing budgets. However, the Quarter Horse meet enjoys the unique advantages created by post-race concerts, and premium simulcast days like the Kentucky Derby and Preakness.

**4. Race Date Request**

SHRP has been granted 32 Thoroughbred race days and 24 Quarter Horse race days for 2014. These dates translate into the following percentages:

- Thoroughbred 57%
- Quarter Horse 43%

**5. Availability and Ability to Attract Competitive Horses**

A four-day race week allows SHRP to maximize its assets and turn a profit while three-day race weeks struggle. Below please find statistics from SHRP’s 2013 racing season:

- Thoroughbred, 8.7 runners per race, 4 days per week
- Quarter Horse, 8.1 runners per race, 3 days per week

**Escrowed Purse Account**

---

Sam Houston Race Park, at this time, does not recommend changing the splits for the Escrowed Purse Account. The criteria listed in rule 321.509 are similar to those in rule 321.505. Despite the criteria in rule 321.509 clearly favoring a majority split to the Thoroughbred breed, the current allocation overwhelmingly favors the Quarter Horse breed. However, the industry is working against an un-level playing field with our competitors in neighboring states. SHRP acknowledges that a change in the splits would impact the Texas Quarter Horse breed significantly given the limited purse structure. Thus, SHRP recommends the following splits:

<b>Breed</b>	<b>2014 Proposed</b>	<b>2013 Actual</b>
TB	20.925%	20.925%
QH	72.075%	72.075%
Arabian	3.50%	3.50%
Paint	3.50%	3.50%

# Association Recommended Allocation of 2014 Simulcast Purse Funds

Association Name: Saddle Brook Park

*Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.5%
Paint Horse	0.5%
Quarter Horse	49.0%
Thoroughbred	49.0%

*Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.*

Negotiations Conducted	
<input type="checkbox"/> Texas Arabian Breeders' Association	<input type="checkbox"/> Texas Paint Horse Breeders Association
<input type="checkbox"/> Texas Thoroughbred Association	<input type="checkbox"/> Texas Quarter Horse Association
<input type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: Corey Johnson - via email Date: 9-30-2013

# Association Request for 2014 Escrowed Purse Account Distribution

Association Name: LOVE STAR PARK AT GRAND PRAIRIE

*Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.*

Type of Distribution Requested <i>(select one)</i>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	24.65 %
<input type="checkbox"/> Annual	

*Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.*

*Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5%
Paint Horse	3.5%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: SCOTT WELLS, PAULA NEWMAN Date: 9/24/13

# Association Request for 2014 Escrowed Purse Account Distribution

Association Name: Retama Park

*Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.*

Type of Distribution Requested <small>(select one)</small>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	32.45%
<input type="checkbox"/> Annual	

*Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.*

*Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	5.5%
Paint Horse	1.5%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by:  Date: 9/23/17

# Association Request for 2014 Escrowed Purse Account Distribution

Association Name: Sam Houston Race Park

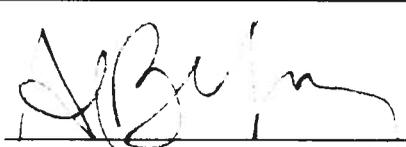
*Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.*

Type of Distribution Requested <i>(select one)</i>	Percentage Requested
<input checked="" type="checkbox"/> <b>Monthly</b>	41.3%
<input type="checkbox"/> <b>Annual</b>	

*Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.*

*Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
<b>Arabian</b>	3.50%
<b>Paint Horse</b>	3.50%
<b>Quarter Horse</b>	72.075%
<b>Thoroughbred</b>	20.925%

Prepared by: 

Date: 9/24/2013

## Mary Welch

---

**From:** info  
**Sent:** Thursday, August 29, 2013 8:50 AM  
**To:** Chuck Trout  
**Cc:** Sammy Jackson; Joel Speight; Mary Welch; Mark Fenner  
**Subject:** FW: breed splits

Fyi... This email came in yesterday afternoon. -Robert

**From:** Richard Weilburg  
**Sent:** Wednesday, August 28, 2013 12:14 PM  
**To:** info  
**Subject:** breed splits

Dear Commissioners Schmidt, Ederer, Martin, Aber, Hicks, Steen, Weinberg, and O'Connell:

We are again at that foggy fork in the road to breed-split determinations and again we find that the disparity between the breeds' actual earnings and purse allocations is even greater now than it was in previous years. The numbers provided by the race tracks and verified by Commission audit clearly show that Thoroughbreds are subsidizing Quarter Horses with twenty per cent of their simulcast earnings. Consequently, Thoroughbred owners are leaving the State of Texas to race elsewhere, and Thoroughbred foal production in the state continues to wane; at the August 25<sup>th</sup> Texas Thoroughbred Sale, Texas-breds sold for an average of \$5000 less than Louisiana-breds. The purse distribution in Texas must become equitable, or there won't be any Thoroughbred Industry in Texas.

We must disregard past altruism and nullify benevolent indulgences that developed between the breeds in the early struggle for racing in Texas. The very viability of Thoroughbred racing in Texas is at stake, and even a 90/10 split would only be marginally adequate. Therefore, Thoroughbred owners and breeders request a "Run for what you earn" allocation from all sources of purse income generation from all tracks for the ensuing fiscal year.

Respectfully submitted

Richard D Weilburg MD

Fredericksburg, Texas  
Owner/Breeder  
Vice President TTHBPA

Lane M. Hutchins  
8351 FM 2093  
Fredericksburg, TX 78624

2013 SEP 18 PM 3:14

TEXAS RACING COMMISSION

Commissioners  
Texas Racing Commission  
8505 Cross Pk, Dr.#110  
Austin, TX 78764

Dear Commissioners Schmidt, Ederer, Hicks, Weinberg,  
Martin, Aber, Steen, Combs and Leon:

I am a twenty year participant in Texas Thoroughbred breeding and racing as the owner of a small farm in Gillespie County.

I am also a Director of the Thoroughbred board of the HBPA and have served my fellow horsemen for ten years.

I am writing to protest the entitlement program for Qtr. Horses known as the breed splits.

Everyone in the Texas Thoroughbred industry knows that since 1987 the Qtr. Horses have been supplemented by the Thoroughbreds.

Everyone also knows that our TB industry is in dire straits with our breeding stock and our owners going out of state where the purses are more lucrative.

The breed splits are hastening our demise. If Qtr. Horse racing can't survive after twenty five years without welfare from our breed maybe they need to change something.

Economics is indeed, the dismal science and a hard mistress.

It is insane to kill the golden goose, ie, thoroughbred racing to keep supplementing an entity which cannot support itself.

Please consider letting us keep the money we earn-its the American way and it certainly should be the Texas way.

Sincerely Yours,

*Lane M Hutchins*

September 11, 2013

Michael S. Marke  
1726 Timber Oak  
San Antonio, Texas 78232

Mr. Chuck Trout  
Executive Director  
Texas Racing Commission,  
8505 Cross Park Dr #110,  
Austin, TX 78754

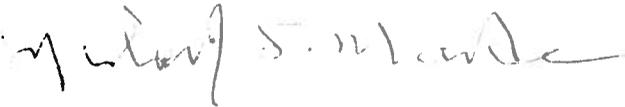
Dear Mr. Trout:

I have been of fan of Texas horse racing for almost 25 years. I have no financial interest in horse racing other than as a fan, but I support the "Run for What You Generate" concept for the splits of purse money generated.

The Texas Thoroughbred industry can no longer sacrifice 20% or more of its purse generation and its negative impact on its purses and racing dates to benefit Quarter Horse racing.

I enjoy both Thoroughbred and Quarter Horse racing but do not believe that it is fair for money generated by Thoroughbreds to be used for the benefit of Quarter Horse racing in Texas. Each breed should be able to thrive on its own income, and not from welfare from the other.

Sincerely,



Michael S. Marke

2013 SEP 16 PM 1:40  
TEXAS RACING  
COMMISSION

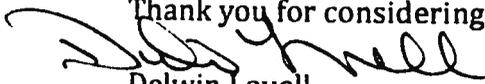
9-12-13

Texas Racing Commission;

I wanted to take a second to send a letter of support for fair sharing of allocated purse funds that each breed (Quarter Horse and Thoroughbred) should be a "Run for what you Generate" distribution. Each breed should be able to thrive under it's own income.

No other state in the country forces one breed to subsidize the other except for Texas. All I am asking for is to be fair and run for what you bring in. It is the only way to go moving forward.

Thank you for considering this.



Delwin Lovell  
255 Lake Estates Trl  
Longview, TX 75605

2013 SEP 16 PM 3:33  
TEXAS RACING  
COMMISSION

September 12, 2013

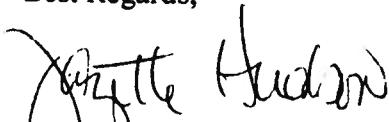
Dear Texas Racing Commission,

I am writing in regards to my concern over the Quarter Horse and Thoroughbred racing breed splits. With no intended disrespect to the Quarter Horse folks, I believe that it is time to "Run for what you generate".

My family has been in the thoroughbred racing, owning and breeding business since the late 1950's. I have been blessed by being able to continue in what my grandfather started so many years ago, however, it is getting harder and harder to stay afloat in the Texas racing business. Due to a lot of different factors, you all know better than myself that we have a decline in Texas Breds, Texas trainers are going out of state and many Texas owners are getting out of the business. I believe that if the purse structure was updated to a 90T/10Q breed split from simulcasting revenues that purses would increase, which would give owners a reason to breed more Texas Breds, trainers would have a reason to stay in Texas and the owners would stay in the Texas racing business.

Thank you for your time in advance. My family and myself would greatly appreciate your consideration and support in an equitable 90/10 breed split.

Best Regards,



Jazette Hudson  
Thoroughbred Owner & Breeder

2013 SEP 16 PM 3:33  
1177 S. H. ST. G  
HOUSTON, TX 77054

NO TO PASS MONEY WITH QH

THEY CAN GENERATE THEM

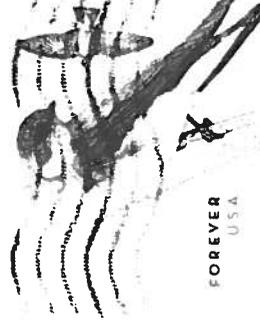
DWH Purses. MONIES

*Edward J. Hamblen*

2013 SEP 18 PM 3:14

REGISTRATION  
TEXAS RACING  
COMMISSION

Mrs. Joan Hamblen  
6490 W Cemetery Rd  
Canyon, TX 79015



16 SEP 2013 PM 1:11

Texas Racing Commission  
8505-Cross Park Dr #110  
Austin, TX 78754

7675434552

## **V. PROCEEDINGS ON RACETRACKS**

Discussion, consideration and possible action on the following matters:

- C. Allocation of purses as provided under Commission Rule 321.505(a) (Gillespie County Fair and Festivals Association only)
- D. Distribution of funds in the Escrowed Purse Account among the various breeds of horses under Commission Rule 321.509 (Gillespie County Fair and Festivals Association only)

# Association Recommended Allocation of 2014 Simulcast Purse Funds

Association Name: Gillespie County Fair & Festival Association

*Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	0
Paint Horse	1.5
Quarter Horse	68.95
Thoroughbred	29.55

*Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.*

Negotiations Conducted	
<input type="checkbox"/> Texas Arabian Breeders' Association	<input type="checkbox"/> Texas Paint Horse Breeders Association
<input type="checkbox"/> Texas Thoroughbred Association	<input type="checkbox"/> Texas Quarter Horse Association
<input type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: Sally Biggs Date: 9/6/2013

website: [www.txrc.state.tx.us](http://www.txrc.state.tx.us)  
email: [curley.trahan@txrc.texas.gov](mailto:curley.trahan@txrc.texas.gov)



September 10, 2013

- Mr. Ed Wilson, Texas Arabian Breeders' Association
- Mr. Lox Smurthwalte, Texas Paint Horse Association
- Mr. Rob Werstler, Texas Quarter Horse Association
- Ms. Marsha Rountree, Texas Horsemen's Partnership
- Ms. Mary Ruyke, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Simulcast Purse Funds

Please find enclosed the 2014 Simulcast Purse Fund request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

Texas Arabian Breeders' Association

Texas Paint Horse Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Horsemen's Partnership

\_\_\_\_\_  
Texas Thoroughbred Association



September 10, 2013

Mr. Ed Wilson, Texas Arabian Breeders' Association  
Mr. Lex Smurthwaite, Texas Paint Horse Association  
Mr. Rob Werstler, Texas Quarter Horse Association  
Ms. Marsha Rountree, Texas Horsemen's Partnership  
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Simulcast Purse Funds

Please find enclosed the 2014 Simulcast Purse Fund request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

---

Texas Arabian Breeders' Association

---

Texas Quarterhorse Association

---

Texas Thoroughbred Association

Texas Paint Horse Association

---

Texas Horsemen's Partnership



September 10, 2013

Mr. Ed Wilson, Texas Arabian Breeders' Association  
Mr. Lex Smurthwaite, Texas Paint Horse Association  
Mr. Rob Werstler, Texas Quarter Horse Association  
Ms. Marsha Rountree, Texas Horsemen's Partnership  
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Simulcast Purse Funds

Please find enclosed the 2014 Simulcast Purse Fund request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@ctesc.net](mailto:gcffa@ctesc.net). Please feel free to call if you have questions.

Yours truly,

A handwritten signature in black ink, appearing to read 'Steve Wetz'.

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

A handwritten signature in black ink, appearing to read 'Valerie Clark'.  
\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Thoroughbred Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Horsemen's Partnership



September 10, 2013

- Mr. Ed Wilson, Texas Arabian Breeders' Association
- Mr. Lex Smurthwalte, Texas Paint Horse Association
- Mr. Rob Werstler, Texas Quarter Horse Association
- Ms. Marsha Rountree, Texas Horsemen's Partnership
- Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Simulcast Purse Funds

Please find enclosed the 2014 Simulcast Purse Fund request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Horsemen's Partnership

*Mary Ruyle, Executive Director*  
\_\_\_\_\_  
Texas Thoroughbred Association



September 10, 2013

- Mr. Ed Wilson, Texas Arabian Breeders' Association
- Mr. Lex Smurthwalte, Texas Paint Horse Association
- Mr. Rob Werstler, Texas Quarter Horse Association
- ✓ Ms. Marsha Rountree, Texas Horsemen's Partnership
- Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Simulcast Purse Funds

Please find enclosed the 2014 Simulcast Purse Fund request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Thoroughbred Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Horsemen's Partnership

530 Fair Drive  
State Highway 16 South  
PO Box 526  
Fredericksburg, TX 78624

(830) 997-2359  
fax (830) 997-4923  
[gcffa@tesc.net](mailto:gcffa@tesc.net)  
[www.gillespiefair.com](http://www.gillespiefair.com)

## Association Request for 2014 Escrowed Purse Account Distribution

Association Name: Gillespie County Fair & Festival Association

*Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.*

Type of Distribution Requested <i>(select one)</i>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	1.6
<input type="checkbox"/> Annual	

*Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.*

*Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.*

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5
Paint Horse	3.5
Quarter Horse	72.075
Thoroughbred	20.925

Prepared by: *Jelly Briggs* Date: *9/6/2013*

630 Fair Drive  
State Highway 16 South  
PO Box 626  
Fredericksburg, TX 76824

(830) 897-2359  
fax (830) 897-4523  
g-cffa@tasc.net  
www.gillespiefair.com



September 10, 2013

- Mr. Ed Wilson, Texas Arabian Breeders' Association
- Mr. Lex Smurthwaite, Texas Paint Horse Association
- Mr. Rob Werstler, Texas Quarter Horse Association
- Ms. Maisha Rountree, Texas Horsemen's Partnership
- Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Escrowed Purse Account

Please find enclosed the 2014 Escrowed Purse Account Distribution request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [g-cffa@tasc.net](mailto:g-cffa@tasc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

Texas Arabian Breeders' Association

Texas Paint Horse Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Horsemen's Partnership

\_\_\_\_\_  
Texas Thoroughbred Association



September 10, 2013

- Mr. Ed Wilson, Texas Arabian Breeders' Association
- Mr. Lex Smurthwalte, Texas Paint Horse Association
- Mr. Rob Werstler, Texas Quarter Horse Association
- Ms. Marsha Rountree, Texas Horsemen's Partnership
- Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Escrowed Purse Account

Please find enclosed the 2014 Escrowed Purse Account Distribution request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Thoroughbred Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Horsemen's Partnership



September 10, 2013

Mr. Ed Wilson, Texas Arabian Breeders' Association  
Mr. Lex Smurthwalte, Texas Paint Horse Association  
Mr. Rob Werstler, Texas Quarter Horse Association  
✓ Ms. Marsha Rountree, Texas Horsemen's Partnership  
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Escrowed Purse Account

Please find enclosed the 2014 Escrowed Purse Account Distribution request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Thoroughbred Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Horsemen's Partnership



September 10, 2013

Mr. Ed Wilson, Texas Arabian Breeders' Association  
Mr. Lex Smurthwalte, Texas Paint Horse Association  
Mr. Rob Werstler, Texas Quarter Horse Association  
Ms. Marsha Rountree, Texas Horsemen's Partnership  
✓ Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Escrowed Purse Account

Please find enclosed the 2014 Escrowed Purse Account Distribution request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Horsemen's Partnership

*Mary Ruyle, Executive Director*  
\_\_\_\_\_  
Texas Thoroughbred Association



September 10, 2013

Mr. Ed Wilson, Texas Arabian Breeders' Association  
Mr. Lex Smurthwaite, Texas Paint Horse Association  
Mr. Rob Werstler, Texas Quarter Horse Association  
Ms. Marsha Rountree, Texas Horsemen's Partnership  
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2014 Escrowed Purse Account

Please find enclosed the 2014 Escrowed Purse Account Distribution request for Gillespie County Fair & Festival Association. We are requesting the same percentages that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by mail or e-mail to [gcffa@tesc.net](mailto:gcffa@tesc.net). Please feel free to call if you have questions.

Yours truly,

A handwritten signature in black ink, appearing to read 'Steve Wetz'.

Steve Wetz  
General Manager

Enclosure:

\_\_\_\_\_  
Texas Arabian Breeders' Association

A handwritten signature in black ink, appearing to read 'Valerie Clark'.  
\_\_\_\_\_  
Texas Quarterhorse Association

\_\_\_\_\_  
Texas Paint Horse Association

\_\_\_\_\_  
Texas Horsemen's Partnership

\_\_\_\_\_  
Texas Thoroughbred Association

## **V. PROCEEDINGS ON RACETRACKS**

Discussion, consideration and possible action on the following matters:

- E. Allocation of funds for the Texas Bred Incentive Program as provided under Commission Rule 321.505(b)
- F. Allocation by the Texas Greyhound Association of Interstate Cross- Species Purse Money



# Memorandum

Date: September 18, 2013

To: Mark Fenner, General Counsel

From: *SJ* Sammy Jackson, Deputy Director for Finance and Wagering

RE: Agreements for Allocation of 2014 Funds for Texas Bred Incentive Program

Staff has reviewed the agreement provided on behalf of the Horse Breed Registries in accordance with Commission Rules §321.505(b)(4). The agreement if approved would cover the allocation of Texas Bred Incentive Program funds for calendar year 2014. The following tables reflect the agreed allocations:

<b>Allocation of Texas Bred Incentive Program Funds from Simulcasting - 2014</b>					
<b>By Breed of Horse</b>	<b>GCF</b>	<b>SB</b>	<b>LSP</b>	<b>RP</b>	<b>SHRP</b>
Arabian	2.00%	2.00%	2.00%	2.00%	2.00%
Paint Horse	1.00%	1.00%	1.00%	1.00%	1.00%
Quarter Horse	64.67%	64.67%	32.33%	32.33%	32.33%
Thoroughbred	32.33%	32.33%	64.67%	64.67%	64.67%

Commission Rules 321.505(b)(4) stipulates that the breed registries, in lieu of the processes outlined within the rule, may submit a signed agreement for approval. The rules further states, for the Commission to approve the agreements, the agreements must delineate the percentages by which the breed registries will divide the Texas Bred Incentive Program revenue generated from simulcasting among the various breeds of horses and must be signed by all organizations referenced within the rule.

Staff's finds that the agreement submitted by the breed registries for Commission approval are in compliance with Commission Rules 321.505(b)(4).

Please let me know if you have any questions.

Attachments: Original Agreement

AGREEMENT BETWEEN  
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE  
BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND  
TEXAS THOROUGHBRED ASSOCIATION

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

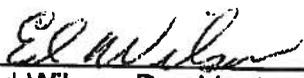
As previously allocated for calendar years 2011, 2012 and 2013, it is agreed that funds generated at licensed Texas horse tracks for the Accredited Texas-Bred Incentive Program shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds and Saddle Brook Park, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

This agreement shall be in effect for calendar year 2014.

The foregoing is acknowledged and agreed to on this 10 day of September 2013.

  
\_\_\_\_\_  
Ed Wilson, President  
Texas Arabian Breeders Association

\_\_\_\_\_  
Texas Paint Horse Breeders Association

  
\_\_\_\_\_  
Texas Quarter Horse Association

\_\_\_\_\_  
Texas Thoroughbred Association

AGREEMENT BETWEEN  
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE  
BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND  
TEXAS THOROUGHBRED ASSOCIATION

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred Incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

As previously allocated for calendar years 2011, 2012 and 2013, it is agreed that funds generated at licensed Texas horse tracks for the Accredited Texas-Bred Incentive Program shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds and Saddle Brook Park, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

This agreement shall be in effect for calendar year 2014.

The foregoing is acknowledged and agreed to on this 17 day of September 2013.

\_\_\_\_\_  
Ed Wilson, President  
Texas Arabian Breeders Association



Texas Paint Horse Breeders Association

\_\_\_\_\_  
Texas Quarter Horse Association

\_\_\_\_\_  
Texas Thoroughbred Association

**AGREEMENT BETWEEN  
TEXAS ARABIAN BREEDERS ASSOCIATION, TEXAS PAINT HORSE  
BREEDERS ASSOCIATION, TEXAS QUARTER HORSE ASSOCIATION AND  
TEXAS THOROUGHBRED ASSOCIATION**

In an effort to achieve a fair and equitable share of revenue available to the Texas state-bred incentive program for owners and breeders, the following Agreement is made by and between Texas Arabian Breeders Association (TABA), Texas Paint Horse Breeders Association (TPHBA), Texas Quarter Horse Association (TQHA) and Texas Thoroughbred Association (TTA).

As previously allocated for calendar years 2011, 2012 and 2013, it is agreed that funds generated at licensed Texas horse tracks for the Accredited Texas-Bred Incentive Program shall be allocated to the respective breeds as follows:

At Class 1 tracks (Lone Star Park, Retama Park and Sam Houston Race Park), the funds shall be allocated 66.67% to Thoroughbreds and 33.33% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

At Gillespie County Fair Grounds and Saddle Brook Park, the funds shall be allocated 33.33% to Thoroughbreds and 66.67% to Quarter Horses after a 2% deduction off the top for Arabians and a 1% deduction off the top for Paint Horses.

This agreement shall be in effect for calendar year 2014.

The foregoing is acknowledged and agreed to on this 10 day of September 2013.

\_\_\_\_\_  
Ed Wilson, President  
Texas Arabian Breeders Association

\_\_\_\_\_  
Texas Paint Horse Breeders Association

\_\_\_\_\_  
Texas Quarter Horse Association

  
\_\_\_\_\_  
Texas Thoroughbred Association

## Sammy Jackson

---

**From:** Mary Ruyle <maryr@texasthoroughbred.com>  
**Sent:** Wednesday, September 18, 2013 9:14 AM  
**To:** Sammy Jackson  
**Cc:** 'Rob Werstler'; 'Lex Smurthwaite'; wetaba@swbell.net; 'Ken Carson'  
**Subject:** FW: ATB Breed Split Agreement for 2014  
**Attachments:** 20130918090828449.pdf

Sammy,

Attached you will find the ATB Breed Split Agreement for 2014, as signed by Ed Wilson (TABA), Lex Smurthwaite (TPHA), Rob Werstler (TQHA) and Ken Carson (TTA).

Please let me know if you need anything further on this issue.

Sincerely,

*Mary Ruyle*

Executive Director  
Texas Thoroughbred Association  
4009 Banister Lane, Ste 230  
Austin, TX 78704  
512.458.6133  
512.453.5919 fax  
maryr@texasthoroughbred.com



# Memorandum

P.O. Box 12080  
Austin, Texas 78711-2080  
(512) 833-6699  
Fax (512) 833-6907

**Date:** September 24, 2013

**To:** Mark, General Counsel

**From:**  Sammy Jackson, Deputy Director for Finance and Wagering

**RE:** Approval of Allocation Formula for 2014 Greyhound Cross-Species Purse Money

On the agenda of the October 8, 2013, Commission meeting for consideration and approval will be the Texas Greyhound Association's (TGA) proposed allocation formula to distribute purse money the TGA collects from the Texas horse racetracks simulcasting out-of-state greyhound signals in accordance with §6.091(d) of the Texas Racing Act. Staff estimates \$1 million in purse funds will be generated in 2014 that will have to be allocated via the formula required to be submitted by the TGA for approval by the Commission.

Commission rule §303.102(d) states, the TGA shall prepare a proposed allocation for consideration by the Commission. In preparing a proposed allocation, TGA shall consider the following:

- the average price-per-point paid for purses at each greyhound racetrack during the preceding year;
- the purse payout at each greyhound racetrack during the preceding year; and
- the impact cross-species simulcasting has made on greyhound purse revenues at each greyhound racetrack during the preceding year.

The TGA's proposed formula would allocate 100% of all greyhound cross-species purse money to Gulf Greyhound Park for 2014. This allocation supports the 2014 greyhound race date calendar approved by the Commission during the August 13, 2013, Commission Meeting.

Should you have any questions, please feel free to contact me at any time.

**CC:** Chuck Trout, Executive Director  
Joel Speight, Deputy Director for Racing Oversight



*texas greyhound association*

September 30, 2013

Sammy Jackson  
Texas Racing Commission  
PO Box 12080  
Austin, TX 78711

Mr. Jackson,

After contacting Sally Briggs of Gulf Coast Racing, Andrea Young, President of Sam Houston and the TGA Board of Directors, it has been determined that 100% of the monies generated from Cross-Species Simulcasting, at Texas horse tracks which the TGA receives, should by agreement of all parties, be transferred to Gulf Greyhound Park and added to their purse account for the 2014 calendar year.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Nick James  
Executive Director

Cc: TGA Board of Directors  
Sally Briggs – GGP, GCR  
Andrea Young - SHRP



September 25, 2013

Mr. Sammy Jackson  
Deputy Director  
Texas Racing Commission  
8505 Cross Park Drive  
Austin, TX 78754

Dear Mr. Jackson:

Pursuant to conversations with Nick James, Executive Director of the Texas Greyhound Association and Sally Briggs of Gulf Greyhound and Gulf Coast Racing, we agree that the cross-species monies generated in 2014 should be sent to Gulf Greyhound Park so that it can be added to its purse account and support live racing.

Should you have any questions or concerns, please do not hesitate to contact me directly.

Sincerely,



Andrea B. Young  
President

Cc: Nick James  
Sally Briggs



5302 Leopard Street  
Corpus Christi, Texas 78408



361.289.9333

[www.gulfcoastracetrack.com](http://www.gulfcoastracetrack.com)

September 24, 2013

Mr. Sammy Jackson  
Deputy Director of Finance & Wagering  
Texas Racing Commission  
P. O. Box 12080  
Austin, TX 78711

Dear Mr. Jackson:

As requested by the Texas Greyhound Association, Gulf Coast Racing is pleased to support the cross-species monies generated at Gulf Coast Racing in 2014 to be sent to Gulf Greyhound Park and added to the purse account for live racing.

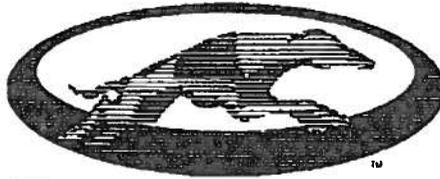
If you have questions or need additional information, please let me know.

Yours truly,

A handwritten signature in black ink that reads "Steve Lamb".

Steve Lamb  
General Manager

C: Nick James  
Andrea Young



■ GULF GREYHOUND PARK ■

*Sally B. Briggs*  
*General Manager*

September 24, 2013

Mr. Sammy Jackson  
Deputy Director of Finance & Wagering  
Texas Racing Commission  
P. O. Box 12080  
Austin, TX 78711

Dear Mr. Jackson:

After discussing the cross-species allocation for 2014 with Nick James of the Texas Greyhound Association, Gulf Greyhound Park is very pleased to support these monies being sent to us for distribution to our kennels running live racing at our track. We appreciate the continued support of the Texas Greyhound Association, Valley Race Park and Gulf Coast Racing.

Yours truly,

Sally B. Briggs  
General Manager

C: Andrea Young  
Steve Lamb  
Nick James

## **V. PROCEEDINGS ON RACETRACKS**

G. Allocation and Amendment of Live Race Dates  
under Commission Rule 303.41 for the month  
of November, 2015



# Memorandum

P.O. Box 12080  
Austin, Texas 78711-2080  
(512) 833-6699  
Fax (512) 833-6907

**Date:** September 18, 2013

**To:** Chuck Trout, Executive Director

**From:** *SJ* Sammy Jackson, Deputy Director for Finance and Wagering

**RE:** Greyhound Race Date Applications Submitted for November 2015

The following applications were submitted for Greyhound Race Dates for the month of November of 2015:

Track	Type of Perf.	2015 Days Requested by Application	Total Perfs.
Gulf Greyhound Park	MA/EV	<b>Total Gulf Greyhound Park Performances Requested</b>	<b>0</b>
Gulf Coast Racing	MA/EV	<b>Total Gulf Coast Racing Performances Requested</b>	<b>0</b>
Valley Race Park	MA	November 28	<b>1</b>
		<b>Total Performances Requested for 2015</b>	<b>1</b>

If the Commission approves the 2015 race dates request, the 2015 calendar will have 1 Matinee performance.

**Enclosures:** 2015 Newly Requested Greyhound Race Date Calendar

**CC:** Commissioner Gloria Hicks, Chair of Committee on Greyhound Race Dates  
Executive Team Members and Senior Staff Team Members



August 22, 2013

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

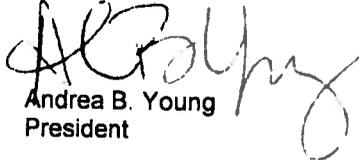
Dear Mr. Trout:

Enclosed please find Valley Race Park's 2015 race date application for the Commission's consideration. In summary, we are pleased to request the following date at this time:

- Saturday, November 28, 2015

If you have any questions or should require any further information, please feel free to contact me.

Sincerely,



Andrea B. Young  
President

Enclosure

cc: Sammy Jackson  
Nick James  
Sally Briggs

**TEXAS RACING COMMISSION  
REQUEST FOR LIVE RACE DATES  
GREYHOUND RACETRACKS – November 2015**

**INSTRUCTIONS:** Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Tuesday, September 17, 2013.

**I. Schedule Requested**

Name of Racetrack: Valley Race Park

Opening Day: 11/28/2015

Closing Day: 11/28/2015

Number of Performances per week scheduled for five or more races 1

Projected Number of Races per Performance 10

Number of Performances per week scheduled for fewer than five races \_\_\_\_\_

Projected Number of Races per Performance \_\_\_\_\_

TOTAL NUMBER OF PERFORMANCES REQUESTED 1

**II. Charity Days**

Indicate which days are designated as charity days:

*DESIGNATED BY RULE*

(1) A charity that directly benefits the persons who work on the backside:

11/26/2015 for TBD  
(Name of Charity)

(2) A charity that primarily benefits research into the health or safety of race animals:

11/27/2015 for TBD  
(Name of Charity)

11/28/2015 for TBD  
(Name of Charity)

11/29/2015 for TBD  
(Name of Charity)

11/30/2015 for TBD  
(Name of Charity)

**For each charity listed, attach the following information:**

- 1. A brief description of the activities or purposes of the charity;**
- 2. The name and address of each individual who serves as an officer or director; and**
- 3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes.**

**III. Dates Requested**

Indicate on the attached calendar each live race performance requested with a

- "M" denoting a Matinee performance with five or more races;
- "AM" denoting an Abbreviated Matinee with fewer than five races;
- "E" denoting an Evening performance with five or more races; or
- "AE" denoting an Abbreviated Evening performance with fewer than five races.

Include standard post time for each performance in space provided on calendar. Any exceptions, such as holidays, should be noted.

**IV. Certificate of Service**

I hereby certify that on \_\_\_\_\_, 2013, a true and correct copy of this request was sent to the persons listed below by:

- Certified Mail R.R.R.  
  Regular Mail  
  Facsimile  
  Hand Delivery

  
 \_\_\_\_\_  
 Signature Title

GulfCoast Racing Association  
 c/o Steve Lamb  
 General Manager  
 5302 Leopard Street  
 Corpus Christi, TX 78408

GulfGreyhoundPark  
 c/o Sally Briggs, General Manager  
 P.O. Box 488  
 La Marque, TX 77568-0488

ValleyRacePark  
 c/o Andrea Young, President  
 2601 South Ed Carey Drive  
 Harlingen, TX 78552

**Valley Race Park**

(Name of Racetrack)

**Requested Live Race Performances for 2015**

<b>NOVEMBER</b>						
<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
1	2	3	4	5	6	7
8	9	10	11	12	13	14
			<b>Veterans Day</b>			
15	16	17	18	19	20	21
22	23	24	25	26	27	28 M1
				<b>Thanksgiving</b>		
29	30					

## **Sammy Jackson**

---

**From:** Clark, Julie  
**Sent:** Thursday, August 22, 2013 4:11 PM  
**To:** Chuck Trout  
**Cc:** Sammy Jackson; Nick James sbriggs  
Young, Andrea; Berube, Dwight; Korn, Maury  
**Subject:** November 2015 Race Date Application for Valley Race Park  
**Attachments:** 2015 Race Dates Application VRP.pdf

Dear Mr. Trout:

Pursuant to Andrea Young's request, please find attached our application and cover letter for the time period of November 2015.

Please contact us with any questions you may have.

Thank you,

**Julie E. Clark**

Sam Houston Race Park  
7575 N. Sam Houston Parkway W.  
Houston, TX 77064  
(O) 281.807.8879 (C) 281.380.8750  
[www.shrp.com](http://www.shrp.com)

**PARTY LIKE SAM!**

This document may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If you are not the intended recipient, you are on notice that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the electronically transmitted materials is prohibited.

## **V. PROCEEDINGS ON RACETRACKS**

Discussion, consideration and possible action on the following matters:

- H. Ownership and Management Review of Active Racetrack Licenses under Commission Rule 309.53
  - 1) Gillespie County Fair and Festivals Association
  - 2) Gulf Greyhound Park
  - 3) Saddle Brook Park
  - 4) Valle de los Tesoros
- I. Review of the License Designation of Valle de los Tesoros as required under Commission Rule 309.51(f)



# Texas Racing Commission

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

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

www.txrc.texas.gov

## MEMORANDUM

**TO:** Texas Racing Commissioners  
**FROM:** Chuck Trout, Executive Director  
**DATE:** October 3, 2013  
**SUBJECT:** Ownership and Management Review of Active Racetrack Licenses

---

Pursuant to Section 6.06(k) of the Racing Act, as amended by House Bill 2271 in the Regular Session of the 82<sup>nd</sup> Legislature (the agency's sunset bill), the Commission must review the ownership and management of active licenses every five years. In April 2013, the Commission adopted Section 309.53 of the Rules of Racing, which established the schedule of reviews and the components of such reviews.

The schedule provides for the following four licenses to be reviewed in 2013: Gillespie County Fair, Gulf Greyhound Park, Saddle Brook Park, and Valle de los Tesoros. The review process is as follows:

### 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 person owning an interest of at least five percent of the association and for each officer, director, or management committee member who is not currently licensed as an Association Officer or Director by the Commission:

(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

(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;

(4) 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

(5) any other information required by the Commission.

#### 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 Rule 309.152, Records;

(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.

Commission staff has reviewed the submissions and relevant information regarding the four licenses subject to review in 2013. The following pages contain a summary of staff's findings.

## **GILLESPIE COUNTY FAIR & FESTIVALS ASSOCIATION, INC. (GCF)**

### **Current Ownership and Management**

Gillespie County Fair & Festivals Association, Inc., is a non-profit corporation that holds a Class 3 horse racetrack license in Fredericksburg, Texas. The license was originally issued in 1989. GCF is governed by a 36-person board, including an executive board of nine individuals. Each officer and executive board member currently holds an occupational license issued by the Commission. As a non-profit corporation, the entity is managed by its stakeholders. While these stakeholders do not hold a true “ownership” interest, their degree of participation and control is expressed in the annual filings as a percentage interest. No stakeholder currently holds a participation interest of five percent or more.

GCF conducts two types of racing operations each year. The live meet consisting of eight live race dates is self-managed and operated on a volunteer basis by GCF's stakeholders. The simulcasting operations conducted on a year-round basis at GCF's Race Barn are managed and operated by Texas Pari-Mutuel Management, Inc. (TPM), which also manages and operates Gulf Greyhound Park in La Marque and Gulf Coast Racing in Corpus Christi.

### **Background Investigations**

Each officer and member of the executive board currently holds an occupational license issued by the Commission and therefore has undergone a background check within the past three years. A summary of staff's findings has been provided to the Commissioners separately.

### **Security Plan**

The license holder submitted a copy of its security plan for its live operations, which has been previously reviewed and approved by the Commission's investigative staff. The approved security plan for the simulcasting operations at the Race Barn is on file with the Commission, having been previously submitted by TPM.

## **Totalisator, Management and Concession Contracts**

GCF currently contracts with United Tote Company for totalisator services. This contract was previously reviewed and approved by the Commission at its April 10, 2012, meeting.

GCF manages and operates its own concessions at the live meet; therefore, there is no concessions contract for this activity. TPM manages the concessions for GCF at the Race Barn as part of its overall management contract to conduct simulcasting operations. This management contract was approved by the Commission as part of the overall approval of simulcasting at GCF's Race Barn in June 2001. The contract has subsequently been modified four times, most recently in 2011.

## **Financial Review**

Copies of GCF's most recent financial statements have been provided to the Commissioners separately.

## **Commission Inspections**

Over the past five years, Commission staff has identified the following violations in the performance of routine inspections at GCF's facility:

### Wagering

313.53 Mutuel Manager – The approved list of mutual manager designees was outdated. (February 2013)

321.12 Time Synchronization –Difference of approximately 32 seconds between tote system and security video clocks. (February 2013)

321.23 Wagering Explanations – Required information was not being included in printed partial programs. (February 2013)

321.103 Facility Requirements – The approved tote room access list was outdated. (February 2013)

321.12 Time Synchronization –Security video recording system was not synchronized with the atomic clock or with the totalisator system. (May 2011)

321.105 Hardware Requirements – Log printer was not operational. (April 2010)

321.131 General Requirements – Tote system was unable to print reports requested by auditor. (April 2010)

Association management addressed all of these issues in a timely fashion.

In May 2013, GCF updated its simulcasting plan and conducted additional staff training to correct a deficiency after allowing wagering on interstate greyhound races without also taking wagers on the greyhound races conducted at Gulf Greyhound Park.

## **GULF GREYHOUND PARK, LTD. (GGP)**

### **Current Ownership and Management**

Gulf Greyhound Partners, Ltd., is a Texas limited partnership that holds a greyhound racetrack license in La Marque, Texas. This license was originally issued in 1990. Texas Pari-Mutuel Management, Inc. (TPM), is the general partner and owns 48% of GGP. TPM is a wholly owned subsidiary of Greene Group, Inc., which is in turn owned by three individuals, each of whom is a resident of Alabama. One of the three individuals, Sam M. Phelps, passed away in 2011 and his interest is currently held by his estate. The remaining 52% of GGP is owned by 20 limited partners, each of whom is a resident of Texas.

The broad authority to manage the day-to-day affairs of GGP is vested in TPM. However, GGP has also established a seven member board of directors, four of whom are Texas residents. In addition, certain decisions of major significance require the written consent of a majority of the Texas limited partners.

### **Background Investigations**

Each person owning an interest of at least five percent in the association and each officer, director, or management committee member who is not currently licensed by the Commission provided the required background information and authorization. A summary of staff's findings, including any reports by the Department of Public Safety, has been provided to the Commissioners separately.

### **Security Plan**

GGP submitted a copy of its security plan dated June 2013. This security plan has been reviewed and approved by the Commission's investigative staff.

### **Totalisator, Management and Concession Contracts**

GGP currently contracts with United Tote Company for totalisator services. This contract was last reviewed and approved by the Commission at its June 19, 2012, meeting.

TPM, GGP's general partner, manages the concessions and operations of GGP services directly under the terms of the partnership agreement, therefore there is no separate management or concessions contract.

### **Financial Review**

Copies of Gulf Greyhound Park's most recent financial statements have been provided to the Commissioners separately.

### **Commission Inspections**

Over the past five years, Commission staff has identified the following violations in the performance of routine inspections at GGP:

#### Wagering

321.23 Wagering Explanations – Required information was not being included in printed partial programs. (April 2013)

321.12 Time Synchronization – Difference of approximately 25 minutes between tote system and security video clocks. (March 2012)

321.605 E-wagering plan – Outdated plan; new plan needed to be developed to account for new rules. (July 2011)

321.23 Wagering Explanations – Required information was not being included in programs printed by on-demand kiosk. (Aug. 2010)

321.29 Mutuel Tickets – Tickets did not state the name of the racetrack facility where the wager was placed. (July 2009)

321.37 Cashed Tickets and Vouchers – Cashed tickets and vouchers were being stored in an unsecured room. (July 2009)

321.43 Cancellation of win wager – Several self-serve machines were found to not contain required information. (July 2009)

#### Administrative

309.162 Management, Totalisator Companies, and Concessionaries Contracts – Tote contract expired in January 2012 and a new contract had not yet been signed or approved by the Commission. (March 2012)

309.118 Offices/furnishings/phones for regulatory personnel – Phone issues. (July 2011)

#### Racing

309.118 Regulatory Office Space & Equipment – Minor maintenance issues. (September 2012)

- 309.123 Internal Communication System – Use of walkie-talkies did not provide sufficient clarity in communication. (Sept. 2012)
- 309.305 Starting Boxes – Minor maintenance/safety issues. (Sept. 2012)
- 309.307 Lures – Minor maintenance issues. (Sept. 2012)
- 309.112 Maintenance – Minor maintenance/safety issues. (Nov. 2011)
- 309.123 Internal communication system – Phone/walkie-talkie issues. (Nov. 2011)
- 309.304 Track watering system – System not complete. (Nov. 2011)

Veterinary

- 309.309 Lockout kennel – Minor maintenance issues. (Feb. 2011)
- 309.312 Turnout pens – Minor maintenance issues. (Feb. 2011)
- 309.313 Kennel buildings; maintenance – Minor maintenance issues. (Feb. 2011)

Association management addressed all of these issues in a timely fashion.

In December 2012, GGP addressed a potential administrative issue resulting from the incorrect payout of a Fortune Pick 6 wager. GGP corrected the matter by fully compensating the patron.

## **SADDLE BROOK PARK, LLC (SBP)**

### **Current Ownership and Management**

Saddle Brook Park, LLC, is a Texas limited liability company that holds a Class 2 horse racetrack license in Amarillo. This license was originally issued in 1989. SBP is wholly owned by Yellow Rose Entertainment, Inc. Through their ownership of Yellow Rose Entertainment, Edward Drew Alexander, a Texas resident, holds 63% of the license and Richard Lynn Alexander, a Kentucky resident, holds 30% of the license. The remaining seven percent is split among five other individuals, all of whom are Texas residents.

Saddle Brook Park is governed by a management committee composed of the four owners with the largest ownership interests. Three management committee members are Texas residents.

### **Background Investigations**

Each person owning an interest of at least five percent of the association and each officer, director, or management committee member who is not currently licensed by the Commission has provided the required background information and authorization. A summary of staff's findings, including any reports by the Department of Public Safety, has been provided to the Commissioners separately.

### **Security Plan**

The license holder submitted a copy of its current security plan, which was reviewed and approved by the Commission's investigative staff in 2013.

### **Totalisator, Management and Concession Contracts**

SBP currently contracts with AmTote International, Inc., for totalisator services. This contract was last reviewed and approved by the Commission at its December 18, 2012, meeting.

Saddle Brook Park is managed by Magellan Gaming, LLC (Magellan), a limited liability company with offices in Grapevine, Texas. Magellan's president is Corey Johnsen, who

is also one of the limited partners in SBP. Magellan and Mr. Johnsen are both licensed and in good standing with the Commission. The management contract between SBP and Magellan was reviewed and approved by the Commission at its meeting on August 14, 2012. There is no separate concessions agreement, as concessions are addressed within the management contract.

### **Financial Review**

Copies of Saddle Brook Park's most recent financial statements have been provided to the Commissioners separately.

### **Commission Inspections**

During SBP's first year of operations, Commission staff has not identified any rule violations during routine inspections of the temporary simulcasting facility. However, SBP has taken wagers on races without the appropriate approvals in place on six occasions. Commission staff has notified SBP on each occasion and SBP has made a number of policy changes and conducted additional training in response.

## **VALLE DE LOS TESOROS, LTD. (VDLT)**

### **Current Ownership and Management**

Valle de los Tesoros, Ltd., is a Texas limited partnership that holds a Class 2 horse racetrack license in McAllen, Texas. The license was originally issued in 2007. The majority ownership (58.5695%) of VDLT is held, either directly or as trustees, by six members of the LaMantia family through their ownership in a separate partnership, Hidalgo Muy Buena Suerte, Ltd. As a result, each of these LaMantia family members, all of whom are Texas residents, hold more than a five percent interest in the license. One of the remaining owners of VDLT, Nick Serafy, Jr., holds 16.6358% interest. There are nine other owners holding less than five percent ownership.

The broad authority to manage the affairs of VDLT is vested in Hidalgo Muy Buena Suerte, Ltd., through its general partner, Valle de los Tesoros, LLC. This general partner is owned by the same individuals who own Hidalgo Muy Buena Suerte, Ltd.

### **Background Investigations**

Each person owning an interest of at least five percent of the association and each officer, director, or management committee member who is not currently licensed by the Commission has provided the required background information and authorization. A summary of staff's findings, including any reports by the Department of Public Safety, has been provided to the Commissioners separately.

### **Security Plan**

VDLT submitted a copy of its security plan dated May 2013. A prior version of this plan was previously reviewed and approved by the Commission's investigative staff.

### **Totalisator, Management and Concession Contracts**

VDLT does not currently have an executed totalisator contract, but it did submit a term sheet/proposal for tote services from United Tote Company.

VDLT does not currently have an executed management contract, but it did submit a draft contract for management services provided by Gulf Greyhound Park's general partner, Texas Pari-Mutuel Management, Inc. There is no separate concessions agreement, as concessions are addressed within the management contract.

### **Financial Review**

Copies of VDLT's most recent financial statements have been provided to the Commissioners separately.

### **Commission Inspections**

VDLT has no physical facilities, therefore Commission staff has not conducted any inspections. No administrative penalties have been imposed against VDLT.



# **Texas Racing Commission**

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

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

www.txrc.texas.gov

## **MEMORANDUM**

**TO:** Texas Racing Commissioners  
**FROM:** Chuck Trout, Executive Director  
**DATE:** October 3, 2013  
**SUBJECT:** Review of License Designation of Valle de los Tesoros

---

Pursuant to Commission Rule 309.51(f), the Commission shall review and may change the designation of a racetrack license if an Active-Operating or Active-Other racetrack fails to conduct any live race dates granted to it by the Commission.

On September 21, 2012, the Commission granted six live race dates to Valle de los Tesoros (VDLT) for August 2012. Specifically, these race dates were to be conducted on August 17-19 and August 24-26, 2012. VDLT did not conduct these race dates.

Under the Commission Rule 309.51(b), racetrack licenses are defined as following:

*(b) Definitions.*

*(1) "Active-Operating" means the license holder conducted live racing events at the racetrack during the previous State Fiscal Year and has been granted future live race dates.*

*(2) "Active-Other" means the license holder has applied for and received pending live race dates under §303.41 of this title (relating to*

*Allocation of Race Dates), and taken the following actions to demonstrate good faith efforts to conduct live racing:*

*(A) is presently conducting pre-opening simulcasting;*

*(B) has demonstrated that the conduct of simulcast or live racing is imminent. Factors the Commission may consider include, but are not limited to, the license holder's:*

*(i) securing sufficient financial commitments to fund construction of the racetrack facility;*

*(ii) 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;*

*(iii) entering into contracts for the construction of the simulcasting and racetrack facilities;*

*(iv) securing Commission approval of the racing facility's construction plans;*

*(v) securing permits and utilities necessary for the construction of the racing facilities;*

*(vi) beginning and sustaining construction of the simulcasting or live racing facilities; and*

*(vii) 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.*

*(3) "Inactive" means the license holder does not meet the requirements for the racetrack license to be designated as Active-Operating or Active-Other.*

In applying the test of Rule 309.51(b) to VDLT, the following applies:

### **Active-Operating**

Valle de los Tesoros does not meet the definition of an Active-Operating racetrack because it did not conduct live racing during the previous state fiscal year.

### **Active-Other**

The Commission could elect to continue VDLT's current designation as an Active-Other racetrack because VDLT has applied for and received live race dates. These race dates are scheduled to be conducted in November 2014. However, in order to be designated as Active-Other, the Commission must also find that VDLT has undertaken actions that demonstrate good faith efforts to conduct live racing. The actions are set out in subparagraphs (A), (B), and (C) of Rule 309.51(b)(2).

VDLT is not currently conducting simulcasting as described under Rule 309.51(b)(2)(A) and did not elect to provide a bond as described under Rule 309.51(b)(2)(C).

Therefore, the question before the Commission is whether VDLT has demonstrated that the conduct of live or simulcast racing is imminent under Rule 309.51(c)(2)(B).

The Commission has set out the factors that it will consider in determining whether live or simulcast racing is imminent, and VDLT meets at least two factors:

- 1) VDLT has established through prior background checks and the provision of financial information that its principals have sufficient financial wherewithal to fund construction of the racetrack.
- 2) VDLT has provided documentation that it owns the real property of the designated racetrack location.

The rule also provides that the Commission has the discretion to consider other factors that demonstrate that the conduct of live or simulcast racing is imminent. During the initial designation of VDLT, the license holder presented evidence that VDLT had made efforts with the Cities of Hidalgo and McAllen to arrange for water and sewer service.

VDLT also noted its extensive efforts to open and operate a temporary simulcasting location in McAllen. VDLT finally pointed to its full participation in the Commission's committee meetings and its collaborative efforts with the industry to develop new ideas to support the industry.

### **Inactive**

If the Commission determines that VDLT does not meet the requirements to be designated as Active-Other, the license must be designated as Inactive.

VDLT has submitted the attached letter in support of this agenda item. Representatives of VDLT will be available at the Commission meeting to present further information and to answer any questions.

*Valle de los Tesoros*

*3900 N. McColl Road*

*McAllen, Texas 78501*

Phone: 956-687-7751 Fax: 956-687-8569

October 3, 2013

Mr. Chuck Trout, Executive Director  
Texas Racing Commission  
8505 Cross Park Dr., Suite #110  
Austin, Texas 78754

Re: Valle De Los Tesoros

Dear Mr. Trout:

As you are aware, the active-other status of the Class 2 horse racetrack license of Valle De Los Tesoros, Ltd. ("VDLT") will be reviewed by the Commission at its upcoming meeting pursuant to Texas Racing Commission Rule 309.51(f). Although this review is not contemplated by the Texas Racing Act and the Commission's rules provide no guidance or procedure with respect to the review, VDLT is submitting this letter to briefly describe the good faith efforts to conduct live racing being undertaken by VDLT.

First, all of the information contained in the "Active/Inactive Designation Form" previously submitted and considered by the Commission during the initial designations remains accurate and relevant. A copy of that initially submitted form is attached for your convenience.

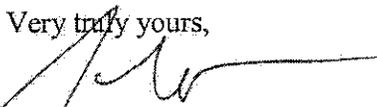
With respect to good faith efforts undertaken since that initial designation and the fact that simulcast or live racing is imminent, VDLT has prepared and is in possession of a second Application for a temporary simulcast facility in McAllen. Unfortunately, an application was recently filed with the Public Utility Commission of Texas by Electric Transmission Texas, LLC and Sharyland Utilities, LP for a 345 kV electric transmission line route which would go across the VDLT racetrack site. Obviously, if that route is approved by the PUC, the entirety of VDLT's plans in McAllen could be forced to change. VDLT is currently in discussions with the applicant and has also filed a Request to Intervene in the PUC process (see attached "Request to Intervene in PUC Docket No. 41606").

Another issue which we have historically brought to the attention of the Commission is the status of utilities being brought to the racetrack site. We are pleased to inform you that the utility construction process for that purpose has now been begun by the City of McAllen. (see attached letter from the McAllen Public Utility Board).

VDLT continues to move forward with good faith efforts to conduct live racing and believes the current active-other designation should remain unchanged.

Thank you for your consideration.

Very truly yours,



Greg LaMantia

President, Valle De Los Tesoros, Ltd.



Texas Racing Commission  
 8505 Cross Park Drive Ste 110  
 Austin, TX 78754-4594  
 Phone (512) 833-6699 Fax (512) 833-6907  
 www.txrc.state.tx.us

## ACTIVE/INACTIVE DESIGNATION FORM

Texas Racing Act § 6.0601 requires the Commission to designate each racetrack license as Active or Inactive not later than September 1, 2012. The initial designation shall be effective as of September 1, 2012. The association's president, chief executive officer, or general manager must review and complete this form. Submit the completed form to the Commission at the address above on or before August 1, 2012.

ASSOCIATION NAME Tesoros Race Park / Valle de los Tesoros Ltd.			
ADDRESS OF DESIGNATED RACETRACK LOCATION 10th Street and Dicker Road	CITY McAllen	STATE TX	ZIP CODE 78557
REPRESENTATIVE'S FIRST NAME Gregory	REPRESENTATIVE'S LAST NAME LaMantia		
REPRESENTATIVE'S BUSINESS STREET ADDRESS 3900 N. McColl Road	CITY McAllen	STATE TX	ZIP CODE 78501
REPRESENTATIVE'S BUSINESS PHONE # (956) 687-7751	REPRESENTATIVE'S FAX # (956) 994-9734	REPRESENTATIVE'S E-MAIL ADDRESS greg.lamantia@lnfdist.com	

### FUTURE LIVE RACE DATES

Has the association been granted future live race dates/performance? (September 1, 2012, and beyond)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
By July 20, 2012, will the association have filed an application for future race dates/performance?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

### ACTIVE-OPERATING

By August 31, 2012, will the association have conducted live racing during State Fiscal Year 2012? (September 1, 2011 – August 31, 2012)	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
--	---

### ACTIVE-OTHER CURRENTLY SIMULCASTING

Is the association currently conducting pre-opening simulcasting?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
---	---

### SIMULCASTING AND/OR LIVE RACING IS IMMINENT

*Complete Sections A-G only if the association is seeking designation as Active-Other on the basis that simulcasting and/or live racing is imminent. The Commission has identified the following factors as examples of the actions it may consider in making this designation. An association may supplement its response with other factors to demonstrate that the conduct of simulcasting or live racing is imminent. Please provide documentation to support each factor for which the association indicates "YES".*

<b>Has the association:</b>	
A. secured sufficient financial commitments to fund construction of the racetrack facility?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
B. secured 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?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
C. entered into contracts for the construction of simulcasting and/or racetrack facility?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
D. secured Commission approval of the racing facility's construction plans?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
E. secured permits and utilities necessary for the construction of the racing facility?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
F. begun or sustained construction of the simulcasting or live racing facility?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
G. provided to the Commission a construction and operation management schedule demonstrating that simulcasting is imminent and that the facility will be ready to conduct live racing by the beginning of the approved live race dates/performance?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

Please describe any additional actions or information the association wishes to present in support.

Valle de los Tesoros, Ltd. ("VDLT") maintains its ownership in real property in McAllen, Texas for the designated racetrack location. VDLT has been actively working with the appropriate governmental entities and utilities to obtain the required utility infrastructure to begin construction at the Site. VDLT representatives recently met with the new Mayor of the City of Hidalgo. That City now has a water and sewer access point approximately ¼ to ½ mile from VDLT's proposed Site. Officials from the City of Hidalgo and the City of McAllen have both instructed their engineering firms to draw up plans for utility connections to the Site. This is real forward progress toward beginning construction at the Site, as utilities are the last hurdle before construction plans can begin.

VDLT filed a comprehensive application to begin simulcasting at a temporary location while utilities could be secured at the Site and construction plans could be finalized. This included entering into a lease for a temporary location and submitting to the Commission staff remodeling plans, a simulcasting opening time-line, and an estimated profit and loss statement. VDLT worked directly with the Commission staff to insure the temporary location and operation plans fulfilled Commission requirements. Members of the staff visited the proposed temporary location in person, and numerous meetings and telephone conversations between the staff and VDLT representatives were held, with positive results. Nevertheless, the Commission voted to deny VDLT's application for a temporary location.

VDLT has consistently pursued and presented new ideas to the Commission intended to promote live racing throughout Texas. Commissioners have praised VDLT for such "thinking outside the box" ideas during Agenda Meetings. Beginning simulcasting in a temporary location was just one of those ideas. In addition, VDLT has worked closely with Texans for Economic Development, whose goal is to enhance Texas horseracing to the benefit of all members of the industry, allowing for the industry-wide economic stability that will lead to additional racetracks and thus additional live racing opportunities. VDLT is an active participant in Commission Agenda Meetings, stakeholder meetings, and one-on-one conversations with the Commission staff as part of its continuing efforts to promote live racing in Texas.

Cumulatively, VDLT has incurred significant costs in its efforts to move forward to a live racing facility in McAllen, Texas. VDLT's continuing interest, support, and belief in the future of the industry shows it is making good faith efforts to conduct live racing.

### VOLUNTARY BOND

An association with pending live race dates may be designated as Active-Other by voluntarily providing a bond of \$400,000. The purpose of the bond is to ensure that the association conducts pre-opening simulcasting and completes the pending live race dates. Does the association wish to exercise this option?

YES  NO

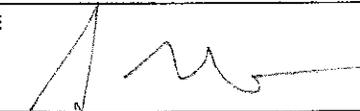
**I affirm that I have provided the above information completely and truthfully.**

PRINT NAME

Greg Lammantia

SIGNATURE

**X**



DATE

7/31/12

TITLE

President

**Request to Intervene in PUC Docket No. 41606**

The following information must be submitted by the person requesting to intervene in this proceeding. This completed form will be provided to all parties in this docket. **If you DO NOT want to be an intervenor, but still want to file comments, please complete the "Comments" page.**

FILED  
AUG 16 AM 9:36

Mail this completed form and 10 copies to:

Public Utility Commission of Texas  
Central Records  
Attn: Filing Clerk  
1701 N. Congress Ave.  
P.O. Box 13326  
Austin, TX 78711-3326

First Name: Valle de los Tesoros, Ltd. Last Name: \_\_\_\_\_  
Phone Number: (956) 687-7751 Fax Number: (956) 682-8569  
Address, City, State: 3900 N. McColl, McAllen, Texas 78501

**I am requesting to intervene in this proceeding. As an INTERVENOR, I understand the following:**

- I am a party to the case;
- I am required to respond to all discovery requests from other parties in the case;
- If I file testimony, I may be cross-examined in the hearing;
- If I file any documents in the case, I will have to provide a copy of that document to every other party in the case; and
- I acknowledge that I am bound by the Procedural Rules of the Public Utility Commission of Texas (PUC) and the State Office of Administrative Hearings (SOAH).

**Please check one of the following:**

- I own property with a habitable structure located near one or more of the utility's proposed routes for a transmission line.
- One or more of the utility's proposed routes would cross my property.
- Other. Please describe and provide comments. You may attach a separate page, if necessary. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Signature of person requesting intervention:**

Valle de los Tesoros, Ltd.

By: Valle de los Tesoros GP, LLC General Partner

By: Muy Buena Suerte, Ltd. Member

By: Apuesta, LLC, General Partner

By: Greg LaMania, Manager

Date: August 14, 2013

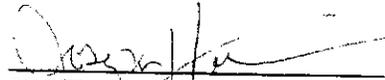
Effective: January 1, 2003

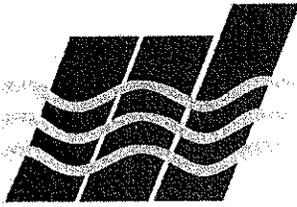
359

---

**CERTIFICATE OF SERVICE**

I, Joseph M. Habbouche, attorney for Valle de los Tesoros, Ltd. certify that a copy of this document was served on all parties of record in this proceeding on August 15, 2013 in the following manner: Via First Class United States Mail.

  
\_\_\_\_\_  
JOSEPH M. HABBOUCHE



# McALLEN

---

## PUBLIC UTILITY

CHARLES AMOS, Chairman  
ERNEST R. WILLIAMS, Vice-Chairman  
TONY AGUIRRE, Jr., Trustee  
ALBERT CARDENAS, Trustee  
JAMES E. DARLING, Ex-Officio/Commissioner  
ROEL RODRIGUEZ, P.E., General Manager

October 3, 2013

Mr. Greg LaMantia  
3900 N. McColi Rd.  
McAllen, Tx 78501

Re: Status Update - Southeast Water & Sewer Improvements

Dear Mr. LaMantia,

This letter is intended to provide you with a status update regarding the water and sewer improvements for southeast McAllen. The McAllen Public Utility Board (MPUB) recently awarded engineering design contracts for both water and sewer infrastructure with water plans being estimated at 40% completion while sewer plans are approximately 20% complete.

Construction of waterline is scheduled to proceed by spring of 2014; however, funding for construction phase of sanitary sewer improvements has yet to be determined.

If you have any questions or need further information, please do not hesitate to contact me at the phone number shown below. Thank you.

Sincerely,

Marco A. Vega, P.E.  
Asst. General Manager

cc: Mike R. Perez, City Manager  
Roel "Roy" Rodriguez, P.E., General Mgr./Asst. City Mgr.

## **VI. 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 307.64, Penalties

C. Proposal to Amend Rule 307.69, Review by Executive Secretary

D. Proposal to Amend Rule 319.3, Medication Restricted

Rule Adoptions

E. Adoption of Amendment to Rule 319.5, Report of Treatment by Veterinarians

**TEXAS RACING COMMISSION  
COMMITTEE ON RULES**

Date of Request: 1 August 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](mailto:info@txrc.state.tx.us)

**Contact Information:**

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

Check appropriate box(s)

Personal Submission *OR*

Submission on behalf of TxRC Staff  
(Name of Organization)

If known, Proposed Change to Chapter: Chapter: 307 Rule: 64

If known, Proposed Addition to Chapter: Chapter: 307 Rule: 69

If known, Other Rules Affected by Proposal: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

## **A. Brief Description of the Issue**

The current rules regarding the fines and suspensions that stewards, racing judges, and the executive director may impose for violations of the Racing Act or Rules require updating to reflect recent statutory changes.

## **B. Discussion of the Issue and Problem**

House Bill 1187 (83<sup>rd</sup> Legislature, Regular Session, 2013) increased the maximum penalties for violations of the Texas Racing Act. Under the bill, the \$5,000 cap on fines imposed by stewards and racing judges is raised to \$25,000, and the \$10,000 cap on fines imposed by the executive director is raised to \$100,000. The maximum period of suspension is increased to five years from from one year (if imposed by stewards or racing judges) or two years (if imposed by the executive director). Commission Rules 307.64 and 307.69 must be revised to reflect these increases, which take effect on September 1, 2013.

Rule 307.64, which outlines the penalties that stewards and racing judges may impose, currently establishes a maximum fine of \$5,000 and a maximum suspension of one year.

Rule 307.69, which outlines the penalties that the executive director may impose, currently establishes a maximum fine of \$10,000 and a maximum suspension of two years. H.B. 1187 raises the penalties that stewards and racing judges may impose to \$25,000 and five years and raises the penalties that the executive director may impose to \$100,000 and five years.

## **C. Possible Solutions and Impact**

Revising the rules to reflect the increased penalties would bring the rules into conformity with the amended Act.

## **D. Support or Opposition**

This proposal was discussed at the Rules Committee meeting on September 24, 2014. No opposition was expressed, and the Committee authorized staff to bring the proposal to the full Commission for consideration.

## **E. Proposal**

### **307.64. Penalties**

(a) For each violation of the Act or a Rule, the stewards and racing judges may:

(1) impose a fine of not more than \$25,000 [~~\$5,000~~]; and

(2) suspend an occupational license for not more than five years [~~one year~~].

(b) A person against whom the stewards or racing judges have imposed a fine shall pay the fine to the Commission not later than 5:00 p.m. of the third calendar day after the day the person is informed of the ruling that imposed the fine.

### **307.69. Review by Executive Secretary**

(a) Within fourteen days after a board of stewards or judges issues a written ruling under §307.63 of this title (relating to Ruling), the executive secretary may review the ruling and modify the penalty. A penalty modified by the executive secretary may include a fine not to exceed \$100,000 [~~\$10,000~~], a suspension not to exceed five years [~~two years~~], or both a fine and a suspension.

(b) The decision to modify a penalty must be on a form that includes:

(1) the full name, license type, and license number of the person who is the subject of the penalty modification;

(2) the original ruling number and the date the ruling was issued by the stewards or judges;

(3) the date the modified penalty was issued by the executive secretary;

(4) the modified penalty imposed;

(5) a statement of the reason for modifying the penalty;

and

(6) a statement informing the person of the person's right to appeal the ruling, with the modified penalty, to the Commission.

(c) In determining whether to modify a penalty, the executive secretary may consider, but is not limited to, the following reasons:

(1) to further the uniform and consistent treatment of similarly situated individuals; and

(2) to remedy rulings where the penalties available to the stewards or judges are insufficient to adequately address the violation.

(d) The decision to modify a penalty must be signed by the executive secretary.

(e) The executive secretary shall provide written notice to each person who is subject to a penalty modification decision under this section by:

(1) sending by certified mail, return receipt requested, a copy of the decision to the person's last known address, as found in the Commission's licensing files; or

(2) personal service by any Commission employee.

(f) An appeal of a ruling whose penalty has been modified under this section must be filed in accordance with §307.67 of this title (relating to Appeal to the Commission).

**TEXAS RACING COMMISSION  
COMMITTEE ON RULES**

Date of Request: July 22, 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](mailto:info@txrc.state.tx.us)

**Contact Information:**

Name:	TxRC Staff	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)

Personal Submission *OR*

Submission on behalf of TxRC Staff  
(Name of Organization)

If known, Proposed Change to Chapter: Chapter: 319 Rule: 319.3

If known, Proposed Addition to Chapter: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

If known, Other Rules Affected by Proposal: Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

Chapter: \_\_\_\_\_ Rule: \_\_\_\_\_

## **A. Brief Description of the Issue**

The national racing industry, led by the Jockey Club, the Racing Medication and Testing Consortium (RMTC), and the Association of Racing Commissioners International (ARCI), is moving towards uniform standards for medications and penalties. These uniform standards promote regulatory consistency across the country and reduce confusion among trainers and owners.

In order to adopt the national standards relating to nonsteroidal anti-inflammatory drugs (NSAIDs), the Commission's rules will require amendment.

## **B. Discussion of the Issue and Problem**

The Drug Testing Standards and Practices Program of the Association of Racing Commissioners International (ARCI) has recently modified its Uniform Classification Guidelines and Recommended Penalties to include thresholds for 24 commonly used therapeutic medications. ARCI included these thresholds in order to promote uniformity in the medication rules nationally.

Executive Director Trout has already adopted most of the guidelines through his authority to promulgate drug classifications and enforcement guidelines under Rules 303.8 and 319.304, and his authority under Rule 319.3(d) to establish thresholds for *trace* levels of therapeutic drugs. However, three of the permissible drugs on ARCI's list are NSAIDs that leave more than trace levels in a horse's system. These NSAIDs are phenylbutazone, ketoprofen, and flunixin. While ARCI's thresholds for these medications are more than trace levels, the Racing Medication and Testing Consortium's guidance to ARCI has been that the proposed thresholds are low enough to prevent interference with the pre-race inspection or will not change the outcome of a race.

Commission Rule 319.3(b) currently provides that the maximum permissible concentration of phenylbutazone in a horse's serum or urine is 2.0 micrograms per milliliter. This level was lowered by the Commission from the previous standard of 5.0 micrograms per milliliter after ARCI lowered its recommended threshold level in 2011.

The Commission's rules do not permit any level of ketoprofen or flunixin to be found in a horse's body. ARCI's recommended threshold for ketoprofen is 10 nanograms per milliliter of plasma or serum and the recommended threshold for flunixin is 20 nanograms per milliliter of plasma or serum. In addition, ARCI sets out lower thresholds for phenylbutazone and flunixin if they are found in conjunction with other NSAIDs, along with higher penalties if those thresholds are violated.

## **C. Possible Solutions and Impact**

The Commission could delete subsection (b) of Rule 319.3 and amend Rule 319.3(d) to strike the word "trace." This would allow the executive director to set thresholds for any therapeutic medication, regardless of whether the amount constituted a trace level.

By allowing the executive director greater latitude in setting threshold levels for therapeutic medications, the Commission will be able to more quickly adopt any changes that ARCI makes to its recommendations.

Adopting the ARCI standards would also establish thresholds for ketoprofen and flunixin. However, if two or more NSAIDs are used in conjunction (stacked) and appear in the post-race test, ARCI's guidelines call for heavy penalties. To compare:

- the standard penalty for a first phenylbutazone violation (in a concentration of 2.1 to 9.9 mcg/ml) is a \$250 fine, with no suspension or loss of purse;
- the standard penalty for a first stacking violation (the presence of more than one of the three approved NSAIDs, with the exception of phenylbutazone in a concentration below 0.3 mcg/ml) is a minimum \$500 fine, 15 day suspension and loss of purse.

#### **D. Support or Opposition**

ARCI's model thresholds for therapeutic medications were initially proposed by the Racing Medication and Testing Consortium after consultation with the American Association of Equine Practitioners and The Jockey Club. These thresholds have been adopted by eight states: New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and Massachusetts.

The Committee on Rules discussed the proposal to amend Rule 319.9 at its meeting on July 30, 2013, and referred it to the Safety and Medication Working Group for further consideration.

The Safety and Medication Working Group discussed the proposed amendment at its meeting on September 10, 2013, at Lone Star Park. While the Working Group did not make a specific recommendation to the Rules Committee, it did express overall support for adopting ARCI's recommendations on Controlled Therapeutic Medications. In order to fully follow the ARCI recommendations, the current rules must be modified.

The proposal was discussed at the Rules Committee meeting on September 24, 2014. The Committee authorized staff to bring the proposal to the full Commission for consideration.

#### **E. Proposal**

##### **RULE 319.3. MEDICATION RESTRICTED**

(a) Except as otherwise provided by this section, a horse or greyhound participating in a race may not carry in its body a prohibited drug, chemical, or other substance.

~~(b) The maximum permissible plasma or serum concentration of phenylbutazone in horses is 2.0 micrograms per milliliter.~~

~~(b)~~ (e) Furosemide at or below the approved tolerance level in a horse that has been admitted to the furosemide program is permissible. The approved tolerance level shall be published on the list of therapeutic drugs posted under subsection (d) of this section.

(c)~~(d)~~ Levels ~~Trace-levels~~ of drugs which are therapeutic and necessary for treatment of illness or injury in race animals are permissible, provided:

(1) the therapeutic drug is on a written list approved by the executive secretary, maintained by the commission veterinarian, and posted in the commission veterinarians' office; and

(2) the maximum permissible urine or blood concentration of the drug does not exceed the published limit, if any, on the written list of therapeutic drugs.

(d)~~(e)~~ Except as otherwise provided by this chapter, a person may not administer or cause to be administered to a horse or greyhound a prohibited drug, chemical, or other substance, by injection, by oral or topical administration, by rectal infusion or suppository, by nasogastric intubation, or by inhalation, and any other means during the 24-hour period before the post time for the race in which the animal is entered.

(e)~~(f)~~ A positive finding by a chemist of a prohibited drug, chemical, or other substance in a test specimen of a horse or greyhound collected before or after the running of a race, subject to the rules of the commission relating to split specimens, is prima facie evidence that the prohibited drug, chemical, or other substance was administered to the animal and was carried in the body of the animal while participating in a race.

**CHAPTER 319. VETERINARY PRACTICES AND DRUG TESTING**  
**SUBCHAPTER A. GENERAL PROVISIONS**

**Sec. 319.5. REPORT OF TREATMENT BY VETERINARIANS**

(a) Veterinarians who treat race animals shall maintain reports of the treatment in strict compliance with the requirements of the Texas State Board of Veterinary Medical Examiners. Veterinarians shall make the report available to a steward, ~~or~~ judge or Commission veterinarian within 24 hours of a request.

(b) A report of treatment provided to the stewards, ~~or~~ racing judges or a Commission veterinarian pursuant to subsection (a) of this section becomes part of the confidential investigatory files of the Commission. ~~is confidential and its contents may not be disclosed except in a proceeding before the stewards or racing judges or the commission.~~

## **VI. PROCEEDINGS ON RULEMAKING**

### **Rule Reviews**

Adoption of Completed Rule Reviews

F. Chapter 309, Racetrack Licenses and  
Operations

G. Chapter 311, Other Licenses

Opening of Rule Reviews

H. Chapter 313, Officials and Rules of Horse  
Racing

I. Chapter 315, Officials and Rules for  
Greyhound Racing

## **CURRENT RULE REVIEWS CHAPTERS 309 & 311**

Texas Government Code § 2001.039 requires state agencies to review all current rules to determine whether the reasons for initially adopting the rules continue to exist. The review must be conducted not later than the fourth anniversary of the date on which the rule takes effect and every four years after that date. The state agency must readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule.

On June 19, 2012, the Commission opened the review of Chapter 309, Racetrack Licenses and Operations. Notice of the review was published in the July 6, 2012, edition of the Texas Register (37 *TexReg* 5137). The Commission received no comments on the rule review in response to the notice other than the comments received in response to individual rule proposals.

On August 14, 2012, the Commission opened the review of Chapter 311, Other Licenses. Notice of the review was published in the August 31, 2012, edition of the Texas Register (37 *TexReg* 6943). The Commission received no comments on the rule review in response to the notice other than the comments received in response to individual rule proposals.

The Table of Contents for each chapter is attached. A notation has been placed beside each rule that has been repealed, added, or amended during the review process.

Staff recommends that the Commission readopt the remaining rules of Chapters 309 and 311.

# CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

## TABLE OF CONTENTS

### **Subchapter A. Racetrack Licenses**

#### *Division 1 General Provisions*

- Sec. 309.1. Racetrack Licenses. *(Amended February 19, 2013)*
- Sec. 309.2. Criteria
- Sec. 309.3. Racetrack License Application Procedure
- Sec. 309.4. Information for Background Investigation
- Sec. 309.5. Restrictions on Licensing
- Sec. 309.6. Order for Security for Compliance
- Sec. 309.7. Horse Racetrack Application Fees
- Sec. 309.8. Racetrack License Fees
- Sec. 309.9. Denial, Suspension and Revocation of Licenses
- Sec. 309.10. Notice and Curative Right to Debt Holders
- Sec. 309.11. Fees for Requests to Approve a Transfer of Pecuniary  
..... Interests
- Sec. 309.12. Fees for Requests to Approve Change of Location

#### *Division 2 Active and Inactive Racetrack Licenses*

- Sec. 309.51. Designation of Active and Inactive Racetrack Licenses
- Sec. 309.52. Review and Renewal of Inactive Racetrack Licenses
- Sec. 309.53. Ownership and Management Review of Active Racetrack  
..... Licenses *(Adopted April 9, 2013)*

### **Subchapter B. Operation of Racetracks**

#### *Division 1 General Provisions*

- Sec. 309.101. Duty of Association
- Sec. 309.102. Exemption or Deferred Compliance
- Sec. 309.103. Construction and Renovation of Racetrack Facilities
- Sec. 309.104. Compliance Inspections
- Sec. 309.105. Reimbursement of Breeders' Cup Costs.

#### *Division 2 Facilities and Equipment*

- Sec. 309.111. Comfort and Safety.
- Sec. 309.112. Maintenance
- Sec. 309.113. Accessibility by Disabled Persons
- Sec. 309.114. Restrooms
- Sec. 309.115. Refreshments
- Sec. 309.116. Complaints
- Sec. 309.117. First Aid
- Sec. 309.118. Regulatory Office Space and Equipment
- Sec. 309.120. Parking for Licensees

- Sec. 309.122. External Communication
- Sec. 309.123. Internal Communication System
- Sec. 309.124. Public Address System
- Sec. 309.125. Photofinish Equipment
- Sec. 309.126. Videotape Equipment
- Sec. 309.127. Maintenance of Negatives and Videotapes
- Sec. 309.128. Lighting
- Sec. 309.129. Automatic Banking Machines
- Sec. 309.130. Attendance
- Sec. 309.131. Breathalyzer Machine
- Sec. 309.132. Approval of Equipment

*Division 3 Operations*

- Sec. 309.151. Change of Ownership, Board of Directors, or Management Committee. *(Amended August 13, 2013)*
- Sec. 309.152. Records
- Sec. 309.153. General Security
- Sec. 309.154. Stable or Kennel Area
- Sec. 309.155. Stable/Kennel Area Visitors Pass
- Sec. 309.156. Incident Reports and Accident Records
- Sec. 309.157. Fire Prevention
- Sec. 309.158. Insect Control
- Sec. 309.159. Alcoholic Beverages
- Sec. 309.160. Vendors
- Sec. 309.162. Management, Totalisator Companies, and Concessionaires  
..... Contracts
- Sec. 309.163. Fingerprinting
- Sec. 309.165. Cooperation with Commission
- Sec. 309.166. Race Information
- Sec. 309.167. Organizational Chart
- Sec. 309.168. Hazardous Weather

**Subchapter C. Horse Racetracks**

*Division 1 Racetracks*

- Sec. 309.201. Applicability.
- Sec. 309.202. Track Length.
- Sec. 309.203. Track Width.
- Sec. 309.204. Elevation and Surface of Track.
- Sec. 309.205. Drainage.
- Sec. 309.206. Rails.
- Sec. 309.207. Maintenance of Track.
- Sec. 309.208. Gates.
- Sec. 309.209. Turf Access Path.
- Sec. 309.210. Lighting.
- Sec. 309.211. Obstacles.
- Sec. 309.212. Official's Stands

- Sec. 309.213. Starting Gates
- Sec. 309.214. Distance Markers
- Sec. 309.215. Survey.

- Division 2*    *Facilities for Horses*
  - Sec. 309.241. Barns
  - Sec. 309.242. Receiving Barn
  - Sec. 309.243. Stalls
  - Sec. 309.244. Accommodations for Stakes Races
  - Sec. 309.245. Manure Removal
  - Sec. 309.246. Hay and Feed Storage
  - Sec. 309.247. Maintenance of Common Areas
  - Sec. 309.248. Pre-race Holding Area
  - Sec. 309.249. Paddock
  - Sec. 309.250. Test Barn
  - Sec. 309.253. Postmortem
  - Sec. 309.254. Equine Ambulance
  - Sec. 309.255. Chase Vehicle.

- Division 2*    *Facilities for Licensees*
  - Sec. 309.281. Jockeys
  - Sec. 309.282. Living Quarters for Licensees

- Division 3*    *Operations*
  - Sec. 309.291. Racing Hours
  - Sec. 309.292. Number of Races
  - Sec. 309.293. Saddle Cloth
  - Sec. 309.294. Starting Crew
  - Sec. 309.295. Condition Book
  - Sec. 309.296. Official Program
  - Sec. 309.297. Purse Accounts
  - Sec. 309.298. Stakes and other Prepayment Races
  - Sec. 309.299. Horsemen's Representative

#### **Subchapter D. Greyhound Racetracks**

- Division 1*    *Facilities and Equipment*
  - Sec. 309.301. Applicability.
  - Sec. 309.302. Track Specifications.
  - Sec. 309.303. Track Surface.
  - Sec. 309.304. Watering Equipment.
  - Sec. 309.305. Starting Boxes.
  - Sec. 309.306. Escapes.
  - Sec. 309.307. Lures.
  - Sec. 309.308. Video Monitoring System.
  - Sec. 309.309. Lockout Kennel.
  - Sec. 309.310. Walkway.

- Sec. 309.311. Kennel Compound.
- Sec. 309.312. Turnout Pens.
- Sec. 309.313. Kennel Buildings.
- Sec. 309.314. Sprint Path
- Sec. 309.315. Test Area
- Sec. 309.316. Emergency Care Facility
- Sec. 309.317. Facilities and Equipment Maintenance Personnel

*Division 2    Operations*

- Sec. 309.351. Kennel Contracts
- Sec. 309.352. Texas Preference
- Sec. 309.353. Dismissal of Kennel
- Sec. 309.354. Stakes Entry
- Sec. 309.355. Grading System. (*Amended August 13, 2013*)
- Sec. 309.356. Draw and Post Position Assignment
- Sec. 309.357. Schooling
- Sec. 309.358. Racing Restricted
- Sec. 309.359. Live Lures
- Sec. 309.360. Marathons
- Sec. 309.361. Greyhound Purse Account and Kennel Account
- Sec. 309.362. Number of Greyhounds
- Sec. 309.363. Official Program
- Sec. 309.364. Identification System

# CHAPTER 311. OTHER LICENSES

## TABLE OF CONTENTS

### **Subchapter A. Licensing Provisions**

#### *Division 1 Occupational Licenses*

- Sec. 311.1. Occupational Licenses (*Amended December 18, 2012*)
- Sec. 311.2. Application Procedure (*Amended December 18, 2012*)
- Sec. 311.3. Information for Background Investigation (*Amended December 18, 2012*)
- Sec. 311.4. Occupational License Restrictions
- Sec. 311.5. License Fees (*Amended December 18, 2012, and June 11, 2013*)
- Sec. 311.6. Denial, Suspension and Revocation of Licenses
- Sec. 311.7. Renewal of Licenses
- Sec. 311.8. Correction of Incorrect Information

#### *Division 2 Other Licenses*

- Sec. 311.52. Spouse's License

### **Subchapter B. Specific Licensees**

- Sec. 311.101. Horse Owners (*Amended December 18, 2012*)
- Sec. 311.102. Greyhound Owners (*Amended December 18, 2012*)
- Sec. 311.103. Kennel Owners
- Sec. 311.104. Trainers
- Sec. 311.105. Jockeys
- Sec. 311.106. Veterinarians
- Sec. 311.107. Lessee/Lessor
- Sec. 311.108. Authorized Agent
- Sec. 311.109. Mutuel Employees
- Sec. 311.110. Leadout
- Sec. 311.111. Jockey Agent
- Sec. 311.112. Equine Dental Provider (*Adopted June 11, 2013*)

### **Subchapter C. Responsibilities of Individuals**

- Sec. 311.201. Applicability
- Sec. 311.202. Best Effort
- Sec. 311.203. Ineligible Participant
- Sec. 311.204. Bribes Prohibited
- Sec. 311.205. Wagering
- Sec. 311.206. Influence of Race Prohibited
- Sec. 311.207. Inhumane Treatment
- Sec. 311.208. Performance Information
- Sec. 311.209. Information to Commission
- Sec. 311.210. Conduct
- Sec. 311.211. Weapons Prohibited

- Sec. 311.212. Duty to Wear Badge
- Sec. 311.213. Accident Reports
- Sec. 311.214. Financial Responsibility
- Sec. 311.215. Contraband
- Sec. 311.216. Conduct in Stable Area

**Subchapter D. Alcohol and Drug Testing**

*Division 1    Drugs*

- Sec. 311.301. Use and Possession Prohibited
- Sec. 311.302. Subject to Testing
- Sec. 311.303. Method of Selection
- Sec. 311.304. Taking of Specimens
- Sec. 311.305. Security of Specimens
- Sec. 311.306. Medical Review Officer
- Sec. 311.307. Confidentiality of Results
- Sec. 311.308. Penalties

*Division 2    Alcohol*

- Sec. 311.321. Prohibited Conduct
- Sec. 311.322. Breathalyzer or Other Test
- Sec. 311.323. Penalties

## **PROPOSED RULE REVIEWS CHAPTERS 313 AND 315**

Texas Government Code 2001.039 directs each state agency to review, and consider for re-adoption, each of its rules every four years. During the review, the Commission must assess whether the reasons for adopting the rules continue to exist.

To formally initiate the rule review process, the Commission must vote at a public meeting to publish notice in the *Texas Register* of the Commission's intention to review specific rules. After the time for public comment has passed, the Commission will take one of the following actions in regard to the rules in Chapters 313 and 315: re-adoption, repeal, or re-adoption with revisions.

If the Commission readopts a rule (with no changes), notice of the re-adoption will appear in the *Texas Register* "Rules Review" section, but the text of the readopted rule will not be published.

Any proposed repeal of a rule or any proposed amendment to a rule will be published in the "Proposed Rules" section of the *Texas Register*, and will be the subject of an additional 30-day comment period.

The Table of Contents for Chapters 313 and 315 are attached below.

# CHAPTER 313. OFFICIALS AND RULES OF HORSE RACING

## TABLE OF CONTENTS

### **Subchapter A. Officials**

#### **Division 1. General Provisions**

- Sec. 313.1. Racetrack Officials
- Sec. 313.2. Duties
- Sec. 313.4. Approval of Officials

#### **Division 2. Duties of Stewards**

- Sec. 313.21. Eligibility for Appointment
- Sec. 313.22. General Duties
- Sec. 313.23. Supervision of Entries
- Sec. 313.24. Records and Reports
- Sec. 313.25. Steward's List
- Sec. 313.26. Posting of Track Condition

#### **Division 3. Duties of Other Officials**

- Sec. 313.41. Racing Secretary
- Sec. 313.42. Morning Clocker
- Sec. 313.43. Official Timer
- Sec. 313.44. Paddock Judge
- Sec. 313.45. Clerk of Scales
- Sec. 313.46. Placing Judges
- Sec. 313.47. Patrol Judges
- Sec. 313.48. Commission Veterinarians
- Sec. 313.49. Starter
- Sec. 313.50. Horse Identifier
- Sec. 313.52. Jockey Room Custodian
- Sec. 313.53. Mutuel Manager
- Sec. 313.54. Track Superintendent
- Sec. 313.55. Assistant Racing Secretary
- Sec. 313.56. Stable Superintendent
- Sec. 313.57. Announcer
- Sec. 313.58. Outriders
- Sec. 313.59. Assistant Starters
- Sec. 313.60. Test Barn Technicians
- Sec. 313.61. Horsemen's Bookkeeper

### **Subchapter B. Entries, Scratches, and Allowances**

#### **Division 1. Entries**

- Sec. 313.101. Entry Procedure
- Sec. 313.102. Intent and Authority
- Sec. 313.103. Eligibility Requirements
- Sec. 313.104. Registration Certificates

- Sec. 313.105. Changes in Ownership
- Sec. 313.106. Closing Entries
- Sec. 313.107. Draw for Post Position
- Sec. 313.108. Preferred List
- Sec. 313.109. Change in Conditions
- Sec. 313.110. Coupled Entries
- Sec. 313.111. Age Restrictions
- Sec. 313.112. Objection to Entry

## **Division 2. Scratches**

- Sec. 313.131. Scratch Procedure
- Sec. 313.132. Scratch Time
- Sec. 313.133. Scratch Irrevocable
- Sec. 313.134. Obligation to Start
- Sec. 313.135. Scratch by Stewards
- Sec. 313.136. Scratches in Stakes Races

## **Division 3. Allowances and Penalties**

- Sec. 313.161. Responsibility for Correct Weight
- Sec. 313.162. Claim for Allowance
- Sec. 313.163. Improper Claim for Allowance
- Sec. 313.164. Records Conclusive
- Sec. 313.165. Sex Allowance
- Sec. 313.166. Apprentice Allowance
- Sec. 313.167. Prohibited Allowances
- Sec. 313.168. Scale of Weights for Age

## **Subchapter C. Claiming Races**

- Sec. 313.301. Eligibility to Claim
- Sec. 313.302. Claim Procedure
- Sec. 313.303. Effective Time of Claim
- Sec. 313.304. Claim Irrevocable
- Sec. 313.305. Amounts on Deposit
- Sec. 313.306. Transfer of Claimed Horse
- Sec. 313.307. Responsibility for Testing
- Sec. 313.308. Restrictions on Subsequent Use
- Sec. 313.310. Restrictions on Claims
- Sec. 313.312. Protests
- Sec. 313.313. Removal to Avoid Claim
- Sec. 313.314. Disclosure of Mare in Foal

## **Subchapter D. Running of the Race**

### **Division 1. Jockeys**

- Sec. 313.401. Jockeys to Report
- Sec. 313.402. Weighing Out
- Sec. 313.403. Maximum Overweight

- Sec. 313.404. Items Included in Weight
- Sec. 313.405. Whips and Other Equipment
- Sec. 313.406. Colors and Number
- Sec. 313.407. Duty to Fulfill Jockey Engagements
- Sec. 313.409. Jockey Mount Fees
- Sec. 313.411. Suspended Jockeys

### **Division 2. Pre-Race Procedure**

- Sec. 313.421. Horses to Pre-Race Holding Area
- Sec. 313.422. Saddling and Equipment
- Sec. 313.423. Parade
- Sec. 313.424. Leaving the Race Course
- Sec. 313.425. At the Starting Gate
- Sec. 313.426. Toe Grabs Prohibited

### **Division 3. The Race**

- Sec. 313.441. The Start
- Sec. 313.442. Interference
- Sec. 313.443. Action by Jockeys
- Sec. 313.444. Dismounting
- Sec. 313.445. Weigh In
- Sec. 313.446. Claim of Interference
- Sec. 313.447. Ramifications of Disqualification
- Sec. 313.448. Dead Heat
- Sec. 313.449. Official Order of Finish
- Sec. 313.450. Time Trial Qualifiers

### **Subchapter E. Training Facilities**

- Sec. 313.501. Training Facility License
- Sec. 313.502. Application for License
- Sec. 313.503. Physical Plant
- Sec. 313.504. Operational Requirements
- Sec. 313.505. Workout Requirements
- Sec. 313.506. Discretion of Officials
- Sec. 313.507. Employees of Training Facilities

# CHAPTER 315. OFFICIALS AND RULES FOR GREYHOUND RACING

## TABLE OF CONTENTS

### Subchapter A. Officials

#### Division 1. Appointment of Officials

- Sec. 315.1. Required Officials
- Sec. 315.2. Racing Judges
- Sec. 315.3. Substitute Officials
- Sec. 315.4. Dual Appointments
- Sec. 315.5. General Duties

#### Division 2. Duties

- Sec. 315.31. Racing Judges
- Sec. 315.32. Commission Veterinarian
- Sec. 315.33. Paddock Judge
- Sec. 315.34. Starter
- Sec. 315.35. Clerk of Scales
- Sec. 315.36. Mutuel Manager
- Sec. 315.37. Racing Secretary
- Sec. 315.38. Assistant Racing Secretary
- Sec. 315.39. Chart Writer
- Sec. 315.40. Kennel Master
- Sec. 315.41. Photofinish Operator and Timer
- Sec. 315.42. Association Veterinarian
- Sec. 315.43. Track Superintendent
- Sec. 315.44. Brakeman

### Subchapter B. Entries and Pre-Race Procedures

- Sec. 315.101. Registration
- Sec. 315.102. Entry Procedure
- Sec. 315.103. Eligibility to Enter or Start
- Sec. 315.104. Sales and Transfers
- Sec. 315.105. Stakes Race
- Sec. 315.106. Liability for Fees in Stakes Races
- Sec. 315.107. Payments of Nominating, Sustaining and Starting Fees
- Sec. 315.108. Qualifying Time
- Sec. 315.109. Objection to Entry
- Sec. 315.110. Scratches
- Sec. 315.111. Schooling

### Subchapter C. Race Procedures

- Sec. 315.201. Racing Weight
- Sec. 315.202. Changes in Established Weight
- Sec. 315.203. Placement in Lockout

Sec. 315.204. Paddock to Post  
Sec. 315.205. Equipment  
Sec. 315.206. Operation of Lure  
Sec. 315.207. Leaving the Course  
Sec. 315.208. Interference  
Sec. 315.209. No Race  
Sec. 315.210. Prize Distribution in Dead Heats  
Sec. 315.211. Objections

**Subchapter D. Greyhound Breeding Farms**

Sec. 315.250. Standards for Greyhound Breeding Farms