



TEXAS RACING COMMISSION
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Austin, TX 78711-2080
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Texas Racing Commission
Tuesday, June 10, 2014
10:30 a.m.
John H. Reagan Building, Room JHR 120
105 W. 15th Street
Austin, Texas 78701

AGENDA

I. CALL TO ORDER
Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

Discussion and consideration of the following matters:

A. Reports by the Executive Director and Staff regarding Administrative Matters

- 1) Budget and Finance Update
- 2) Report on Wagering Statistics
- 3) Report on Racetrack Inspections
- 4) Enforcement Report

Discussion, consideration and possible action on the following matter:

B. Strategic Plan for Fiscal Years 2015-2019

IV. PROCEEDINGS ON RACETRACKS

Discussion, consideration and possible action on the following matter:

A. Request by Gulf Greyhound Park for Approval of Amendment to Totalisator Contract with United Tote Company

V. PROCEEDINGS ON RULEMAKING

Discussion, consideration and possible action on the following matters:

Request by Industry Representatives Proposing the Following Rule Amendments and New Rules Authorizing Historical Racing

- A. Proposal to Amend Rule 301.1, Definitions
- B. Proposal to Amend Rule 303.31, Regulation of Racing
- C. Proposal to Amend Rule 303.42, Approval of Charity Race Days
- D. Proposal to Amend Rule 309.8, Racetrack License Fees
- E. Proposal to Amend Rule 309.297, Purse Accounts
- F. Proposal to Amend Rule 309.299, Horsemen's Representative
- G. Proposal to Amend Rule 309.361, Greyhound Purse Account and Kennel Account
- H. Proposal to Amend Rule 321.5, Pari-Mutuel Auditor
- I. Proposal to Amend Rule 321.12, Time Synchronization
- J. Proposal to Amend Rule 321.13, Pari-Mutuel Track Report
- K. Proposal to Amend Rule 321.23, Wagering Explanations
- L. Proposal to Amend Rule 321.25, Wagering Information
- M. Proposal to Amend Rule 321.27, Posting of Race Results
- N. Proposal for New Subchapter F, Regulation of Historical Racing
- O. Proposal for New Rule 321.701, Purpose
- P. Proposal for New Rule 321.703, Historical Racing
- Q. Proposal for New Rule 321.705, Request to Conduct Historical Racing
- R. Proposal for New Rule 321.707, Requirements for Operating a Historical Racing Totalisator System
- S. Proposal for New Rule 321.709, Types of Pari-Mutuel Wagers for Historical Racing
- T. Proposal for New Rule 321.711, Historical Racing Pools; Seed Pools
- U. Proposal for New Rule 321.713, Deductions from Pari-Mutuel Pools
- V. Proposal for New Rule 321.715, Contract Retention, Pari-Mutuel Wagering Record Retention
- W. Proposal for New Rule 321.717, Effect of Conflict
- X. Proposal for New Rule 321.719, Severability

Other Rule Proposals

- Y. Proposal for New Rule 309.13, Temporary License to Conduct Racing
- Z. Proposal to Amend Rule 319.364, Testing for Androgenic-Anabolic Steroids

Rule Adoptions

- AA. Adoption of Amendment to Rule 309.355, Grading System
- BB. Adoption of Amendment to Rule 311.2, Application Procedure
- CC. Adoption of Amendment to Rule 313.110, Coupled Entries

VI. EXECUTIVE SESSION

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

- A. Under Government Code Sec. 551.071(1), the Commission may open an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Government Code Sec. 551.071(2), the Commission may open an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Texas Racing Act, Tex. Rev. Civ. Stat. Ann. art. 179e, Sec. 6.03, the Commission may open an executive session to review security plans and management, concession, and totalisator contracts.

VII. SCHEDULING OF NEXT COMMISSION MEETING

VIII. ADJOURN



**Fiscal Year 2014
Operational Budget**

Updated: May 13, 2014
Thru: April 30, 2014

Summary of Operating Revenue

By Revenue Type:					Uncollected	
	Budget	Collected	Suspended	Balance	%	
Account 597 - Racing Commission - GRD	\$ 9,828,475	\$ 6,489,773	\$ -	\$ 3,338,703	34%	
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -		
TOTAL - ALL REVENUES	\$ 9,828,475	\$ 6,489,773	\$ -	\$ 3,338,703	34%	

Summary of Appropriated Operating Expenses

					Unexpended	
	Budget	Expended	Encumbered	Balance	%	
1001 - Salaries and Wages:	\$ 2,863,773	\$ 1,759,094	\$ -	\$ 1,104,679	39%	
1002 - Other Personnel Cost:	\$ 137,549	\$ 101,460	\$ -	\$ 36,088	26%	
2001 - Professional Fees and Services:	\$ 283,275	\$ 79,295	\$ -	\$ 203,980	72%	
2003 - Consumable Supplies:	\$ 39,500	\$ 9,203	\$ -	\$ 30,297	77%	
2004 - Utilities:	\$ 53,736	\$ 33,807	\$ -	\$ 19,929	37%	
2005 - Travel:	\$ 170,148	\$ 68,303	\$ -	\$ 101,845	60%	
2006 - Rent Building:	\$ 87,979	\$ 66,632	\$ -	\$ 21,347	24%	
2007 - Rent Machine and Other:	\$ 14,500	\$ 5,860	\$ -	\$ 8,640	60%	
2009 - Other Operating Expense:	\$ 553,297	\$ 187,733	\$ -	\$ 365,564	66%	
4000 - Grants	\$ 4,125,000	\$ 2,038,962	\$ -	\$ 2,086,038	51%	
5000 - Capital Expenditures:	\$ 17,133	\$ 11,229	\$ -	\$ 5,904	34%	
TOTAL - ALL APPROPRIATED EXPENDITURES	\$ 8,345,890	\$ 4,361,580	\$ -	\$ 3,984,310	48%	

Unappropriated Operating Expenses

Type:					Unexpended	
	Budget	Expended	Encumbered	Balance	%	
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 938,610	\$ 643,115	\$ -	\$ 295,495	31%	
TOTAL - ALL EXPENDITURES	\$ 9,284,500	\$ 5,004,694	\$ -	\$ 4,279,805	46%	
OPERATING SURPLUS / (DEFICIT)	\$ 543,975	\$ 1,485,078				

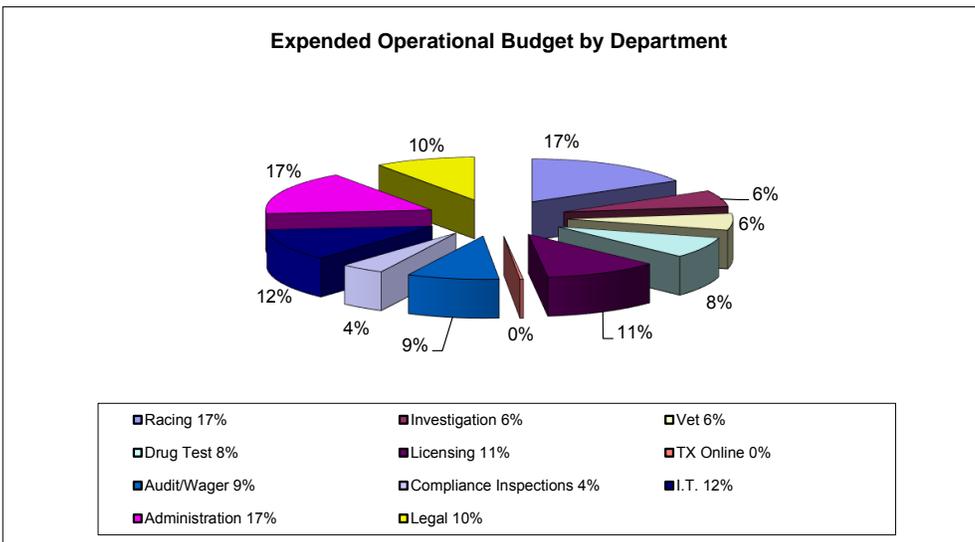
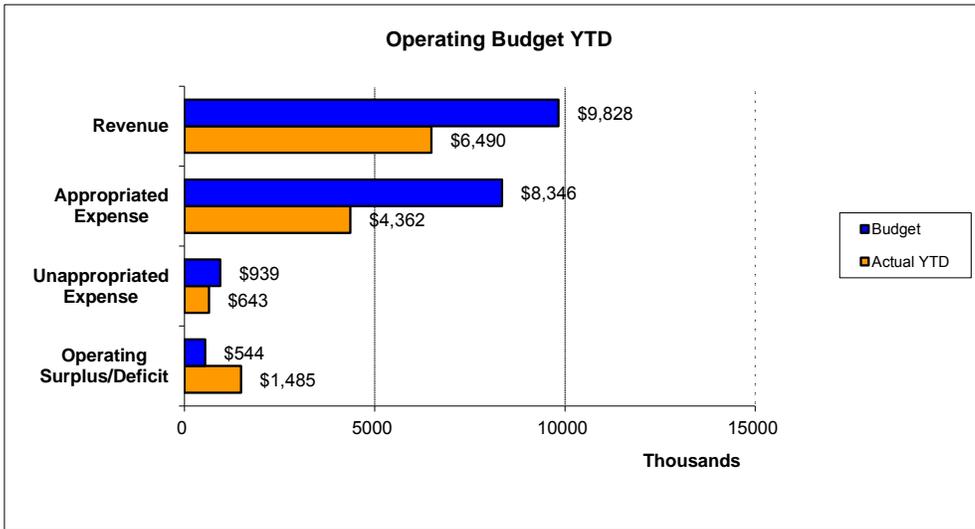
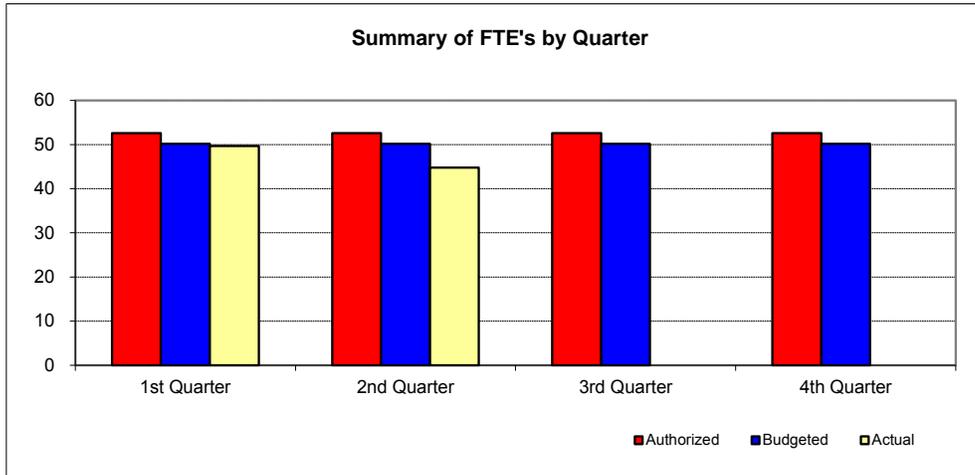
Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	52.60	52.60	52.60	52.60
Budgeted FTE's	50.20	50.20	50.20	50.20
Actual FTE's	49.70	44.80	0.00	0.00
Actual FTE's Over / (Under) Budget	(0.50)	(5.40)	n/a	n/a
Actual FTE's Over / (Under) Authorization	(2.90)	(7.80)	n/a	n/a

III. General Business

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



Texas Racing Commission

FYE 08/31/2014
 Operating Budget Status
 by LBB Expenditure Object/Codes

OBS-1

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 4/30/2014	FY 2014 Unexpended Bal 8/31/2014	With 66.67% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	(1.00) FTE's = 4.00 <u>Regulate Racetrack Owners</u>				
Base Appr =	1001 Salaries and Wages	312,134	202,538	109,596	64.89%
\$ 400,839	1002 Other Personnel Cost	8,715	7,366	1,349	84.52%
Sup Appr =	2001 Prof Fees and Services	7,500	-	7,500	0.00%
\$ 3,070	2003 Consumables	500	-	500	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 403,909	2005 Travel	11,000	5,110	5,890	46.46%
Budgeted =	2006 Rent Building	-	-	-	
\$ 354,834	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	14,985	1,512	13,474	10.09%
\$ (49,075)	CB Computer Equipment	-	-	-	
-12.24%	Total Strategy A.1.1.	354,834	216,525	138,309	61.02%
<i>Appropriated</i> A.2.1.	0 FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	4,125,000	2,038,962	2,086,038	49.43%
\$ 4,125,000	Total Strategy A.2.1.	4,125,000	2,038,962	2,086,038	49.43%
<i>Appropriated</i> A.3.1.	0.10 FTE's = 8.80 <u>Supervise Racing and Licensees</u>				
Base Appr =	1001 Salaries and Wages	538,886	334,737	204,148	62.12%
\$ 596,283	1002 Other Personnel Cost	25,627	24,254	1,373	94.64%
Sup Appr =	2001 Prof Fees and Services	7,500	1,075	6,425	14.33%
\$ 5,525	2003 Consumables	-	-	-	-
Total Appr =	2004 Utilities	-	-	-	
\$ 601,808	2005 Travel	30,275	13,798	16,477	45.58%
Budgeted =	2006 Rent Building	-	-	-	
\$ 611,788	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	9,500	2,429	7,071	25.56%
\$ 9,980	CB Computer Equipment	-	-	-	
1.67%	Total Strategy A.3.1.	611,788	376,294	235,494	61.51%
<i>Appropriated</i> A.3.2.	(1.00) FTE's = 3.20 <u>Monitor Occupational Licensee Act.</u>				
Base Appr =	1001 Salaries and Wages	179,197	113,722	65,475	63.46%
\$ 270,601	1002 Other Personnel Cost	20,151	8,509	11,642	42.23%
Sup Appr =	2001 Prof Fees and Services	2,500	298	2,202	11.92%
\$ 1,850	2003 Consumables	500	70	430	13.98%
Total Appr =	2004 Utilities	-	-	-	
\$ 272,451	2005 Travel	29,230	13,934	15,296	47.67%
Budgeted =	2006 Rent Building	-	-	-	
\$ 238,328	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	6,750	3,421	3,329	50.68%
\$ (34,123)	CB Computer Equipment	-	-	-	
-12.61%	Total Strategy A.3.2.	238,328	139,954	98,374	58.72%
<i>Appropriated</i> A.4.1.	(0.35) FTE's = 2.35 <u>Inspect and Provide Emerg. Care</u>				
Base Appr =	1001 Salaries and Wages	157,194	79,130	78,065	50.34%
\$ 290,308	1002 Other Personnel Cost	9,995	3,554	6,441	35.55%
Sup Appr =	2001 Prof Fees and Services	87,775	67,899	19,876	77.36%
\$ 1,446	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 291,754	2005 Travel	7,025	2,271	4,754	32.33%
Budgeted =	2006 Rent Building	-	-	-	
\$ 271,489	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	9,500	2,869	6,631	30.20%
\$ (20,265)	CB Computer Equipment	-	-	-	
-6.98%	Total Strategy A.4.1.	271,489	155,723	115,766	57.36%

Texas Racing Commission

FYE 08/31/2014

OBS-2

Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 4/30/2014	FY 2014 Unexpended Bal 8/31/2014	With 66.67% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.4.2.	(0.35) FTE's = 4.35 <u>Administer Drug Testing</u>				
Base Appr =	1001 Salaries and Wages	256,642	157,471	99,170	61.36%
\$ 254,753	1002 Other Personnel Cost	13,315	5,948	7,367	44.67%
Sup Appr =	2001 Prof Fees and Services	32,000	-	32,000	0.00%
\$ 2,572	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 257,325	2005 Travel	15,100	6,892	8,208	45.64%
Budgeted =	2006 Rent Building	-	-	-	
\$ 325,057	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	8,000	4,053	3,947	50.66%
\$ 67,732	CB Computer Equipment	-	-	-	
26.59%	Total Strategy A.4.2.	325,057	174,364	150,692	53.64%
<i>Appropriated</i> B.1.1.	- FTE's = 7.70 <u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	297,206	182,701	114,505	61.47%
\$ 562,587	1002 Other Personnel Cost	13,588	12,031	1,557	88.54%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 4,351	2003 Consumables	3,000	2,879	121	95.98%
Total Appr =	2004 Utilities	-	-	-	
\$ 566,938	2005 Travel	25,000	3,704	21,296	14.82%
Budgeted =	2006 Rent Building	-	-	-	
\$ 568,302	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	12,000	4,963	7,037	41.36%
\$ 1,364	CB Computer Equipment	217,507	57,369	160,138	26.38%
0.24%	Total Strategy B.1.1.	568,302	263,648	304,654	46.39%
<i>Appropriated</i> B.1.2.	- FTE's = 0 <u>Texas OnLine</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 22,500	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 22,500	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 22,500	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	22,500	9,636	12,864	42.83%
\$ -	CB Computer Equipment	-	-	-	
0.00%	Total Strategy B.1.2.	22,500	9,636	12,864	42.83%
<i>Appropriated</i> C.1.1.	- FTE's = 5.00 <u>Monitor Wagering and Audit</u>				
Base Appr =	1001 Salaries and Wages	275,039	178,163	96,876	64.78%
\$ 321,110	1002 Other Personnel Cost	11,562	9,300	2,262	80.44%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 3,114	2003 Consumables	1,000	-	1,000	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 324,224	2005 Travel	19,518	6,230	13,288	31.92%
Budgeted =	2006 Rent Building	-	-	-	
\$ 327,618	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	20,500	6,919	13,581	33.75%
\$ 3,395	CB Computer Equipment	-	-	-	
1.06%	Total Strategy C.1.1.	327,618	200,611	127,007	61.23%

Texas Racing Commission

FYE 08/31/2014
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-3

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 4/30/2014	FY 2014 Unexpended Bal 8/31/2014	With 66.67% of Year Lapsed % of Budget Expended
<i>Appropriated</i> C.1.2.	- FTE's = 3.00 <u>Wagering & Compliance Inspections</u>				
Base Appr =	1001 Salaries and Wages	147,724	82,947	64,777	56.15%
\$ 242,242	1002 Other Personnel Cost	6,816	4,263	2,553	62.55%
Sup Appr =	2001 Prof Fees and Services	75,000	-	75,000	0.00%
\$ 1,560	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 243,802	2005 Travel	10,500	6,567	3,933	62.54%
Budgeted =	2006 Rent Building	-	-	-	
\$ 244,540	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	4,500	2,429	2,071	53.97%
\$ 738	CB Computer Equipment	-	-	-	
0.30%	Total Strategy C.1.2.	244,540	96,206	148,335	39.34%
<i>Appropriated</i> D.1.1.	0.20 FTE's = 7.00 <u>Central Administration</u>				
Base Appr =	1001 Salaries and Wages	401,171	229,520	171,651	57.21%
\$ 730,012	1002 Other Personnel Cost	14,828	13,098	1,730	88.33%
Sup Appr =	2001 Prof Fees and Services	15,000	5,726	9,274	38.17%
\$ 3,691	2003 Consumables	19,500	5,123	14,377	26.27%
Total Appr =	2004 Utilities	53,736	33,074	20,663	61.55%
\$ 733,703	2005 Travel	18,000	9,499	8,501	52.77%
Budgeted =	2006 Rent Building	85,279	63,932	21,347	74.97%
\$ 739,333	2007 Rent Machine	2,500	896	1,604	35.86%
Difference	2009 Other Operating Cost	117,150	40,014	77,136	34.16%
\$ 5,630	CB Computer Equipment	12,168	6,264	5,904	51.48%
0.77%	Total Strategy D.1.1.	739,333	407,146	332,186	55.07%
<i>Appropriated</i> D.1.2.	- FTE's = 4.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	298,580	198,165	100,415	66.37%
\$ 499,171	1002 Other Personnel Cost	12,951	13,137	(186)	101.43%
Sup Appr =	2001 Prof Fees and Services	56,000	4,298	51,703	7.67%
\$ 3,305	2003 Consumables	15,000	1,132	13,868	7.54%
Total Appr =	2004 Utilities	-	734	(734)	0.00%
\$ 502,476	2005 Travel	4,500	297	4,203	6.60%
Budgeted =	2006 Rent Building	2,700	2,700	-	100.00%
\$ 517,101	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	122,405	57,083	65,321	46.63%
\$ 14,625	CB Computer Equipment	4,965	4,965	-	
2.93%	Total Strategy D.1.2.	517,101	282,510	234,591	54.63%
<i>Appropriated</i> D.1.3.	(2.40) FTE's = 50.20 <u>Other Support Services</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 8,315,406	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 30,484	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 8,345,890	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 8,345,890	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
\$ (0)	CB Computer Equipment	-	-	-	
0.00%	Total Strategy D.1.3.	-	-	-	
\$ 4,220,890	Regulatory Program Operating Budget	4,220,890	2,322,618	1,488,007	55.03%
\$ 4,125,000	TX Bred Program Operating Budget	4,125,000	2,038,962	2,086,038	49.43%
\$ 8,345,890	Total M.O.F. (TXRC Acct. 597 & GR)	8,345,890	4,361,580	3,574,045	52.26%
	Total All Programs Operating Budget	8,345,890	4,361,580	3,574,045	52.26%

Texas Racing Commission

FYE 08/31/2014
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2014 Annual Budget	FY 2014 Expended Thru 4/30/2014	FY 2014 Unexpended Bal 8/31/2014	With 66.67% of Year Lapsed % of Budget Expended
\$ - <i>Appropriated</i>	(2.40) FTE's = 50.20 <u>Direct Expense of Regulatory Programs</u>				
	1001 Salaries and Wages	2,863,773	1,759,094	1,104,679	61.43%
	1002 Other Personnel Cost	137,549	101,460	36,088	73.76%
	2001 Prof Fees and Services	283,275	79,295	203,980	27.99%
	2003 Consumables	39,500	9,203	30,297	23.30%
	2004 Utilities	53,736	33,807	19,929	62.91%
	2005 Travel	170,148	68,303	101,845	40.14%
	2006 Rent Building	87,979	66,632	21,347	75.74%
	2007 Rent Machine	14,500	5,860	8,640	40.41%
	2009 Other Operating Cost	553,297	187,733	365,564	33.93%
	CB Computer Equipment	17,133	11,229	5,904	65.54%
\$ 4,220,890	Total Direct Expense of Regulatory Program	4,220,890	2,322,618	1,898,272	55.03%
\$ 4,125,000	FTE's = - Direct Expense of TX Bred Program	4,125,000	2,038,962	2,086,038	49.43%
\$ 8,345,890	(2.40) FTE's = 50.20 Total Direct Expense of All Programs	8,345,890	4,361,580	3,984,310	52.26%
\$ - <i>Un-Appropriated</i>	<u>Indirect Expense of All Programs</u>				
	OASI Match	219,079	135,040	84,039	61.64%
	Group Insurance	269,149	189,837	79,312	70.53%
	State Retirement	164,360	120,781	43,579	73.49%
	Benefit Replacement	16,022	11,487	4,535	71.69%
	ERS Retiree Insurance	220,000	158,295	61,705	71.95%
	SWCAP GR Reimburse	30,000	26,044	3,956	86.81%
	Unemployment Cost	20,000	1,631	18,370	8.15%
	Other	-	-	-	
\$ 938,610	Total Indirect Expense of All Programs	938,610	643,115	295,495	68.52%
\$ 9,284,500	Total Direct and Indirect Expense of All Programs	9,284,500	5,004,694	4,279,805	53.90%

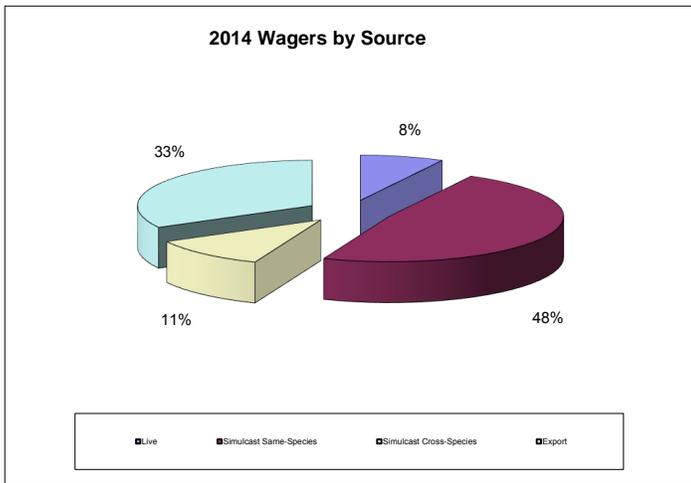
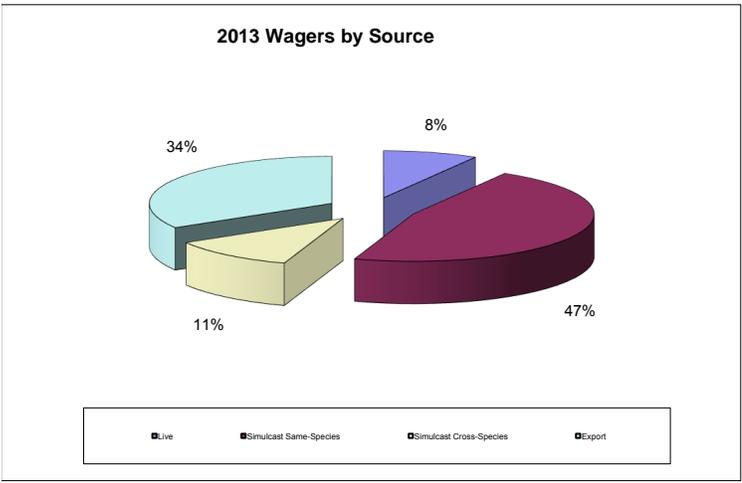
Source Of Funds	Agency Method Of Finance	FY 2014 Projected Revenue	FY 2014 Actual Revenue Thru 4/30/2014	N/A	With 66.67% of Year Lapsed % of Revenue Collected
	Regulatory Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ 750,000	\$ 750,000		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Day Fees	\$ -	\$ -		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 4,203,475	\$ 3,182,315		75.71%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 725,000	\$ 496,728		68.51%
Acct. 597	Other Revenue	\$ 25,000	\$ 21,767		87.07%
Acct. 1	GR Funds	\$ -	\$ -		
	Sub-Total Regulatory Prgm. MOF	\$ 5,703,475	\$ 4,450,811		78.04%
	Texas Bred Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ -	\$ -		
Acct. 597	Breakage and 1% Exotic	\$ 4,125,000	\$ 2,038,962		49.43%
Acct. 597	Other	\$ -	\$ -		
	Sub-Total Texas Bred Prgm. MOF	\$ 4,125,000	\$ 2,038,962		49.43%
All Sources	Total MOF	\$ 9,828,475	\$ 6,489,773		66.03%
	MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget	\$ 543,975	\$ 1,485,078		



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

For the Period: 01/01/13 - 06/01/13 to 01/01/14 -06/01/14

Sources of Wagers		Year 2013 01/01 - 06/01		Year 2014 01/01 - 06/01		Percentage Change In		
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers
Greyhound Racetracks								
Live	116	3,792,327	\$ 32,692	99	2,966,035	\$ 29,960	-21.79%	-8.36%
Simulcast Same-Species	391	11,451,397	\$ 29,287	394	12,282,344	\$ 31,173	7.26%	6.44%
Simulcast Cross-Species	391	9,786,171	\$ 25,029	394	9,820,515	\$ 24,925	0.35%	-0.41%
Export	116	<u>5,483,385</u>	<u>\$ 47,271</u>	99	<u>4,626,209</u>	<u>\$ 46,729</u>	-15.63%	-1.14%
Total Wagers		30,513,281	N/A		29,695,103	N/A	-2.68%	N/A
Horse Racetracks								
Live	88	14,356,098	\$ 163,137	86	14,026,136	\$ 163,095	-2.30%	-0.03%
Simulcast Same-Species	650	89,713,963	\$ 138,021	656	93,618,738	\$ 142,711	4.35%	3.40%
Simulcast Cross-Species	607	14,400,639	\$ 23,724	656	14,143,988	\$ 21,561	-1.78%	-9.12%
Export	88	<u>67,189,814</u>	<u>\$ 763,521</u>	86	<u>67,494,402</u>	<u>\$ 784,819</u>	<u>0.45%</u>	<u>2.79%</u>
Total Wagers		185,660,515	N/A		189,283,265	N/A	1.95%	N/A
All Texas Racetracks								
Live	204	18,148,425	\$ 88,963	185	16,992,172	\$ 91,850	-6.37%	3.24%
Simulcast Same-Species	1,041	101,165,361	\$ 97,181	1,050	105,901,082	\$ 100,858	4.68%	3.78%
Simulcast Cross-Species	998	24,186,811	\$ 24,235	1,050	23,964,503	\$ 22,823	-0.92%	-5.83%
Export	204	<u>72,673,199</u>	<u>\$ 356,241</u>	185	<u>72,120,612</u>	<u>\$ 389,841</u>	<u>-0.76%</u>	<u>9.43%</u>
Total Wagers		216,173,796	N/A		218,978,369	N/A	1.30%	N/A
Total Wagers Placed in Texas		143,500,597	N/A		146,857,757	N/A	2.34%	N/A
Total Wagers Placed on Texas Races		90,821,625	N/A		89,112,783	N/A	-1.88%	N/A





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

For the Period: 01/01/13 - 06/01/13 to 01/01/14 -06/01/14

Sources of Wagers	Year 2013 01/01 - 06/01				Year 2014 01/01/ - 06/01				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
<u>Gulf Coast Racing</u>										
Live	0	0	\$ -	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	109	3,234,145	\$ 29,671	112	3,467,338	\$ 30,958	7.21%	4.34%		
Simulcast Cross-Species	109	1,990,133	\$ 18,258	112	1,909,741	\$ 17,051	-4.04%	-6.61%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		5,224,278	N/A		5,377,079	N/A	2.92%	N/A		

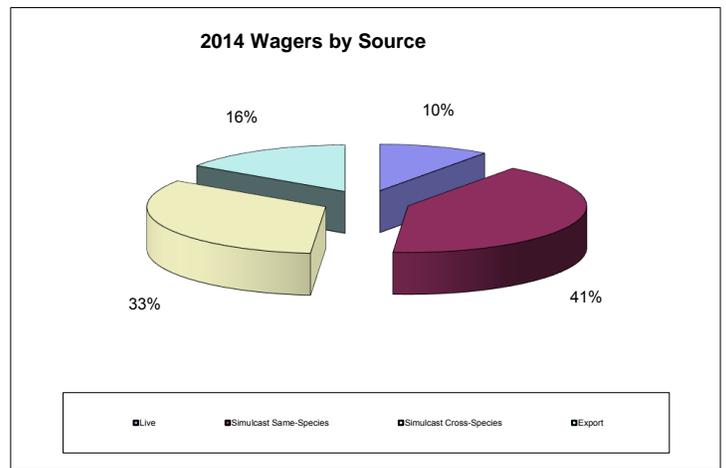
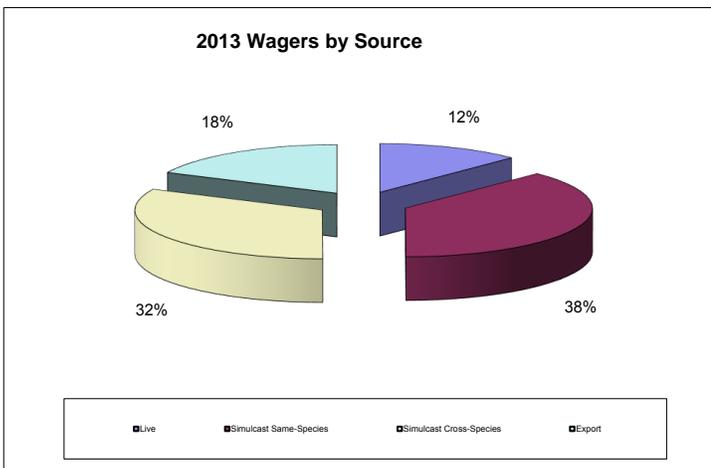
Sources of Wagers										
<u>Gulf Greyhound Park</u>										
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Live	116	3,792,327	\$ 32,692	99	2,966,035	\$ 29,960	-21.79%	-8.36%		
Simulcast Same-Species	152	5,337,638	\$ 35,116	151	5,154,075	\$ 34,133	-3.44%	-2.80%		
Simulcast Cross-Species	152	4,910,722	\$ 32,307	151	4,755,113	\$ 31,491	-3.17%	-2.53%		
Export	116	5,483,385	\$ 47,271	99	4,626,209	\$ 46,729	-15.63%	-1.14%		
Total Wagers		19,524,072	N/A		17,501,432	N/A	-10.36%	N/A		

Sources of Wagers										
<u>Valley Race Park</u>										
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Live	0	0	\$ -	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	130	2,879,615	\$ 22,151	131	3,660,931	\$ 27,946	27.13%	26.16%		
Simulcast Cross-Species	130	2,885,316	\$ 22,195	131	3,155,661	\$ 24,089	9.37%	8.53%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		5,764,931	N/A		6,816,592	N/A	18.24%	N/A		

Sources of Wagers										
<u>All Greyhound Racetracks</u>										
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Live	116	3,792,327	\$ 32,692	99	2,966,035	\$ 29,960	-21.79%	-8.36%		
Simulcast Same-Species	391	11,451,397	\$ 29,287	394	12,282,344	\$ 31,173	7.26%	6.44%		
Simulcast Cross-Species	391	9,786,171	\$ 25,029	394	9,820,515	\$ 24,925	0.35%	-0.41%		
Export	116	5,483,385	\$ 47,271	99	4,626,209	\$ 46,729	-15.63%	-1.14%		
Total Wagers		30,513,281	N/A		29,695,103	N/A	-2.68%	N/A		

Total Wagers Placed in Texas	25,029,896	N/A	25,068,894	N/A	0.16%	N/A
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Total Wagers Placed on Texas Races	9,275,712	N/A	7,592,245	N/A	-18.15%	N/A
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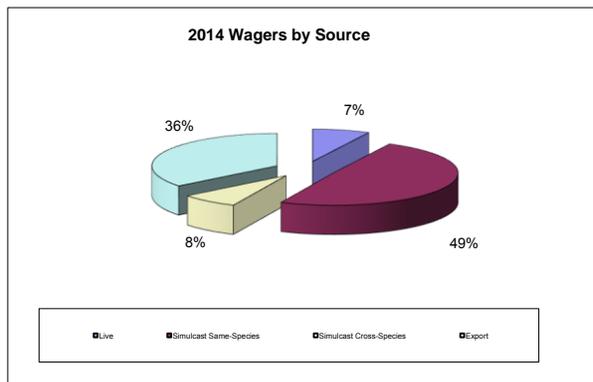
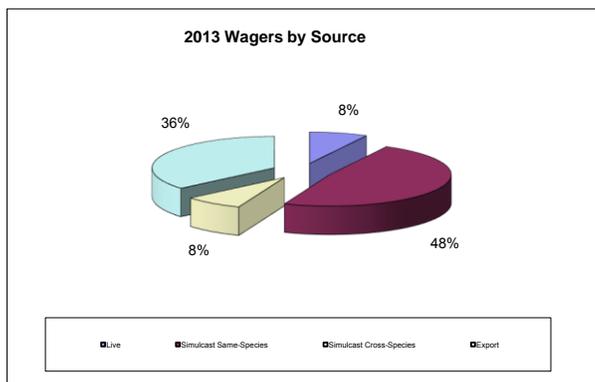


Horse Racetrack Wagering Statistics Comparison Report on Total Wagers Placed

in Texas & on Texas Races

For the Period: 01/01/13 - 06/01/13 to 01/01/14 -06/01/14

Sources of Wagers	Year 2013 01/01 - 06/01				Year 2014 01/01 - 06/01				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Gillespie County Fair										
Live	0	0 \$	-	0	0 \$	-	N/A	N/A		
Simulcast Same-Species	87	1,360,595 \$	15,639	87	1,297,256 \$	14,911	-4.66%	-4.66%		
Simulcast Cross-Species	87	165,598 \$	1,903	87	179,274 \$	2,061	8.26%	8.26%		
Export	0	0 \$	-	0	0 \$	-	N/A	N/A		
Total Wagers		1,526,192	N/A		1,476,530	N/A	-3.25%	N/A		
Lone Star Park										
Live	31	8,163,780 \$	263,348	30	8,175,386 \$	272,513	0.14%	3.48%		
Simulcast Same-Species	152	41,805,089 \$	275,033	152	44,824,402 \$	294,897	7.22%	7.22%		
Simulcast Cross-Species	152	2,670,234 \$	17,567	152	3,143,901 \$	20,684	17.74%	17.74%		
Export	31	<u>20,840,860</u> \$	<u>672,286</u>	30	<u>19,059,033</u> \$	<u>635,301</u>	<u>-8.55%</u>	<u>-5.50%</u>		
Total Wagers		73,479,963	N/A		75,202,722	N/A	2.34%	N/A		
Retama Park										
Live	0	0 \$	-	0	0 \$	-	N/A	N/A		
Simulcast Same-Species	152	17,531,910 \$	115,342	152	16,758,109 \$	110,251	-4.41%	-4.41%		
Simulcast Cross-Species	152	3,257,074 \$	21,428	152	3,054,526 \$	20,096	-6.22%	-6.22%		
Export	0	0 \$	-	0	0 \$	-	N/A	N/A		
Total Wagers		20,788,984	N/A		19,812,635	N/A	-4.70%	N/A		
Saddle Brook Park										
Live	0	0 \$	-	0	0 \$	-				
Simulcast Same-Species	107	1,952,962 \$	18,252	113	2,124,723 \$	18,803	8.79%	3.02%		
Simulcast Cross-Species	64	75,198 \$	1,175	113	233,927 \$	2,070	211.08%	76.19%		
Export	0	0 \$	-	0	0 \$	-	N/A	N/A		
Total Wagers		2,028,160	N/A		2,358,650	N/A	100.00%	N/A		
Sam Houston Race Park										
Live	57	6,192,318 \$	108,637	56	5,850,750 \$	104,478	-5.52%	-3.83%		
Simulcast Same-Species	152	27,063,407 \$	178,049	152	28,614,248 \$	188,252	5.73%	5.73%		
Simulcast Cross-Species	152	8,232,535 \$	54,161	152	7,532,361 \$	49,555	-8.50%	-8.50%		
Export	57	<u>46,348,955</u> \$	<u>813,140</u>	56	<u>48,435,369</u> \$	<u>864,917</u>	<u>4.50%</u>	<u>6.37%</u>		
Total Wagers		87,837,215	N/A		90,432,728	N/A	2.95%	N/A		
All Horse Racetracks										
Live	88	14,356,098 \$	163,137	86	14,026,136 \$	163,095	-2.30%	-0.03%		
Simulcast Same-Species	650	89,713,963 \$	138,021	656	93,618,738 \$	142,711	4.35%	3.40%		
Simulcast Cross-Species	607	14,400,639 \$	23,724	656	14,143,988 \$	21,561	-1.78%	-9.12%		
Export	88	<u>67,189,814</u> \$	<u>763,521</u>	86	<u>67,494,402</u> \$	<u>784,819</u>	<u>0.45%</u>	<u>2.79%</u>		
Total Wagers		185,660,515	N/A		189,283,265	N/A	1.95%	N/A		
Total Wagers Placed in Texas		118,470,701	N/A		121,788,863	N/A	2.80%	N/A		
Total Wagers Placed on Texas Races		81,545,912	N/A		81,520,539	N/A	N/A	N/A		



Texas Racing Commission

Report on Racetrack Inspection Activities

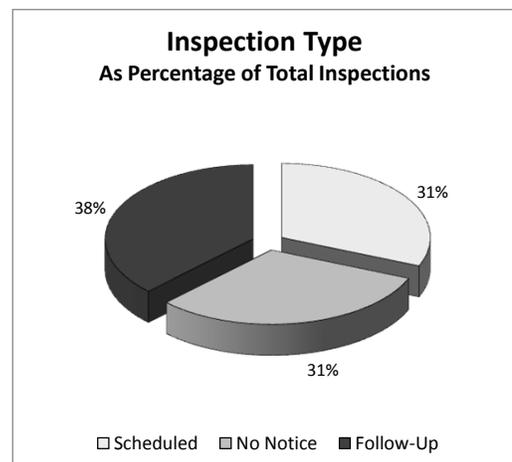
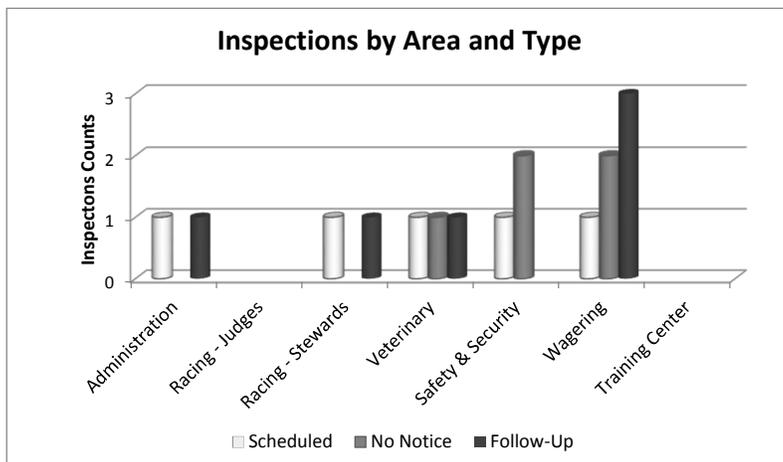
June 10, 2014

Summary of Inspections Performed For The Period of April 1, 2014 through May 31, 2014					
Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Lone Star Park	Veterinary	4/1/2014	1		
	Veterinary	5/21/2014	(Follow-up from 4/1/14)	1	0
	Security	4/4/2014	0		
	Racing	4/11/2014	2		
	Racing	5/15/2014	(Follow-up from 4/11/14)		2
	Wagering	4/11/2014	0		
Sam Houston Race Park	Wagering	4/25/2014	2		
	Wagering	5/15/2014	(Follow-up from 4/25/14)	2	0
	Security	4/25/2014	0		
	Veterinary	5/8/2014	0		
Gillespie County Fair	Administrative	5/2/2014	1		
	Administrative	5/15/2014	(Follow-up from 5/2/14)	1	0
	Wagering	5/2/2014	0		
Gulf Coast Racing	Security	5/11/2014	0		
Gulf Greyhound Park	Wagering	4/25/2014	(Follow-up from 2/7/14)	2	0
Valley Race Park	Wagering	5/15/2014	(Follow-up from 3/27/14)	5	0

Inspection Counts by Area and Type				
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administration	1		1	2
Racing - Judges				
Racing - Stewards	1		1	2
Veterinary	1	1	1	3
Safety & Security	1	2		3
Wagering	1	2	3	6
Training Center				
TOTAL INSPECTIONS	5	5	6	16

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.

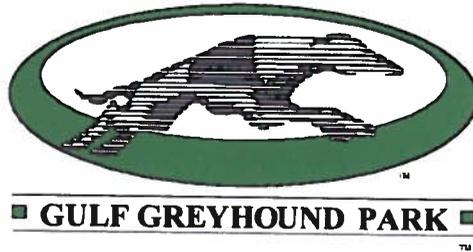


Texas Racing Commission
Enforcement Report
Selected Regulatory Statistics
April 1, 2014 – May 31, 2014

	GREYHOUND	HORSE	NOTES
# of Live Race Performances/Days	43	48	
# of Live Races	567	454	
# of Animals Inspected	4,484	3,688	
# of Samples	567	912	
# of Animal Drug Positives	0	20	Horse Violations – (2) Class 1, (10) Class 3, (9) Class 4, (1) Class 5. Two of the 20 positive samples had two drugs detected in each of them.
% of Samples Testing Positive	0	2.2%	
# of Simulcast Days	157	262	
# of Simulcast Races	49,277	82,977	
# of Import and Export Requests	144	279	
# of New Licenses Issued	588		
# of Licenses Renewed	1201		
# of Gate, Barn, and Kennel Searches	41		
# of Administrative Investigations	38		
# of Rulings	6	48	
# of Rulings with Suspensions	0	20	
# of Rulings with Revocations	0	0	
# of Rulings with Purse Redistributions	0	9	
# of Rulings with Fines	6	37	
Total Fines Assessed	\$425.00	\$48,850.00	

CLASSIFICATION OF DRUG POSITIVES: 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. PROCEEDINGS ON RACETRACKS
Request by Gulf Greyhound Park for Approval
of Amendment to Totalisator Contract with
United Tote Company



2014 JUL 29 PM 12:54

TEXAS RACING
COMMISSION

Sally B. Briggs
General Manager

May 29, 2014

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

Re: United Tote Contract

Dear Mr. Trout:

Attached please find an Amendment to Service Contract for Enterprise Wagering Solution between Gulf Greyhound Park and United Tote. This Amendment continues our contract through May, 2018. Please place this Amendment in line for approval.

If you have questions, please let me know. Thank you.

Yours truly,

Sally B. Briggs

Sally B. Briggs
General Manager

C: Mark Fenner, General Counsel



Texas Racing Commission

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

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

www.brc.state.tx.us

MEMORANDUM

To: Mark Fenner, General Counsel

From:  Sammy Jackson, Deputy Director for Finance and Wagering

Date: May 30, 2014

Subject: Totalisator Contract between Gulf Greyhound Park and United Tote

Attached to this memorandum is an amendment to the tote contract between Gulf Greyhound Park and United Tote that has been requested to be placed on the June 10, 2014, Commission Agenda for consideration. The amendment extends the contract previously approved by the Commission through May 14, 2018. Staff has completed a review of the amendment and finds it to be in compliance with the Texas Racing Act and the Texas Rules of Racing.

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

Cc: Curley Trahan, Compliance Auditor

V. PROCEEDINGS ON RULEMAKING
Request by Industry Representatives Proposing the
Following Rule Amendments and New Rules
Authorizing Historical Racing

May 27, 2014

Via Email and Hand Delivery

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

Via Hand Delivery

Advisory Committee on Pari-Mutuel Wagering
Mr. Ronald F. Ederer
Dr. Michael F. Martin
Mr. John T. Steen III
Texas Racing Commission
8505 Cross Park Dr. #110
Austin, Texas 78754

Re: Petition for the Adoption of Proposed Rules Authorizing and Regulating
Pari-Mutuel Wagering on Historical Racing at Licensed Texas Racetracks

Dear Mr. Trout and Members of the Advisory Committee on Pari-Mutuel Wagering:

We, the undersigned representatives of the stakeholders in the Texas racing industry, request that the Commission exercise its authority to adopt the enclosed rules, attached as **Exhibit A**, to authorize and establish the regulatory framework surrounding pari-mutuel wagering on historical races at licensed Texas racetracks that have been granted live race dates. We request that at its June 10, 2014 Open Meeting, the Commission vote to publish for comment the proposed rules in accordance with Rule 307.102, and that they become effective no later than September 1, 2014.

The Texas racing industry requests adoption of these rules to allow Texas to keep pace with recent innovative technological developments in pari-mutuel wagering on horse and greyhound races. A growing number of states have authorized pari-mutuel wagering on horse races that were previously run at licensed pari-mutuel racetracks, were recorded, and are subsequently displayed to patrons on terminals. Most notably, the state of Kentucky, the home of horse racing, through its racing commission, has authorized pari-mutuel wagering using this technology. Significantly, the racing industry's pre-eminent regulatory standards association, the Association of Racing Commissioners International ("ARCI"), recognizes historical race wagering as a new and legitimate form of pari-mutuel wagering, and has promulgated model rules addressing this technological development. The Commission's statutory authority to adopt the proposed rules permitting and regulating pari-mutuel wagering on historical races is set forth in **Exhibit B**.

The fact that other states, including neighboring Arkansas, have authorized pari-mutuel wagering on historical races places the Texas racing industry at a decided and growing competitive disadvantage. In 2004, almost 19,000 Texans were employed in the Texas horse racing industry. Since that time, significant numbers of owners, breeders, and trainers have left Texas for other states in which higher purses are offered. For example, the average daily purses for live Thoroughbred horse races in Texas is \$139,459.00 compared to \$352,235.00 in Kentucky and \$347,796.00 in Arkansas, where pari-mutuel wagering on historical racing is permitted. Also, since 2004, the number of

live races in Texas has declined by 60%; live wagering in Texas has declined by 66%; and the number of Texas bred foals is down by 66%. We believe that permitting pari-mutuel wagering on historical races in Texas would halt and reverse these declines in jobs, purses, live races, and wagering.

On December 10, 2013, Chairman Schmidt established the Advisory Committee on Pari-Mutuel Wagering to explore whether the Commission's rules on pari-mutuel wagering should be updated in light of new developments and to analyze their impact on the competitiveness of the Texas racing industry. The attached proposed rules have been developed in consultation with the Advisory Committee and the Commission's staff.

The proposed rules authorizing and regulating pari-mutuel wagering on historical races in Texas, if adopted, would positively affect all the stakeholders in the Texas racing industry by addressing and helping to reverse the serious problems facing them, in particular, a declining fan base, lower purses, lower quality horses and greyhounds competing in live races, and lower revenues for the racetracks and for the State of Texas. Reliable reports show that pari-mutuel wagering on historical races increases the size of purses and revenues for both the states and the tracks and increases the fan base for racing. This advancement in pari-mutuel wagering on horse and greyhound races also provides money for larger purses for live racing and thereby increases the quality of the horses and greyhounds competing in those races. For example, Oaklawn Park in Arkansas has increased its purses every year since it began offer wagering on historical races, and Kentucky Downs has more than doubled its purses last year after the first full year of offering wagering on historical races. In addition, as required by Section 3.02 of the Texas Racing Act, the Commission should consider the benefits of the proposed rules for the state's agricultural, horse breeding, horse training, greyhound breeding, and greyhound training industries. The additional purse money, increased fan base, and increased competitiveness of the racing industry resulting from the adoption of the proposed rules could save the jobs and livelihoods of thousands of Texans and small businesses across the state, such as veterinarians, farriers, feed suppliers, farmers, and many more. It will also allow Texas and the racetrack industry to keep thousands of acres of open farmland and ranchland in viable and beneficial agricultural production.

Consequently, the fiscal implications of the proposed rules for the State of Texas and the Texas racing industry are positive. The projected increase in revenues from wagering on historical racing will result in increased purses for live racing, which will enhance the quality of the live race meets. The revenues and the growth in the racing fan base resulting from such wagering, together with the higher purses and quality of the horses participating in the live race meets, will help the Texas racetracks, all of whom support the adoption of the proposed rules, to become profitable, which also will benefit the members of the Texas Horsemen's Partnership and of the Texas Greyhound Association as well as the local communities in which those members live.

For these reasons, we respectfully urge the Commission to adopt the proposed rules.

Texas Horsemen's Partnership, LLP
P. O. Box 142533
Austin, Texas 78714
512-467-9799
512-467-9790 (Fax)

By: *[Signature]*
Title: President THSPH

Texas Horsemen's Partnership, LLP
P. O. Box 142533
Austin, Texas 78714
512-467-9799
512-467- 9790 (Fax)

By: *Dr. Jerry Hays*
Title: PRESIDENT THBA

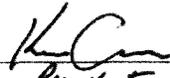
Texas Thoroughbred Association

4009 Banister Lane, Suite 230

Austin, Texas 78704

512-458-6133

512-453-5919 (Fax)

By: 

Title: President

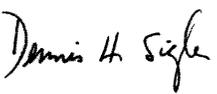
TEXAS QUARTER HORSE ASSOCIATION

706 W 11th Street, Suite D

Elgin, Texas 78621

512-458-5202

512-458-1713

By: 

Title: 2014 President

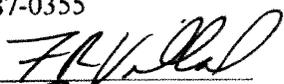
Texas Paint Horse Breeders' Association

P. O. Box 5039

Mabank, Texas 75147

903-312-6381

903-887-0355

By: 

Title: President

Texas Arabian Breeders Association

P. O. Box 215

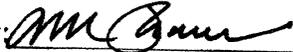
Forney, Texas 75126

972-564-9430

972-562-3613

By: Ed Wilson
Title: President

Texas Greyhound Association
P. O. Box 40
Lorena, Texas 76655-0040
254-857-4377
254-857-4299 (Fax)

By: 
Title: EXECUTIVE DIRECTOR

Sam Houston Race Park
7575 N. Sam Houston Parkway West
Houston, Texas 77064
281-807-8700
281-807-8777 (Fax)

By: AR B Ymy
Title: President

Lone Star Park at Grand Prairie

1000 Lone Star Parkway
Grand Prairie, Texas 75050
972-263-7223
972-262-5622 (Fax)

By: J. D. Elliott
Title: CEO

Pinnacle Retama Partners, LLC

Retama Park

P.O. Box 47535

San Antonio, Texas 78265-7535

210-651-7000

210-651-7097 (Fax)

By: *William B. Buffo*

Title: *V.P. of Legal Counsel*

KTAGS Downs Holding Company, LLC

P.O. Box 1876

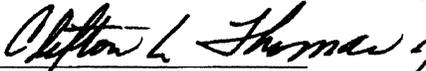
Victoria, Texas 77902

361-582-5165

361-582-7865

By: KTAGS Downs Management Co., LLC

Sole Manager of KTAGS Downs Holding Company, LLC

By: 
Clifton Thomas, Jr., Sole Member of
KTAGS Downs Management Co., LLC

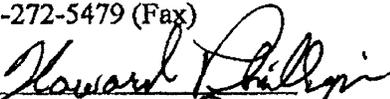
Manor Downs

P. O. Box 141309

Austin, Texas 78714

512-272-5581

512-272-5479 (Fax)

By: 
Title: MANAGER PARTNER

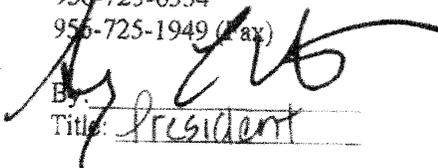
Laredo Downs

7220 CPL Road

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956-723-6354

956-725-1949 (Fax)

By: 

Title: President

Laredo Race Park
7575 N. Sam Houston Pkwy. W.
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281-807-8700
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Carly R. Hunt
~~President~~

Valley Race Park

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Harlingen, Texas 78552

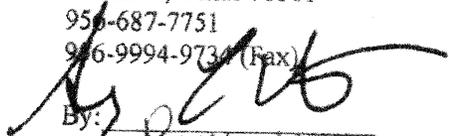
956-364-7200

956-428-0163 (Fax)

By: Al B. Ymy

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By: _____
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By: Sally B. Briggs
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By: Sally B Briggs
Title: GENERAL MANAGER

EXHIBIT A

**PROPOSED REVISIONS TO TRC PARI-MUTUEL RULES
RELATED TO HISTORICAL RACING**

§ 301.1. Definitions.

(a) Words and terms defined in the Act shall have the same meaning when used in this part unless otherwise defined below.

(b) The following words and terms, when used in this part, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Act--The Texas Racing Act, Article 179e, Texas Civil Statutes.
- (2) Age of a greyhound--determined as beginning on the day the greyhound is whelped.
- (3) Age of a horse--determined as beginning on the first day of January in the year in which the horse is foaled.
- (4) Application documents--documents submitted by an applicant for a license in support of the application.
- (5) Application period--a period designated by the Commission for the submission of application documents for a racetrack license.
- (6) Association grounds--all real property approved by the Commission for use by an association in the conduct of a race meeting.
- (7) Association veterinarian--a veterinarian employed by the association.
- (8) Authorized agent--a person appointed in writing by the owner or trainer of a horse or greyhound to represent the owner or trainer at a racetrack.
- (9) Backstretch--the straightaway on the side of a track that is opposite to the finish line.
- (10) Booking--a contract between an association and a kennel owner for the kennel owner to provide greyhounds to the association for a race meeting and for the association to provide kennel buildings to house the greyhounds.
- (11) Branding--the act of a totalisator system imprinting a mutuel ticket with information that identifies the ticket as canceled or cashed and automatically making the appropriate notation in the system's memories.
- (12) Canceled ticket--a mutuel ticket that represents a wager that has been canceled and withdrawn from the pari-mutuel pool.
- (13) Cashed ticket--a mutuel ticket that is paid for a winning wager.
- (14) Chief veterinarian--the chief veterinarian employed by the Commission.

(15) Common pool--a pool in which the wagers received at a receiving location are combined with the wagers received at a sending racetrack.

(16) Condition of a race--a characteristic element of the race, such as the distance, qualifications of animal to enter, purse or stakes, or other special features.

(17) Coupled entry--two or more horses entered in a race that, because of common ties of ownership are joined to be a single betting interest in that race.

(18) Cushion--the top level of a dirt racetrack.

(19) Dead heat--a race in which two or more race animals finish at the same time.

(20) Double entry--an entry of two or more greyhounds in the same race that have either common ownership or the same trainer and are separate wagering interests.

(21) Encrypted--scrambled or otherwise manipulated audio-visual signals to mask the original video content of the signal to cause the signals to be indecipherable and unrecognizable to any person receiving the signal.

(22) Entry--a horse, or horses in the case of a coupled entry, made eligible to run in a race.

(23) Established weight--the racing weight for a greyhound established in accordance with the Rules.

(24) Exempt institutional investor--an investor who is:

(A) an insurance company as defined by the Securities Act of 1933, §2(13), a bank as defined by that Act, §3(a)(2), a savings and loan association or other institution referenced in that Act, §3(a)(5)(A), or a foreign bank or savings and loan association or equivalent institution;

(B) an investment company as defined by the Investment Company Act of 1940, §3(a), an issuer that would have been deemed an investment company under that Act except for the exclusion in that Act, §3(c)(1), or a business development company as defined by that Act, §2(c)(48);

(C) a small business investment company licensed by the United States Small Business Administration under the Small Business Investment Act of 1958, §301(c);

(D) a plan established and maintained by a state, its political subdivisions, or an agency or instrumentality of a state or its political subdivisions for the benefit of its employees;

(E) an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(F) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in subparagraph (D) or (E) of this definition, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(G) a business development company as defined by the Investment Advisers Act of 1940, §202(a)(22), or an investment adviser registered under that Act;

(H) an organization described in the Internal Revenue Code, §501(c)(3);

(I) a dealer registered under the Securities Exchange Act of 1934, §15;

(J) a legal entity with a market value of at least \$50 million whose securities are traded on a nationally recognized or foreign securities exchange or interdealer quotation system, such as NASDAQ; and

(K) a legal entity, acting for its own account or the account of other exempt institutional investors, that in the aggregate owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated with the entity, with the aggregate value of the securities being the cost of the securities, except if the entity reports its securities holdings in its financial statements based on their market value and no current information regarding the cost of the securities has been published, in which case the securities may be valued at market.

(25) Exotic pool--a mutuel pool that involves wagers on more than one entered horse or greyhound or on entries in more than one race.

(26) False start--failure of the starting gate or box doors to open simultaneously.

(27) Foul--an action by a horse or jockey that hinders or interferes with another horse or jockey during the running of a race.

(28) Greyhound race--a contest among greyhounds for purse, stakes, premium, or wager for money, run in the presence of the racetrack officials, including the following:

(A) Hurdle race--a race over a course in which jumps or hurdles are used.

(B) Match race--a race between two or more greyhounds, each the property of different owners, on terms agreed on by the owners and approved by the Commission.

(C) Overnight race--a race for which entries close 96 hours or less before the time set for the first race of the day on which the race is to be run.

(D) Purse race--a race for money or other prize to which the owners of the greyhounds engaged in the race do not contribute an entry.

(E) Race on the flat--a race over a course in which no jumps or other obstacles are placed.

(F) Stakes race--a race in which all money is to be deposited by the owners of the greyhounds engaged in the race, including a race of the day on which the stakes race is to be run.

(29) Groom--an individual employed by an owner or trainer of a racehorse to tend to the physical appearance of the horse and to perform chores in and around the stable.

(30) Growing medium--the substance immediately below the grass on a turf track.

(31) Handle--the total amount of money wagered at a racetrack during a particular period.

(32) Historical racing—to present for pari-mutuel wagering, through a totalisator system that meets the requirements of chapter 321, subchapter F, a previously run horse or greyhound race that was:

(A) authorized by the commission or by another racing jurisdiction;

(B) concluded with official results and without scratches, disqualifications or dead-heat finishes; and

(C) recorded by video, film, electronic, or similar means of preservation.

~~(33)~~ Horse--an equine of any breed, including a stallion, gelding, mare, colt, filly, or ridgling.

~~(34)~~ Horse Race--a running contest between horses for entry fees, purse, prize, or other reward, including the following:

(A) Claiming race--a race in which a horse may be claimed in accordance with the Rules.

(B) Derby race--a race in which the first condition of eligibility is to be three years old.

(C) Futurity race--a race in which the first condition of eligibility is to be two years old.

(D) Guaranteed race--a race for which the association guarantees by its conditions a specified purse, which is the limit of its liability.

(E) Handicap race--a race in which the weights to be carried by the entered horses are adjusted by the racing secretary for the purpose of equalizing their respective chances of winning.

(F) Match race--a race between only two horses that are owned by different owners.

(G) Maturity race--a race in which the first condition of eligibility is to be four years of age or older.

(H) Optional claiming race--a claiming race in which there is an option to have horses entered to be claimed for a stated price or not eligible to be claimed.

(I) Progeny race--a race restricted to the offspring of a specific stallion or stallions.

(J) Purse or overnight race--a race for which owners of horses entered are not required by its conditions to contribute money toward its purse.

(K) Stakes race--a race to which nominators of the entries contribute to a purse.

(L) Starter race--an overnight race under allowance or handicap conditions, restricted to horses which have previously started for a designated claiming price or less, as stated in the conditions of the race.

(M) Walkover race--a stakes race in which only one horse starts or all the starters are owned by the same interest.

(N) Weight for age race--a race in which weights are assigned in keeping with the scale of weights in these rules.

(354) In today horse--a horse that is in the body of a race program which is entered into a race on the next consecutive race day.

(365) Kennel area--an area on association grounds for the boarding or training of greyhounds.

(376) Lead out--an individual who handles a greyhound from the lockout kennel to the starting box.

(387) Locked in the gate--a horse or greyhound that is prevented from leaving the starting gate or box due to the failure of the front door of the gate or box to open simultaneously with the other doors.

(398) Lure--a mechanical apparatus at a greyhound racetrack consisting of a stationary rail installed around the track, a motorized mechanism that travels on the rail, and a pole that is attached to the mechanism and extends over the track, and to which a decoy is attached.

(4039) Maiden--a horse or greyhound that has never won a race at a recognized race meeting authorized by the Commission or by another racing jurisdiction.

(410) Minus pool--a pool in which there are insufficient net proceeds to pay the minimum price to holders of the winning tickets.

(421) Mutuel field--a group of horses joined as a single betting interest in a race due to the limited numbering capacity of the totalisator.

(432) No race--a race that is canceled after being run due to a malfunction of the starting gate or box or any other applicable reason as determined by the Rules.

(443) Nominator--the person in whose name a horse or greyhound is entered for a race.

(454) Occupational licensee--an individual to whom the Commission has issued a license to participate in racing with pari-mutuel wagering.

(465) Odds--a number indicating the amount of profit per dollar wagered to be paid to holders of winning pari-mutuel tickets.

(47) Off time--the moment when, on signal from the starter, the horses or greyhounds break from the starting gate or box and run the race.

(48) Paddock--the area in which horses or greyhounds gather immediately before a race.

(49) Patron--an individual present on association grounds during a race meeting who is eligible to wager on the racing.

(50) Pecuniary interest--includes a beneficial ownership interest in an association, but does not include bona fide indebtedness or a debt instrument of an association.

(51) Performance--the schedule of horse or greyhound races run consecutively as one program. A greyhound performance consists of fifteen or fewer races unless approved by the executive secretary.

(52) Photofinish--the system of recording pictures or images of the finish of a race to assist in determining the order of finish.

(53) Place--to finish second in a race.

(54) Post position--the position assigned to a horse or greyhound in the starting gate or box.

(55) Post time--the time set for the arrival at the starting gate or boxes by the horses or greyhounds in a race.

(56) Purse--the cash portion of the prize for a race.

(57) Race date--a date on which an association is authorized by the Commission to conduct races.

(58) Race day--a day in which a numerical majority of scheduled races is conducted and is a part of the association's allocated race days.

(59) Race meeting--the specified period and dates each year during which an association is authorized to conduct racing and/or pari-mutuel wagering by approval of the Commission.

(60) Racetrack facility--the buildings, structures and fixtures located on association grounds used by an association to conduct horse or greyhound racing.

(61) Racetrack official--an individual appointed or approved by the Commission to officiate at a race meeting.

(62) Racing judge--the executive racing official at a greyhound track.

(63) Reasonable belief--a belief that would be held by an ordinary and prudent person in the same circumstances as the actor.

(64) Recognized race meeting--a race meeting held under the sanction of a turf authority.

(65) Refunded ticket--a pari-mutuel ticket that has been refunded for the value of a wager that is no longer valid.

(66) Rule off--to bar an individual from the enclosure of an association and to deny all racing privileges to the individual.

(67) Rules--the rules adopted by the Texas Racing Commission found in Title 16, Part VIII of the Texas Administrative Code.

(68) Schooling race--a practice race conducted under actual racing conditions but for which wagering is not permitted.

(69) Scratch--to withdraw an entered horse or greyhound from a race after the closing of entries.

(70) Scratch time--the closing time set by an association for written requests to withdraw from a race.

(71) Show--to finish third in a race.

(72) Specimen--a bodily substance, such as blood, urine, or saliva, taken for analysis from a horse, greyhound, or individual in a manner prescribed by the Commission.

(73) Stakes payments--the fees paid by subscribers in the form of nomination, entry, or starting fees to be eligible to participate.

(74) Stallion owner--a person who is owner of record, at the time of conception, of the stallion that sired the accredited Texas-bred horse.

(75) Starter--a horse or greyhound entered in a race when the doors of the starting gate or box open in front of the horse or greyhound at the time the official starter dispatches the horses or greyhounds.

(76) Straight pool--a mutuel pool that involves wagers on a horse or greyhound to win, place, or show.

(77) Subscription--money paid to nominate, enter, or start a horse or greyhound in a stakes race.

(78) Tack room--a room in the stable area of a horse racetrack in which equipment for training and racing the horses is stored.

(79) Totalisator--a machine or system for registering and computing the wagering and payoffs in pari-mutuel wagering.

(80) Tote board--a facility at a racetrack that is easily visible to the public on which odds, payoffs, advertising, or other pertinent information is posted.

~~(81)~~ Tote room--the room in which the totalisator equipment is maintained.

~~(82)~~ Tout--an individual licensed to furnish selections on a race in return for a set fee.

~~(83)~~ Trial--a race designed primarily to determine qualifiers for finals of a stakes race.

~~(84)~~ Uplink--an earth station broadcasting facility, whether mobile or fixed, which is used to transmit audio-visual signals and/or data emanating from a sending racetrack, and includes the electronic transfer of received signals from the receiving antenna to TV monitors within the receiving location.

~~(85)~~ Weigh in--the process by which a jockey is weighed after a race or by which a greyhound is weighed before being placed in the lockout kennel.

~~(86)~~ Weighing in weight--the weight of a greyhound on weighing in to the lockout kennel.

~~(87)~~ Weigh out--the process by which a jockey or greyhound is weighed before a race.

~~(88)~~ Weighing out weight--the weight of a greyhound on weighing out of the lockout kennel immediately before post time for the race in which the greyhound is entered.

~~(89)~~ Win--to finish first in a race.

~~(90)~~ Winner--

(A) for horse racing, the horse whose nose reaches the finish line first, while carrying the weight of the jockey or is placed first through disqualification by the stewards; and

(B) for greyhound racing, the greyhound whose muzzle, or if the muzzle is lost or hanging, whose nose reaches the finish line first or is placed first through disqualification by the judges.

~~(91)~~ Active license--a racetrack license designated by the commission as active.

~~(92)~~ Inactive license--a racetrack license designated by the commission as inactive.

§ 303.31. Regulation of Racing

The commission shall regulate each ~~live and simulcast~~ race meeting conducted in this state and supervise the operation of racetracks and the persons other than patrons who participate in a race meeting.

§ 303.42. Approval of Charity Race Days.

(a) An association shall conduct charity days as required by the Act. A greyhound association shall conduct at least five charity race days each year. A Class 1 or Class 2 horse racetrack that is not conducting historical racing shall conduct at least two and not more than five charity race days each year. A Class 1 or Class 2 horse racetrack that is conducting historical racing shall conduct at least three and not more than five charity race days each year.

(b) During each application period in which an association applies for live race dates, the association shall also apply for charity race dates as necessary to comply with subsection (a) of this section. ~~An association shall apply to the commission not later than July 1 of each year for charity race dates to be conducted in the next calendar year.~~ The application must be in writing and contain:

- (1) the name of the charity;
- (2) the name and address of each individual who serves as an officer or director of the charity or who owns an interest in the charity of 5.0% or more;
- (3) a brief description of the activities or purposes of the charity; and
- (4) a copy of an Internal Revenue Service letter of determination that qualifies the charity as an exempt organization for purposes of federal income tax.

(c) An association shall pay ~~to the charity~~ at least 2.0% of the total pari-mutuel handle generated at the association's racetrack on ~~live races and imported simulcast races~~ on the charity race day.

(d) Charities.

(1) At least one of the charity days must be conducted for a percent of the pari-mutuel handle from live racing and simulcasting on charity racing days shall be contributed to a charity that directly benefits the persons who work in the stable or kennel area of the racetrack, and at least one percent shall be contributed to. ~~At least one of the charity days must be conducted for a charity that primarily benefits research into the health or safety of race animals.~~

(2) For a horse racing association conducting historical racing, at least 1.5% of the pari-mutuel handle from historical racing on charity racing days shall be contributed to a charity that directly funds veterinary research beneficial to promoting the health and soundness of horses; and at least one-half of one percent of the pari-mutuel handle from historical racing on charity racing days shall be contributed to a charity that facilitates youth participation in equestrian sports and activities.

(3) For a greyhound association conducting historical racing, at least two percent of the pari-mutuel handle from historical racing on charity racing days shall be contributed to a charity that provides for the medical care and rehabilitation of injured greyhounds.

§ 309.8. Racetrack License Fees.

(a) Purpose of Fees. An association shall pay a license fee to the Commission to pay the Commission's costs to administer and enforce the Act, and to regulate, oversee, and license ~~live and simulcast~~ racing and pari-mutuel wagering at racetracks.

(b) Annual License Fee.

(1) A licensed racing association shall pay an annual license fee. The annual license fee for each license is as follows:

(A) for a Class 1 racetrack, \$500,000

(B) for a Class 2 racetrack, \$230,000;

(C) for a Class 3 or 4 racetrack, \$70,000; and

(D) for a Greyhound racetrack, \$360,000.

(2) An association that is conducting live racing, historical racing or simulcasting shall pay its annual license fee by remitting to the Commission 1/12th of the fee on the first business day of each month. For the State Fiscal Year that begins on September 1, 2011, the monthly remittance shall begin in the month of January.

(3) An association that is not conducting live racing, historical racing or simulcasting shall pay its annual license fee on September 1 of each fiscal year. For the State Fiscal Year that begins on September 1, 2011, the annual license fees shall be paid in two separate payments. The first payment will be of \$100,000 and is due on September 1, 2011. The second payment will be of the remaining unpaid balance and shall be paid on January 1, 2012.

(c) Adjustment of Fees.

(1) Annual fees are calculated using a projected base of 143 days of live horse racing and 270 performances of live greyhound racing per calendar year. To cover the additional regulatory cost in the event additional days or performances are requested by the associations the executive secretary may:

(A) recalculate a horse racetrack's annual fee by adding \$3,750 for each live day added beyond the base;

(B) recalculate a greyhound racetrack's annual fee by adding \$750 for each live performance added beyond the base; and

(C) review the original or amended race date request submitted by each association to establish race date baselines for specific associations if needed.

(2) If at any point the executive secretary determines the total revenue from the annual fees is insufficient to pay the Commission's costs during a fiscal year, the executive secretary shall recommend to the Commission a supplemental fee, in addition to the license fee, that each association would be required to pay to generate the necessary revenue to pay the Commission's costs.

(3) If the executive secretary determines that the total revenue from the annual fees exceeds the amount needed to pay those costs, the executive secretary may order a moratorium on all or part of the annual license fees remitted monthly by any or all of the associations. Before entering a moratorium order, the executive secretary shall develop a formula for providing the moratorium in an equitable manner among the associations. In developing the formula, the executive secretary shall consider the amount of excess revenue received by the Commission, the source of the revenue, the Commission's costs associated with regulating each association, the Commission's projected receipts for the next fiscal year, and the Commission's projected expenses during the next fiscal year.

§ 309.297. Purse Accounts.

(a) All money required to be set aside for purses, ~~whether from wagering on live races or on simulcast wagering~~, are trust funds held by an association as custodial trustee for the benefit of horsemen. No more than three business days after the end of each week's wagering, the association shall deposit the amount set aside for purses into purse accounts maintained as trust accounts for the benefit of horsemen by breed by the horsemen's organization in one or more federally or privately insured depositories.

(b) Purse money for a completed race shall be made available to the horsemen's bookkeeper on or before the third day after the week's races have run. The horsemen's bookkeeper shall distribute purse money for a race to the accounts of the persons entitled to the money immediately after the executive secretary advises the horsemen's bookkeeper that the race has been cleared for payment.

(c) If an association fails to run live races during any calendar year, all money in the respective breed's purse account may, at the discretion of the horsemen's organization be distributed as follows:

(1) first, payment of earned but unpaid purses; and

(2) second, subject to the approval of the horsemen's organization, transfer after the above mentioned calendar year period of the balance in the respective breed's purse account to the respective breed's purse account for one or more other associations.

(d) If an association ceases a live race meet before completion of the live race dates granted by the Commission, the funds in and due the respective breed's purse account shall be distributed as follows:

(1) first, payment of earned but unpaid purses;

(2) second, retroactive pro rata payments to the horsemen if provided by contract with the horsemen's organization; and

(3) third, subject to the approval of the horsemen's organization, transfer within 120 days after cessation of live racing of the balance in the respective breed's purse account to the respective breed's purse account for one or more other associations.

(e) The Commission may at any time inspect, review, or audit the records and performance of the association, the horsemen's organization, or the horsemen's bookkeeper to determine compliance with this section.

(f) No part of any funds allocated to any race or races from the purse fund shall be subject to any surcharge, promotion fee, advertising fee, or expense by the association for any reason whatsoever.

§ 309.299. Horsemen's Representative.

(a) Findings. The Commission finds a need for horse owners and trainers to negotiate and covenant with associations as to the conditions of live race meetings, the distribution of purses not governed by statute, simulcast transmission and reception, and other matters relating to the welfare of the owners and trainers participating in live racing at an association. To ensure the uninterrupted, orderly conduct of racing in this state, the Commission shall recognize one organization to represent horse owners and trainers on matters relating to the conduct of live racing and simulcasting at Texas racetracks.

(b) Recognition Process.

(1) To request Commission recognition as a horsemen's representative organization, the organization must file a written request for recognition on a form prescribed by the executive secretary. The executive secretary shall establish a deadline for filing a request under this paragraph and publish that deadline in the Texas Register at least 20 days before the deadline.

(2) To be eligible for recognition as a horsemen's representative organization, each officer and director of the organization during the term of the recognition must be licensed by the Commission as an owner or trainer.

(3) If only one organization requests recognition, the executive secretary shall issue a letter of recognition to the organization, subject to the approval of the Commission. If more than one organization requests recognition, the Commission shall recognize the organization that is best qualified to represent the horse owners and trainers for the various breeds participating in racing at all the racetracks in this state. The executive secretary may require each organization requesting recognition to supply additional information regarding its structure, membership, and programs. The Commission shall consider the following when determining which organization to recognize under this section:

(A) the experience and qualifications of the directors, executive officers, and other management personnel of the organization;

(B) the organization's benevolence programs for its membership and others participating in racing in this state; and

(C) the degree to which the organization's membership represents a fair and equitable cross-section of the horse owners and trainers participating at each of the racetracks in this state.

(4) Recognition given under this section is valid for two years.

(c) Authority and Responsibilities.

(1) An organization recognized under this section shall negotiate with each association regarding the association's live-racing program, including but not limited to the allocation of purse money to various live races, the exporting of simulcast signals, issues related to historical racing, and the importing of simulcast signals during live race meetings.

(2) An organization recognized under this section may inspect and audit an association's horsemen's purse accounts.

(3) An organization recognized under this section shall provide to the Commission on request a copy of the organization's most recent financial statements, minutes of board meetings, literature provided to its members, and any other records or information relating to the functions of the organization at Texas racetracks.

(4) An organization recognized under this section may not counsel or encourage its members to strike, embargo, boycott or employ similar tactics in dealing with an association.

(5) Not later than June 15 of each year, an organization recognized under this section shall submit to the Commission audited financial statements regarding its operations. The executive secretary may prescribe the form for the financial statements.

(6) The Commission may require or conduct an audit of the records of an organization recognized under this section to ensure the organization is complying with applicable law.

§ 309.361. Greyhound Purse Account and Kennel Account.

(a) Greyhound Purse Account.

(1) All money required to be set aside for purses, ~~whether from wagering on live races or simulcast races~~, are trust funds held by an association as custodial trustee for the benefit of kennel owners and greyhound owners. No more than three business days after the end of each week's wagering, the association shall deposit the amount set aside for purses into a greyhound purse account maintained in a federally or privately insured depository.

(2) The funds derived from a simulcast race for purses shall be distributed during the 12-month period immediately following the simulcast.

(b) Kennel Account.

(1) An association shall maintain a separate bank account known as the "kennel account". The association shall maintain in the account at all times a sufficient amount to pay all money owed to kennel owners for purses, stakes, rewards, and deposits.

(2) Except as otherwise provided by these rules, an association shall pay the purse money owed from a purse race to those who are entitled to the money not later than 10 days after the date of the race and from a stakes race to those who are entitled to the money immediately after the executive secretary advises the association that all of the qualifying rounds and the final race have been cleared for payment.

(c) The Texas Greyhound Association ("TGA") shall negotiate with each association regarding the association's ~~live~~-racing program, including but not limited to the allocation of purse money to various live races, the exporting of simulcast signals, issues related to historical racing, and the importing of simulcast signals during live race meetings.

(d) If an association fails to run live races during any calendar year, all money in the greyhound purse account may, at the discretion of the TGA, be distributed as follows:

(1) first, payment of earned but unpaid purses; and

(2) second, subject to the approval of the TGA, transfer after the above mentioned calendar year period of the balance in the purse account to the purse account for one or more other association.

(e) If an association ceases a live race meet before completion of the live race dates granted by the commission, the funds in and due the greyhound purse account shall be distributed as follows:

(1) first, payment of earned but unpaid purses;

(2) second, retroactive pro rata payments to the kennel owners; and

(3) third, subject to the approval of the TGA, transfer within 120 days after cessation of live racing of the balance in the greyhound purse account to the greyhound purse account for one or more other associations.

(f) Administration of Accounts.

(1) An association shall employ a bookkeeper to maintain records of the greyhound purse account and the kennel account.

(2) The Commission may at any time inspect, review or audit any and all transactions relating to the greyhound purse account and the kennel account.

§321.5. Pari-Mutuel Auditor.

(a) The pari-mutuel auditor is a representative of the Commission at a racetrack.

(b) The pari-mutuel auditor shall verify the wagering pool totals for each live and simulcast performance and any historical racing pools. The pari-mutuel auditor's verification of the pool totals is the basis for computing the amount of money to be set aside from each pool for the following:

- (1) horse purses;
- (2) greyhound purses;
- (3) the State;
- (4) the Texas Bred Incentive Programs;
- (5) the association; and
- (6) the winning wagerers.

(c) The pari-mutuel auditor shall also assist the executive secretary, the stewards or racing judges, and the Comptroller in investigating alleged violations of the Act, the Rules, or the Comptroller's rules relating to the totalisator system and pari-mutuel operations.

§ 321.12. Time Synchronization.

(a) Display and verification of the accurate off time and start of a live or simulcast race is critical. To ensure accurate verification of off time with the close of betting on all live and simulcast races, the association shall ensure:

- (1) Tote times shall be synchronized to an atomic clock on a start-of-day basis.
- (2) Source video signal shall be synchronized with the atomic clock.
- (3) The time of day shall be displayed at the start of the race in the HR:MN:SC format.

(b) Security system video, which monitors mutuel lines, shall be synchronized with the atomic clock.

§ 321.13. Pari-mutuel Track Report.

(a) Daily Pari-Mutuel Summary Report.

(1) An association shall prepare a pari-mutuel summary report for each day that pari-mutuel wagering occurs at its racetrack facility.

(2) The pari-mutuel summary report is the association's record of wagering activities at the racetrack.

(3) The association shall deliver a copy of the pari-mutuel summary report to the pari-mutuel auditor no later than 24 hours after the date of the performance for which the report was prepared.

(4) The report must contain, by each live and simulcast performance, and for each day historical racing is conducted, the following:

(A) net handle at:

(i) the association's racetrack facility; and

(ii) the outlets wagering on the association's live performance;

(B) payouts to the wagering public;

(C) breakage;

(D) settlements to the host racetrack or guest racetrack;

(E) all purses earned, broken out by source, such as live, historical racing, simulcast, cross species, and export;

(F) Texas Bred Incentive Program revenue;

(G) state tax; and

(H) association revenue.

(b) Monthly Pari-Mutuel Recap Report.

(1) The executive secretary shall prescribe a form for the monthly pari-mutuel recap report.

(2) The association shall file with the executive secretary a recap of pari-mutuel activity on the prescribed form. The monthly recap of pari-mutuel activity must be filed no later than the 30th day after the last day of the month for which the report is being filed.

§ 321.23. Wagering Explanations.

(a) An association shall include the following information in the official live programs and simulcast programs and post in places easily viewed by patrons and licensees on association grounds:

(1) a general explanation of pari-mutuel wagering;

(2) an explanation of each type of pari-mutuel wagering pool offered; and

(3) the expiration date of mutuel tickets and vouchers.

(a-1) Historical racing terminals operated by an association must provide:

(1) an explanation of the rules of the various types of wagers offered through that terminal; and

(2) information about the expiration date of vouchers issued by the terminal, which must be printed on the vouchers.

(b) Wagering explanations must be reviewed and approved by the executive secretary before publication.

§ 321.25. Wagering Information.

(a) An association shall make every effort to provide accurate wagering information to the Texas pari-mutuel patron for handicapping purposes. Examples of such information include:

- (1) the Daily Racing Form;
- (2) the official program; and
- (3) tip sheets.

(b) If wagering information is inaccurate for a live or simulcast race and the error is discovered before wagering has opened on the race, the mutuel manager shall:

(1) notify the pari-mutuel auditor and the stewards or racing judges, if available, of the error; and

(2) not open for wagering on the race until the correct information is obtained and verified.

(c) If wagering information is inaccurate for a live or simulcast race and the error is discovered after wagering has opened on the race, the mutuel manager shall:

- (1) notify the pari-mutuel auditor and stewards or racing judges, if available, of the error;
- (2) close wagering on the race;
- (3) announce via the public address system the wagering information error;

(4) refund the wagers, or pay prices and manually refund the wagers placed on the affected race by those pari-mutuel patrons who request a refund; and

(5) not reopen for wagering on the race until the correct information is obtained and verified.

(d) Wagering information for historical racing must be audited by an independent third party approved by the executive secretary before the information is displayed or wagers taken on the associated race.

§ 321.27. Posting of Race Results

An association shall submit to the executive secretary for approval a plan for providing ~~live and simulcast~~ race results to the wagering public. The plan must include:

- (1) methods by which the results will be provided;
- (2) types of results to be provided; and
- (3) the retention period of the race results.

Subchapter F – Regulation of Historical Racing

§ 321.701. Purpose

The Commission finds that pari-mutuel wagering on historical horse and greyhound races falls within its statutory grant of authority to regulate pari-mutuel wagering in connection with horse and greyhound racing. The mode and manner of pari-mutuel wagering on horse and greyhound races continues to evolve as the result of new technologies and innovations. Historical racing is distinct from live or simulcast racing. The Commission finds that its rulemaking authority can and should be used to respond to the changing technological, commercial, and societal needs, conditions, and patterns of the horse and greyhound racing industry. The primary advantage of historical racing is the additional revenue it provides for purses for live races conducted in this state. The Commission further finds it is in the public interest to encourage live racing, which promotes economic development in a variety of racing-related industries. Therefore, it is the Commission's intent to adopt and enforce rules relating to historical racing in a manner that will encourage live racing and enhance the state's agricultural, horse breeding, horse training, greyhound breeding, and greyhound training industries.

§ 321.703. Historical Racing

(a) A license to operate a pari-mutuel racetrack in this state held by an association that has been granted live race dates includes as a part of its privileges the privilege of conducting historical racing, subject to meeting the requirements of this subchapter and any other applicable Commission rules. Historical racing may only be conducted at times when wagering on live or simulcast racing is offered.

(b) Deductions from Association's Commission.

(1) A horse racing association may not begin conducting historical racing until it executes:

- (A) a valid contract with the horsemen's representative authorized under Section 309.299 of this title (relating to Horsemen's Representative) that establishes the portion of the association's commission that will be set aside for purses; and

(B) a valid contract with the official breed registries that establishes the portion of the association's commission that will be set aside for breeder incentives.

(2) The contracts required by this subsection shall not specify how deductions for purses and breeder incentives will be allocated among the various breeds.

(3) If a contract executed under subparagraph (b)(1)(A) or (B) of this section is terminated, expires, or otherwise lapses, and is not immediately replaced by a new contract, an association conducting historical racing shall continue paying purse contributions and breeder incentives at the levels provided for in the expired, terminated or lapsed contract until a new contract is executed. The new contract shall address the treatment of the payments made during the period in which a contract was not in place.

(c) Allocation of Deductions.

(1) Each horse racing association shall transfer the amount set aside for purses from historical racing into the purse accounts maintained by breed by the horsemen's representative under the Act, § 6.08(b)(3). The allocation of purse amounts among the breeds shall be determined by a separate written agreement between the horsemen's organization and the association. A copy of the executed written agreement must be submitted to the executive secretary. If at any time an agreement under this subsection is not in place, the association shall notify the executive secretary in writing and shall subsequently hold the amount set aside for purses from historical racing in escrow until an agreement is submitted.

(2) Each horse racing association shall transfer the amount set aside for breeder incentives from historical racing into accounts maintained by the breed registries. The allocation of breeder incentives among the breed registries shall be determined by a separate written agreement among the official state breed registries. A copy of the executed written agreement shall be submitted to the executive secretary and to the association. If at any time an agreement under this subsection is not in place, the association shall hold the amount set aside for breeder incentives from historical racing in escrow until an agreement is submitted.

(d) A greyhound racing association may not conduct historical racing unless it has a valid contract in place with the Texas Greyhound Association governing the portion of the association's commission that will be set aside for purses and breeder incentives. If a contract executed under this paragraph is terminated, expires, or otherwise lapses, and is not immediately replaced by a new contract, an association conducting historical racing shall continue paying purse contributions and breeder incentives at the levels provided for in the expired, terminated or lapsed contract until a new contract is executed. The new contract shall address the treatment of the payments made during the period in which a contract was not in place.

(e) To minimize the risk of business interruptions, the contracts required by paragraphs (b) and (d) of this section shall specify a process by which the parties will resolve disputes about the terms of any successor contracts.

(f) Breakage from historical racing shall be allocated pursuant to this paragraph. The use and distribution of the amounts transferred under this paragraph are subject to audit by the Commission.

(1) Two percent of the breakage derived from historical racing by a horse racing association shall be allocated to the equine research account under Subchapter F, Chapter 88, Education Code. Pursuant to § 6.08(h) of the Act, the remaining 98 percent of the breakage derived from historical racing constitutes “total breakage” and shall be transferred by the association into accounts maintained by the breed registries. The allocation among the breed registries of breakage derived from historical racing shall be determined within the written agreement described in paragraph (c)(2) of this section. The appropriate state horse breed registry shall pay out 80 percent of the total breakage as follows:

(A) 40 percent is allocated to the owners of the accredited Texas-bred horses that finish first, second or third;

(B) 40 percent is allocated to the breeders of the accredited Texas-bred horses that finish first, second or third; and

(C) 20 percent is allocated to the owner of the stallion standing in this state at the time of conception whose Texas-bred get finish first, second or third.

(2) Fifty percent of the breakage derived from historical racing by a greyhound racing association shall be shall be transferred by the association into accounts maintained by the Texas Greyhound Association. Of that portion of the breakage, one-half is to be used in stakes races. The breakage received by the Texas Greyhound Association under this paragraph is subject to the grant program requirements of Section 303.101(b) of this title (relating to Greyhound Breed Registry).

(g) An association seeking to conduct historical racing shall submit the form of the contracts required by paragraph (b) or (d) of this section to the executive secretary for review and approval. The association shall provide a copy of the executed contracts required by paragraph (b) or (d) of this section to the commission.

§ 321.705. Request to Conduct Historical Racing.

(a) In addition to the requirements of § 321.15, License to Provide Totalisator Services, and § 321.101, Totalisator Requirements and Operating Environment, an association must submit a written request to the Commission to receive approval to conduct historical racing, to offer new types of wagers, or to change the presentation or appearance of previously-approved wager types.

(1) The request must identify the types of wagers that will be offered, the presentation and appearance of the wagers, the types and numbers of historical racing terminals that the association will operate, the area(s) within the association’s enclosure where the terminals will be placed, and the date that operations will begin. The request may identify the number of historical racing terminals to be installed as a range, rather than a specific number.

(2) The request must be accompanied by a certification and the associated report from an independent testing laboratory verifying that the historical racing totalisator system has been

tested to ensure its integrity and proper working order, and that the system and the proposed wagers meets jurisdictional rules for historical racing.

(3) The Commission may require the association to submit additional information if the Commission determines that such information is necessary to effectively evaluate the request.

(b) In considering whether or not to approve a request to conduct historical racing, the Commission shall consider, but is not limited to, the following factors:

(1) whether the historical racing totalisator system and the proposed wagers comply with the applicable requirements for pari-mutuel wagering in connection with horse and greyhound racing as set forth in these rules and the Texas Racing Act;

(2) the regulatory compliance and conduct of the association, the financial stability of the association and the effect that allowing pari-mutuel wagering on historical races will have on the economic viability of the association;

(3) the impact of historical racing on purses and breeder incentives; and

(4) the public interest that will be served by historical racing.

(c) The Commission shall not approve any wager that would violate the prohibitions in Art. III, Sec. 47 of the Texas Constitution.

(d) An association conducting historical racing shall submit a request for approval to the executive secretary before:

(1) updating the software for the historical racing totalisator system; or

(2) installing new equipment to be operated as part of the historical racing totalisator system that was not included in the original request under subsection (a) of this section.

(e) The executive secretary shall provide a written response to a request under subsection (d) of this section within ten (10) days. If the executive secretary does not approve the request after ten (10) days, the executive secretary shall provide a written response identifying any unresolved issues that are preventing approval. The executive secretary may request a new certification and report pursuant to paragraph (a)(2) of this section to evaluate a change requested under subsection (d). The executive secretary shall notify the association if a new report and certification will be required within ten (10) days of receiving the request under subsection (d) of this section. If a new report and certification are requested, the executive secretary shall provide a written response to a request under subsection (d) within ten (10) days of receiving the new report and certification.

(f) The executive secretary may require an association to provide access to inspect and test a historical racing totalisator system for compliance with commission rules at any time.

(g) The commission shall not limit an association's ability to conduct historical racing based on the brand of historical racing terminal, as long as the totalisator system meets the requirements of the subchapter and any other applicable commission rules.

§ 321.707. Requirements for Operating a Historical Racing Totalisator System

(a) A historical racing totalisator system may be operated only within an association's enclosure.

(b) Once a patron deposits the wagered amount in the historical racing terminal, a race shall be chosen at random for presentation to the patron.

(c) Prior to the patron making wager selections, the terminal shall not display any information that would allow the patron to identify the race on which he or she is wagering, including the location of the race, the date on which the race was run, the names of the animals in the race, or the names of the jockeys that participated in the race.

(d) The terminal shall make available true and accurate past performance information on the race to the patron prior to making his or her wager selections. The information shall be current as of the day the race was run. The information may be displayed on the terminal in data or graphical form.

(e) After a patron finalizes his or her wager selections, the terminal shall show the race, or a portion thereof, and the official results and identity of the race.

(f) If there is a complete breakdown of a historical racing terminal, the association offering the wager shall make a full refund of the patron's balance on the terminal at the time of the breakdown, as verified by the historical racing totalisator system.

§ 321.709. Types of Pari-Mutuel Wagers for Historical Racing

In addition to the types of pari-mutuel wagers authorized for live racing in subchapter C, an association conducting historical racing may offer the types of pari-mutuel wagers for historical racing identified in the Association of Racing Commissioners International Model Rules, ARCI-004-155, as approved by the ARCI Board on July 31, 2013. Copies of ARCI-004-155 are available at the Texas Racing Commission, P.O. Box 12080, Austin, Texas 78711, or at the Commission office at 8505 Cross Park Dr., #110, Austin, Texas 78754. The commission may also approve additional types of pari-mutuel wagers for historical racing on a case-by-case basis.

§321.711. Historical Racing Pools; Seed Pools

(a) Except as specified in subsection (c) of this section, all payouts to winning historical racing wagers shall be paid exclusively from the pools of historical racing wagers. An association shall not conduct historical racing in a manner that allows patrons to wager against the association, or in a manner such that the association's commission depends upon the outcome of any particular race or the success of any particular wager. Payment of a winning wager shall not exceed the

amount available in the applicable pool and must be paid to the patron using cash or cash vouchers only.

(b) Seed pools shall be maintained and funded so that the amount available at any given time is sufficient to ensure that a patron will be paid the minimum payout for a winning wager as specified by the historical racing terminal through which the wager is placed. An association may assign a percentage of each historical racing wager to fund seed pools.

(c) An association shall provide the funding for the initial seed pool for each type of wager. The funding for the initial seed pool shall be non-refundable.

§321.713. Deductions from Pari-Mutuel Pools.

(a) Each association conducting historical racing may deduct a portion of each historical racing pool as its commission.

(b) The agreements required pursuant to §321.703(b) and (d) shall apply to the portion of the association's commission that remains after deduction of all licensing fees, royalties, expenses, and any other costs charged to the association by the Commission, by the providers of the equipment and technology used by the association, or by third parties who own rights to the races used by the historical racing totalisator system.

§ 321.715. Contract Retention; Pari-Mutuel Wagering Record Retention

(a) In addition to any other applicable approval requirements, all contracts executed by an association regarding historical racing are subject to inspection by the executive secretary. An association shall maintain each contract regarding historical racing for at least one year after the end of the term of the contract. An association must provide a copy of the contract to the executive secretary on request.

(b) Each association shall maintain complete records of all wagering on historical races, including the amounts wagered at each terminal in a historical racing totalisator system, for at least two (2) years.

§ 321.717. Effect of Conflict.

To the extent that a provision of this subchapter conflicts with subchapter A or requirements contained elsewhere in the Commission's rules, this subchapter controls with respect to historical racing.

§ 321.719. Severability.

If any part of this subchapter or its application to any person or circumstance is held invalid, the invalidity does not affect other parts or applications of the rules that can be given effect without the invalid part of application, and to this end, the rule is severable.

EXHIBIT B

The Commission has the statutory authority to adopt rules permitting pari-mutuel wagering on historical races. The purpose of the Texas Racing Act (“TRA”) is “to provide for the strict regulation of horse racing and greyhound racing and the control of pari-mutuel wagering in connection with that racing.” TRA, § 1.02. To accomplish that purpose, the Legislature gives the Commission extensive powers to “*license and regulate all aspects*” of pari-mutuel wagering on horse and greyhound racing through the Commission’s rule-making authority. TRA, §§ 3.02(a), 3.021(a), 11.01(a). Such power impliedly allows the Commission to exercise its discretion to promulgate rules on any phase of the regulated activity and the particular needs of the regulated industry. *Pruett v. Harris Cty. Bail Bond Bd.*, 249 S.W.3d 447, 453 (Tex. 2008). “An essential part of the office of a regulatory agency” is to use its rulemaking power to respond effectively to new developments and adapt to changing technological, commercial, and societal needs, conditions, and patterns of the regulated industry. *Am. Trucking v. A., T. & S. F. R. Co.*, 387 U.S. 397, 416 (1967). *See also, Motor Veh. Mfrs. Assn. of U.S. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 42 (1983) (agency “must be given ample latitude to ‘adapt [its] rules and policies to the demands of changing circumstances.’”).

The TRA embodies the Legislature’s expectation that the Commission will use its licensing, regulatory and rule-making powers to help the Texas racing industry stay competitive by keeping pace with new technological developments and with the innovative pari-mutuel wagering opportunities those developments have made possible. TRA § 3.02(g). It is reasonable to conclude that the Legislature intends the Commission to exercise those powers to authorize pari-mutuel wagering using new and emerging technologies and mediums, like pari-mutuel wagering on historical races, should the Commission decide that wagering by such means is in the best interests of the Texas racing industry.

Letters and Emails of Support

J.E. and M.K. Helzer

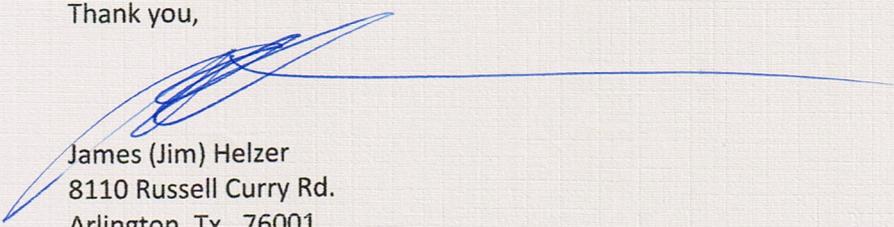
May 27, 2014

Texas Racing Commission
%Chuck Trout Executive Director
P. O. Box 12080
Austin, Tx. 78711
chuck.trout@txrc.texas.gov

Dear Commissioners,

As a Texan involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horses, horsemen and women to stay in Texas.

Thank you,



James (Jim) Helzer
8110 Russell Curry Rd.
Arlington, Tx. 76001
jehelzer@yahoo.com

J.E. and M.K. Helzer

May 27, 2014

Texas Racing Commission
%Chuck Trout Executive Director
P. O. Box 12080
Austin, Tx. 78711
chuck.trout@txrc.texas.gov

Dear Commissioners,

As a Texan involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horses, horsemen and women to stay in Texas.

Thank you,



Marilyn Helzer
8110 Russell Curry Rd.
Arlington, Tx. 76001
mkhelzer@yahoo.com

EILEEN H. HARTIS

May 28, 2014

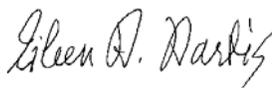
Chuck Trout, Executive Director
Texas Racing Commission
PO Box 12080
Austin, TX 78711

Dear Mr. Trout and Commission Members:

My family has been in the thoroughbred breeding and racing business in Texas for over twenty years. In spite of our support and persistent optimism, the Texas horse industry has failed to achieve anything close to its great potential. Our efforts, like those of many others, have produced only repeated and significant losses. The restrictions placed upon the racing industry in Texas have resulted in dismally small purses that negatively impact the quality of the breed, the level of racing, and prices at state and national sales. Even though we have bred several nationally and regionally prominent horses on our small farm, economic considerations have been forced us now and in the past to breed, board, and race outside of Texas. The state of Texas is losing an industry while passively witnessing the loss of millions in potential revenues to neighboring states and to unrestrained illegal gaming here. Texas owners, breeders, farm and racetrack workers, and the racetracks and farms themselves are on the brink extinction.

Please place historical racing on the June 10th agenda. We also respectfully request that the racing commission approve this first step in permitting Texas racing to freely compete with other gaming interests.

Sincerely,



Texas Thoroughbred Association Board Member

Elgin
VETERINARY HOSPITAL, INC.

Robert D. Lewis DVM
Gary D. Warner DVM
J. Thomas Hays DVM
Brian D. Brandon DVM
Marty D. Tanner DVM

P.O. Box 629 • Elgin, TX 78621
Bovine (512) 285-5362 • Metro (512) 281-1244
Equine Office (512) 285-3395 • Metro (512) 281-3396
Fax (512) 285-3398
elginveterinaryhospital.com

May 29, 2014
Texas Racing Commission
Chuck Trout, Executive Director
P.O. Box 12080
Austin, TX 78711

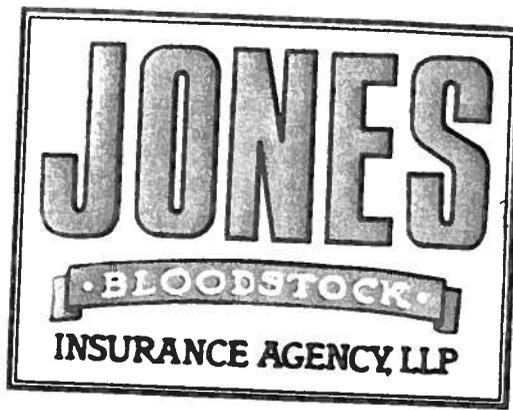
Dear Commissioners:

As President of the Texas Horsemen's Benevolent and Protective Association and Chairman of the Texas Horsemen's Partnership which represents all licensed owners and trainers of race horses in Texas, I ask you to approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe this new technology is only a natural progression in any business which wishes to compete in the 21st century. This technology is already being used in numerous states and it has been found to be legal and very beneficial for the horse industry's ability to compete in this highly technological world we live in nowadays.

Thank you for your consideration,



Dr. Tommy Hays



May 29, 2014

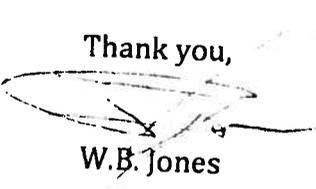
Texas Racing Commission
Chuck Trout, Executive Director
PO Box 12080
Austin, TX 78711

Dear Commissioners,

As a Texan, I have been involved in all areas of the Texas Horse Racing Industry for over 40 years. I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horsemen and horses to stay in Texas.

Our industry is truly suffering and we need any help available. As commissioners, you have the authority to support this proposal the Horse industry truly needs.

Thank you,



W.B. Jones

Glorianna Farm

June 2, 2014

Texas Racing Commission
Chuck Trout, Executive Director
PO Box 12080
Austin, TX 78711
Via: chuck.trout@txrc.texas.gov

Dear Mr. Trout,

I am a longtime thoroughbred breeder in Jasper Texas and on the Texas Thoroughbred Association board for many years. I am hopeful you will place draft rules regulating pari-mutuel wagering on historical races on the agenda for the June 10 TEC meeting.

This will surely be a boost for our declining business.

Thank You,



Ed Few

Elgin
VETERINARY HOSPITAL, INC.

Robert D. Lewis DVM
Gary D. Warner DVM
J. Thomas Hays DVM
Brian D. Brandon DVM
Marty D. Tanner DVM

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Fax (512) 285-3398
elginveterinaryhospital.com

May 29, 2014
Texas Racing Commission
Chuck Trout, Executive Director
P.O. Box 12080
Austin, TX 78711

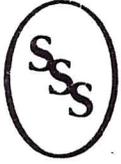
Dear Commissioners:

As President of the Texas Horsemen's Benevolent and Protective Association and Chairman of the Texas Horsemen's Partnership which represents all licensed owners and trainers of race horses in Texas, I ask you to approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe this new technology is only a natural progression in any business which wishes to compete in the 21st century. This technology is already being used in numerous states and it has been found to be legal and very beneficial for the horse industry's ability to compete in this highly technological world we live in nowadays.

Thank you for your consideration,



Dr. Tommy Hays



Southwest **STALLION STATION**
P.O. Box 468 Elgin, Texas 78621

Ranch (512) 285-4833 FAX (512) 285-4897

May 29, 2014

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

Dear Commissioners:

As a fellow Texan who is involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I am confident this new technology will motivate Texas horses and horsemen to stay in Texas.

Thank you in advance for your vote of support for this rule proposal.

Tyler D. Graham



Southwest **STALLION STATION**
P.O. Box 468 Elgin, Texas 78621

Ranch (512) 285-4833 FAX (512) 285-4897

May 30, 2014

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

Dear Commissioners:

As a Texan who is significantly involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I believe this advanced technology will motivate Texas horsemen to stay in Texas.

Thank you in advance for your vote of support for this rule proposal.

Charles W. Graham, D.V.M.

Jan Haynes, President
Texas Thoroughbred HBPA
Austin, Texas
June 1, 2014

Texas Racing Commission Members
Austin, Texas

RE: Proposed Rules For Implementation And Regulation Of Pari-mutuel Wagering On
Horse And Greyhound Racing In Texas

Commissioners:

On May 5th, representatives of the Texas horse and greyhound industries met at the THP offices in Austin and were presented with a widely agreed upon final draft of proposed TRC rule revisions which, if adopted, would facilitate the implementation of pari-mutuel wagering on historic horse and greyhound races. My board, which is elected by and represents all licensed owners and trainers of Thoroughbred horses involved in pari-mutuel racing in Texas, strongly encourages you to support these rule revisions and asks that you place them on the agenda of the June 2014 TRC meeting for proposal to be published in the Texas Register for possible final adoption at a subsequent Commission meeting.

Based upon results in other jurisdictions, my board believes that the revenue generated from wagering on historical races could be a very significant stimulus to pari-mutuel racing in Texas, as well as to the multitude of agricultural and entertainment industries to which our industry contributes. We also believe that the ability to regulate this form of wagering, based upon legal opinions and rulings in other jurisdictions, is within your authority and responsibility.

The TTHBPA compliments the individuals and/or groups who crafted the final draft of rule revisions presented to the industry representatives on May 5th. They had the foresight and prudent judgment to leave decisions regarding division of purse and breed revenue to be decided contractually between the tracks, the official horsemen's representative (for purses and allocation of purses by breed) and the official breed registry (for breeder's awards). The proposal also provides a process for settlement of issues between those entities, should they be unable to reach agreements. Additionally, the TTHBPA has agreed to forego the pursuit of its' proposed rule to change the manner by which inbound simulcast purse revenue is allocated by breed, pending the results of the pari-mutuel wagering on historical races proposal. Although simulcast purse revenue allocation is in no way related to wagering on historic races, it is and has been for many years, controversial. Such a moratorium on any and all possibly controversial purse issues between the breeds was suggested by Dr. Tommy Hays at the TRC Rules Committee meeting last March, and my board concurs. We feel this decision enables the industry to go forward with total unity, in support of an issue that is of significant importance to the State of Texas.

Again, the TTHBPA requests your support of the implementation of pari-mutuel wagering on historic races. Thank you for your time.

Respectfully,

Jan Haynes
TTHBPA President

June 2, 2014

Texas Racing Commission
Chuch Trout, Executive Director
P. O. Box 12080
Austin, Texas 78711

Dear Commissioners:

As a licensed participant in the Texas racing industry, I ask that you approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe that this technology will be beneficial to Texas racing, as it has been in the other racing states where this technology is being used.

Thank you,

Michael S. Amburn
22 Hudson Circle
Houston, Texas 77024

June 2, 2014

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

Commissioners,

As a Texan involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutual wagering on historical Races at the June 10th meeting. I believe this new technology will encourage Texas horses and horsemen to stay in Texas instead of moving our horses to the surrounding states that have the purses to support our industry! We need to keep our Businesses and our Horses here in our GRAND state of TEXAS!!!

Thank You

RC Running Horses
Alfred and Melba Jo Riedel
1450 FM 2438
Seguin, TEXAS 78155

2 June 2014
Texas Racing Commission
Chuck Trout
Executive Director
PO Box 12080
Austin, TX 78711

Dear Commissioners

Please consider favorably the proposed rules which regulate pari-mutual wagering on historical racing.

I am a Texas resident and a licensed racehorse owner operating a breeding farm and racing both thoroughbred and quarter horses.

I believe the addition of historical racing will be beneficial to the Texas horse industry. It has been and is continuing to be beneficial in other racing states where used.

Thank you in advance for your favorable consideration of the proposed rules.

John A. Synowsky
Champion Equine Performance Horses
510 Sugartree Drive
Lipan, TX 76462

June 1, 2014
Texas Racing Commission
Chuck Trout, Executive Director
P.O. Box 12080
Austin, Texas 78711

Dear Commissioners,

As a member of the Texas Thoroughbred Association Board of Directors actively involved in the Texas horse racing industry, I urge you to place draft rules regulating pari-mutuel wagering on historical races on the agenda for the June 10 TRC meeting.

I believe this is a natural extension of pari-mutuel wagering on live and simulcast horse racing and will be beneficial to our industry, as it has been in other states such as Arkansas and Kentucky.

Thank you,

William J. Tracy
6476 E. Hwy 290
Fredericksburg, Texas 78624

From: Jerry Windham
Sent: Saturday, May 31, 2014 9:09 AM
To: Chuck Trout
Subject: Historical Races

Dear Commissioners:

As a Texan breeding and raising race bred Quarter Horses in Texas, I encourage you to support the rule proposal regulating pari-mutual wagering on historical racing at your June 10, 2014 meeting. This will encourage horsemen to continue to raise horses in Texas and allow those who left Texas to return here with their operations.

Sincerely,

Jerry Windham
2000 Windham Ranch Road
College Station, TX 77845

May 28, 2014

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

Dear Commissioners:

As a licensed owner in the Texas racing industry, I ask that you approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe that this technology will be beneficial to Texas racing, as it has been in the other racing states where this technology is being used.

Thank you,

John F. Synowsky
Champion Equine, LLLP
500 Sugar Tree Dr.
Lipan, TX 76462

Sent: Sunday, June 01, 2014 11:59 AM

Dear Mr. Trout: This is on behalf of our Thoroughbred Owners and Trainers, whom I represent as a Director of the TBHBPA.

I request that the Commission take the first step in placing the proposed rule change for historic racing on the upcoming June TRC agenda.

Thank You:
Lane M. Hutchins

Sent: Monday, June 02, 2014 6:47 AM

Dear Commissioners,

As an owner and breeder involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutual wagering on historical racing at the June 10th meeting. I believe this new technology will encourage Texas horsemen to stay in Texas.

Respectfully,

Gus Barakis
700 Scarlett Rd.
Weatherford, Texas 76087

Sent: Monday, June 02, 2014 9:05 AM

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

Dear Commissioners,

As a lifelong Texan, horse breeder and owner, involved in the Texas horse industry, I ask you to support the rule regulating pari-mutual wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horses and horsemen to stay in Texas. Please give this proposal a positive vote.

Thank you,

Jerry Gaston
1591 Good Luck Road
Seguin, TX 78155

June 1, 2014
Texas Racing Commission
Chuck Trout, Executive Director
P.O. Box 12080
Austin, TX 78711

Dear Commissioners:

As a licensed participant in the Texas racing industry, I ask that you approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe that this technology will be beneficial to Texas racing, as it has been in the other racing states where this technology is being used.

Respectfully,

Lewis (Tooter) Jordan
P O Box 310261
1179 Barbarosa Rd
New Braunfels, Tx 78131

Sent: Monday, June 02, 2014 11:16 AM

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

Dear Commissioners,

As a member of the Texas Thoroughbred Association Board of Directors actively involved in the Texas horse racing industry, I urge you to place draft rules regulating pari-mutuel wagering on historical races on the agenda for the June 10 TRC meeting. I believe this is a natural extension of pari-mutuel wagering on live and simulcast horse racing and will be beneficial to our industry, as it has been in other states such as Arkansas and Kentucky.

Thank you,

Richard Penn
4511 Pecan Orchard
Parker, Texas 75002

Sent: Monday, June 02, 2014 11:42 AM

June 2, 2014

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

Dear Commissioners,

{As a Texan involved in the Texas horse industry}, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horses and horsemen to stay in Texas.

Thank you,

Tim Fulton
Fulton Enterprise
PO Box 16860
Lubbock, Tx 79490

Sent: Friday, May 30, 2014 10:48 AM

Dear commissioners,
as a member o f the t.a.b.a. board of director actively involved in racing in texas for some 20 plus years,I urge you to place rules regulating pari- mutualwagering on historical races on the agenda for the june 10 meeting.i believe this product could be the salvation of racing in tx. And has proven to be very beneficial in the states that have implemented such.

Sincerely,

ray teutsch
estrellita ranch
26039 mitchell road
Hempstead, tx 77445.

May 30, 2014

Dear Commissioners,

Being a native bilingual Texan involved in the Texas horse industry, I truly encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting of the Texas Racing Commission.

This new technology will encourage Texas horsemen and horsewomen to keep racing their horses in Texas, and it will also benefit the horse breeding industry in our great state of Texas.

I would greatly appreciate your support.

Respectfully,
Maria B. Meras

Sent: Friday, May 30, 2014 9:34 AM

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

Dear Commissioners,

As a lifelong Texan and horse owner involved in the Texas horse industry, I ask you to support the rule regulating pari-mutual wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horses and horsemen to stay in Texas. Please give this proposal a positive vote.

Sincerely,

Bob A. Gaston
1591 Good Luck Road
Seguin, Texas 78155

Sent: Friday, May 30, 2014 9:06 AM

Dear Texas Racing Commissioners:

As a licensed trainer who is actively participating in the Texas racing industry, I respectfully request that you approve the proposed rules which regulate pari-mutual wagering on historical racing. I firmly believe that this technology will be extremely beneficial to Texas racing, as it has proven to be in the other racing states where it is currently being utilized.

Thank you in advance for your consideration of this request.

Danny Pish
1479 Wiedner Road
Cibolo, TX 78108
210-867-2475

Sent: Friday, May 30, 2014 8:47 AM

Dear Commissioners,

As a member of the Texas Thoroughbred Association Board of Directors actively involved in the Texas horse racing industry, I urge you to place draft rules regulating pari-mutual wagering on historical races on the agenda for the June 10 TRC meeting. I believe this is a natural extension of pari-mutual wagering on live and simulcast horse racing and will be beneficial to our industry, as it has been in other states such as Arkansas and Kentucky.

Thank you,

Daniel Shifflett
Manager of Lanesend Texas
26685 Mitchell Rd.
Hempstead, Texas 77445

Sent: Friday, May 30, 2014 8:45 AM

May 30, 2014,

Dear Commissioners,

On behalf of myself and my children, I ask you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10 meeting of the Texas Racing Commission.

I have worked in the racing business since 1999 and have watched horse racing in Texas dwindle. Our GREAT STATE of Texas is continuing to lose more and more horsemen and women to other states due to incentives they have to offer. The new technology in my opinion will not only encourage Texas horsemen and women to keep their horses racing in Texas, but will also help the Texas breeder.

Thank you in advance,

Staci Foix

May 29, 2014

Dear Commissioners,

We desperately need Texas horseman to keep their horses racing in Texas. I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting of the Texas Racing Commission.

This new technology should greatly benefit the horse breeding industry in our state. Thank you.

Best regards,

Mark Herron
P.O. Box 83
Bluff Dale, TX 76433

May 27, 2014

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

Dear Commissioners,
{As a Texan involved in the Texas horse industry}, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting. I believe this new technology will encourage Texas horses and horsemen to stay in Texas.

Thank you,

Jorge Haddad
850 Woelke rd
Seguin Tx 78155

Sent: Thursday, May 29, 2014 5:13 PM

Chuck:

As an owner/partner and ardent Thoroughbred racing fan, I encourage you to take the appropriate action to approve the rules regulating pari-mutuel wagering on historical races.

The sport in Texas needs additional financial support to increase public interest, improve purse money, and provide capital to enhance the racing facilities (public facing and on the backside for horsemen and animals). I believe wagering on historical racing is a natural extension of live/simulcast horse racing that will provide the much-needed additional revenue streams that will elevate the quality of racing in the Lone Star State.

On behalf of the owners, breeders, vets, and Texas Horsemen alike, I hope we can count on your support on this matter.

Best regards,

JR Garcia
Green Park & Golf Ventures
5910 N. Central Expressway, Suite 200
Dallas, TX 75206

May 29, 2014

Dear Commissioners,

As a lifelong Texan involved in the Texas horse industry, I encourage you to support the rule proposal regulating pari-mutuel wagering on historical races at the June 10th meeting of the Texas Racing Commission.

I believe this new technology will encourage Texas horsemen to keep their horses racing in Texas and will benefit the horse breeding industry in Texas.

Respectfully,

Ben Hudson
P.O. Box 222
Morgan Mill, Texas 76465

Sent: Thursday, May 29, 2014 2:41 PM

Dear Commissioner,

I have been training and racing thoroughbreds for over 20 years. I train a stable of over 80 horses and race throughout the country. I was born and raised in Grand Prairie, TX. Both myself and my owners want to keep our horses training and racing in the state. Unfortunately, it's a struggle in the current environment.

I ask that you approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe that this technology will benefit Texas racing as it has other racing states where it is being used. It is a positive step to stem the decline in Texas racing, while all surrounding states thrive.

Sincerely,

W. Bret Calhoun

Sent: Thursday, May 29, 2014 12:20 PM

Chuck:

As a horse owner, both solely and as a partner, and as a Thoroughbred racing fan, I encourage you to take the appropriate action to approve the rules regulating pari-mutuel wagering on historical races.

The sport in Texas needs additional financial support to increase public interest, improve purse money, and provide capital to enhance the racing facilities (public and on the backside). I believe wagering on historical racing is a natural extension of live/simulcast horse racing that will provide the much-needed additional revenue streams that will elevate the quality of racing in Texas.

On behalf of the owners, breeders, vets, and Texas Horsemen alike, I hope we can count on your support on this matter.

Best regards,

John Chaussee
2725 Milton
Dallas, TX 75205

May 29, 2014

Texas Racing Commission
Chuck Trout, Executive Director

PO Box 12080
Austin, TX 78711

Dear Commissioner,

As a member of the Texas Thoroughbred Association Board of Directors actively involved in the Texas horse racing industry, I urge you to place draft rules regulating pari-mutuel wagering on historical races on the agenda for the June 10 TRC meeting. I believe this is a natural extension of pari-mutuel wagering on live and simulcast horse racing and will be beneficial to our industry, as it has been in other states such as Arkansas and Kentucky. This is a critical item for all Texas horsemen which requires immediate action.

Thank you for your support,

Larry "Stan" Huntsinger
1319 Armadillo Drive
Waco, TX 76712

Sent: Thursday, May 29, 2014 6:11 AM

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

Dear Commissioners,

As a Texan involved in the Texas horse racing industry, I urge you to approve rules regulating pari-mutuel wagering on historical races. I believe this is a natural extension of pari-mutuel wagering on live and simulcast horse racing and will be beneficial to our industry, as it has been in other states such as Arkansas and Kentucky.

Thank you.

Brian Laufer
705 Ashleigh Lane
Southlake TX 76092

Sent: Wednesday, May 28, 2014 8:31 PM

Chuck:

As an owner, managing partner, and ardent Thoroughbred racing fan, I encourage you to take the appropriate action to approve the rules regulating pari-mutuel wagering on historical races.

The sport in Texas needs additional financial support to increase public interest, improve purse money, and provide capital to enhance the racing facilities (public and on the backside). I believe wagering on historical racing is a natural extension of live/simulcast horse racing that will provide the much-needed additional revenue streams that will elevate the quality of the racing in the Lone Star State.

On behalf of the owners, breeders, vets, and Texas Horsemen alike, I hope we can count on your support on this matter.

Best regards,

Fred Taylor, Jr.
Mojo Thoroughbred Holdings, LLC

Sent: Wednesday, May 28, 2014 2:32 PM

Dear Commissioners:

As a licensed trainer in Texas, I ask you to approve the proposed rules which regulate pari-mutuel wagering on historical racing. I believe that this technology will be beneficial to Texas racing as it has been in other states.

Thank you,
Mike Robbins

Sent: Tuesday, May 27, 2014 10:20 PM

Chuck, as a 30 year Texan and life-long racing fan, I urge you and the other commissioners to approve the rules regulating pari-mutuel wagering on historical races. This will be helpful to our Texas thoroughbred industry and is consistent with our support of pari-mutuel wagering on live and simulcast.

I have personally participated in the historical races in Kentucky and truly enjoyed the experience and look forward to the same in Texas.

Thanks for your and the other commissioners approval of wagering on historical races. Thanks. ...Tom

Thomas Keith
767 Greenway Drive
Coppell, Texas 75019

Other Rule Proposals

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: May 13, 2014

***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.texas.gov

Contact Information:

Name:	Brian C. Newby	Phone(s):	817 877-2825
E-mail address:	bnewby@canteyhanger.com	Fax number:	817 878-2807
Mailing address:	600 West 6 th Street, Suite 300, Fort Worth, Texas 76102		

Check appropriate box(s)

<input type="checkbox"/>	Personal Submission <i>OR</i>
<input checked="" type="checkbox"/>	Submission on behalf of <u>Saddle Brook Park, LLC</u> (Name of Organization)

<input type="checkbox"/>	If known, Proposed Change to Chapter:	Chapter: _____	Rule: _____
<input checked="" type="checkbox"/>	If known, Proposed Addition to Chapter:	Chapter: <u>309</u>	Rule: <u>309.13</u>
<input type="checkbox"/>	If known, Other Rules Affected by Proposal:	Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____
		Chapter: _____	Rule: _____

A. Brief Description of the Issue

Renewal of a Temporary License Prior to its Expiration

According to § 6.15 of the Texas Racing Act, after an association has been granted a license to operate a racetrack and before the completion of construction at the designated place for which the license was issued, the commission may, on application by the association, issue a temporary license that permits the association to conduct races at a location in the same county. The originally granted temporary license allows an association to hold races at a location in the same county for a period of two years. The Act specifies that “after a temporary license has **expired**, no individual, corporation, or association, nor any individual belonging to a corporation or association which has been granted a temporary license, **may get an extension** of the temporary license or a new temporary license.” (emphasis added). A careful reading of the Act clearly shows the Texas legislature gave the Texas Racing Commission (“the Commission”) the authority to set the conditions and standards for issuance of a temporary license. Because the Act only specifies that a temporary license may not be renewed *after it has expired*, the language of the Act reserves the authority for the Commission to renew a license prior to its expiration.

An applicant for license must pay all application fees as set forth in § 6.15 of the Texas Racing Act. Saddle Brook has paid all annual licensing fees in a timely manner since the original Class II license was granted in October 2012. This includes a \$230,000 fee for 2013 (paid in advance) and the monthly fees for 2014, paid monthly, which will total \$230,000 - not an insignificant ongoing financial investment. Additionally, wagering on simulcast races conducted by Saddle Brook has generated approximately \$5 million in total handle since December 2012, generating over \$250,000 in combined purse money and breeder’s awards for our state’s horsemen. This incremental wagering handle and revenue for the industry is being generated from a region of the state whose residents have no other viable in-state access to watch and wager on pari-mutuel racing.

There is no prohibition against renewing a temporary license prior to its expiration in the Act or the Rules. As such, the Commission has the power to renew a temporary license prior to its expiration. In considering whether to renew a temporary license, the Commission should apply the factors it uses to determine whether a license holder has taken actions to demonstrate good faith efforts to conduct live racing. These factors include the following criteria:

- (1) presently conducting pre-opening simulcasting;**
- (2) simulcasting or live racing is imminent...**

See 16 Tex. Admin. Code § 309.51.

Saddle Brook is presently conducting simulcasting and has demonstrated its good faith efforts to conduct live racing. As it has consistently set forth to the Commission, Saddle Brook intends to conduct live racing as soon as it is economically feasible to finance and construct its track. Therefore, in consideration of these factors, the Commission should renew Saddle Brook’s temporary license prior to its expiration in October 2014.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the issue affect?*
- *What existing model rules relate to this issue?*
- *Provide relevant quantitative or statistical information if possible.*

The State of Racing in Texas

The current state of racing in Texas is no mystery to those in the industry and to state officials, including members of the Commission. As you know, the 81st Legislature passed House Concurrent Resolution 252 (HCR 252) calling for a study of the horse and greyhound racing industry in Texas. Although the measure was vetoed by Governor Perry, the Commission nonetheless conducted the study and filed a report to the Governor, Lieutenant Governor and Speaker of the House of Representatives on January 13, 2011. The report, entitled *The Study of the Current State of Horse and Greyhound Racing in Texas and Industry Recommendations for Improvement*, indicated the Texas racing industry has suffered decline in virtually every measurable category. The report noted that several tracks have shut down, some Class 1 and 2 tracks had ceased operations for live racing and the success of out-of-state race tracks fueled the loss of purse money to nearby states. The report also noted that New Mexico has five race tracks, Oklahoma has three race tracks and Louisiana has four race tracks, all of which also have slot machines. In addition, the states have some form of casino gambling. With the tremendous draw of racing away from the state of Texas, coupled with illegal gaming and internet wagering, Texas lost its position to its neighboring states as a leader in the pari-mutuel racing industry. For example, in 1998, total handle at Texas pari-mutuel tracks stood at over \$477 million. By 2013, per the *2013 Annual Report* of the Commission, the totals had declined to \$316 million, and are declining still today. Annual purse money for Texas owners, breeders and trainers has declined from approximately \$40 million in 1998, to less than \$27 million in 2013. As the industry suffers decline, breeding operations, training and veterinarians continue to leave the state for greener pastures in states with higher purses and greater breeding incentives.

Saddle Brook began simulcasting in December 2012. As a licensed, yet unbuilt track, Saddle Brook must contend with the need to secure reasonable financing for the construction of a \$10 to \$20 million dollar horse race facility in an era of declining revenues. An increase in the time period for pre-opening simulcast was proposed during the 83rd legislative session by Senator Kel Seliger, favorably passed by the Senate Finance Committee, approved by the full Senate and passed out of the House Licensing and Administration Committee. Senate Bill 1340 was a simple change to the Act to allow licensed, but unbuilt horse tracks, to offer pre-opening simulcasting for a period not to exceed six years (4 year extension) before they began live racing. SB 1340 had the support of the Texas-based American Quarter Horse Association, Texas Quarter Horse Association, Texas HORSE, Texas Thoroughbred Association, and Texas Horsemen's Partnership. SB 1340's inevitable final passage into law became a victim of the time constraints experienced at the end of the legislative session.

The Texas Racing Commission has the authority to designate a race track license as an active license or an inactive license under Section 6.0601 of the Texas Racing Act:

Sec. 6.0601. Designation Of Active And Inactive Racetrack Licenses

(a) The commission shall designate each racetrack license as an active license or an inactive license. The commission may change the designation of a racetrack license as appropriate.

(b) The commission shall designate a racetrack license as an active license if the license holder:

- (1) holds live racing events at the racetrack; or
- (2) makes good faith efforts to conduct live racing.

...

(e) An active license is effective until the license is designated as an inactive license or is surrendered, suspended, or revoked under this Act.

As an active–other license holder, Saddle Brook effectively holds that status of license until it is surrendered, suspended, revoked, or changed to inactive by the Commission, and is required to comply with the Act and the Rules. Approval of the proposed renewal process will not run afoul of statutory license designation. Continuing a licensee’s status is also addressed in the current rules.

RULE §309.1 Racetrack Licenses

...

(b) Duration of License. The Commission may suspend, revoke or change the designation of a license in accordance with the Act and these rules. By agreement with the Commission, an association may voluntarily surrender a racetrack license for suspension or revocation.

(c) Conditions.

(1) Except as otherwise provided by this section, a license issued by the Commission is a privilege, not a right, and is conditioned on the licensee's compliance with the Act and the Rules.

(2) If the Act or a rule is amended, the continued holding of a license is conditioned on the licensee's compliance with the Act or rule as amended. ...

Being an active-other license holder comes with a number of specific requirements that must be met by Saddle Brook and the Commission continues to have its oversight.

RULE §309.51 reads in part:

(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*

Saddle Brook has been consistent in its position that to be viable in today's horse racing industry, a license holder must be able to prove to potential lenders a reliable and steady revenue stream, from pre-opening simulcasting, in order to secure financing for the construction of a \$10-20 million live racing facility. Saddle Brook has shown a record of success to the Commission and the industry. If racing is to survive, a license renewal must be put in place to allow sufficient time for an Active-Other license holder to show stable revenues and the ability to repay the financial outlays of banks or other investors.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

It is important to the horse racing and breeding industry to continue license holder presence in the Panhandle of Texas. Saddle Brook has been an outstanding Active-Other license holder, experienced, financially viable and willing to work with the Commission to find solutions to issues that are in the best interest of the industry. Allowing a renewal of the license will allow Saddle Brook to continue increasing simulcast revenues while continuing support for purses and breeders awards. Such a renewal will *not* be an expansion of wagering from the current status of legal pari-mutuel wagering in this state. This ability to renew would also positively affect the following entities: (1) Any Active-Other license holder(s) which meet the Commission's criteria for renewal, and be a positive step to ensuring the viability of racing in the state; (2) the Commission, through continued support by licensing fees; and (3) the Texas horse racing and breeding industries through the continued contributions to breeder awards and purses. A reduction of Active-Other license holders will have the opposite effect and continue the declining status of racing in the state.

D. Support or Opposition

Please identify any affected stakeholder groups that expressed support or opposition. (These stakeholders may include the racetracks, breed registries, owners, kennel owners, trainers, jockeys, veterinarians, or others.)

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

Please see Attachments A-C for stakeholder support.

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please strikeout the language to be deleted. Please show new language with underlined text.

309.13. Temporary License to Conduct Racing.

(a) Issuance of Temporary License. Upon written application by an association, the Commission may issue the association a temporary license to conduct racing at a location other than the designated location if:

- (1) the association currently holds a valid racing license from the Commission;
- (2) the association has not completed construction of its facilities at its designated location;
- (3) the temporary location is located within the same county as the designated location;
- (4) the conduct of racing at the temporary location complies with all zoning laws;
- (5) the association owes no outstanding debts to the Commission for fees or bonds;
- (6) the Commission has granted future live race dates to the association; and
- (7) the Commission finds that issuing the temporary license is in the public interest.

(b) Form of Written Application. An association's written application for a temporary license shall include:

- (1) a description of the association's existing facilities at its designated location;
- (2) a description and site map of the proposed temporary location;
- (3) plans or schematic drawings of the proposed temporary facilities, including parking and any proposed improvements;
- (3) a management and business plan describing the association's strategy for funding and completing construction of its permanent facility within two years;
- (4) financial statements reflecting the assets and liabilities of the association;
- (5) a map and inventory reflecting the current residential, commercial, industrial, religious and government uses for all property within one-half mile of the proposed temporary location;
- (6) resumes and required background disclosure forms for all key management personnel; and
- (7) any other information required by the Commission.

(c) Expiration of Temporary License. Except as provided in subsection (d) of this section, a temporary license expires two years after the date of issuance of the temporary license to the association or on the completion of the permanent facility, whichever occurs first.

(d) Extension of Temporary License. Before the expiration of a temporary license, the Commission may grant an association a two-year extension of the temporary license. To request an extension, the association must submit a request in writing that includes a detailed management and business plan. Any such request filed prior to January 1, 2015, must be submitted no later than thirty (30) days before the expiration of the temporary license. Any such request filed on or after January 1, 2015, must be filed no later than one hundred eighty (180) days prior to the expiration of the temporary license. The timely filing of a request shall extend the temporary license until the Commission acts to either extend or refuses to extend the temporary license. If the Commission approves an extension of the temporary license, the association shall make a progress report to the Commission after one year of the extension.

Date: May 17, 2013
For: Representative Tracy King
Re: Letter of Horse Industry Support for SB 1340

Following is a 2-page letter of horse industry support for SB 1340 that has been signed by officials of Texas Arabian Breeders Association, Texas Paint Horse Breeders Association, Texas Quarter Horse Association, Texas Thoroughbred Association, Texas Horsemen's Partnership, American Quarter Horse Association and American Paint Horse Association.



Senate Bill 1340**Author: Senator Kel Seliger****House Sponsor: Representative Tracy King****To Whom It May Concern:**

Several bills were filed this session that had the potential to sustain, and to varying degrees, revitalize the struggling Texas horse industry. SB 1340 is now our last opportunity to do so.

This bill is simply an extension of an existing authority previously granted by the legislature. It changes one word in the current Texas Racing Act, extending the time period from 2 years up to 6 years, for licensed but yet unbuilt racetracks to offer pre-opening simulcasting. The bill does not expand the footprint of gaming, does not authorize new forms of gaming or authorize any new racetrack locations. SB 1340 does not provide any mechanism to allow a currently licensed racetrack to move its location outside of the county in which it is currently licensed.

Pre-opening simulcasting provides exposure for the sport in new areas, with opportunities for fan education and development prior to the conduct of live racing. It is also a means whereby owners and breeders who cannot travel to a distant racetrack may watch and wager on their horses.

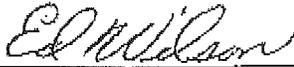
It also generates purse money and breed incentive awards, not only for racing at that particular track when it becomes fully operational, but funds that can be transferred to other racetracks for immediate use and benefit of the industry.

With the ability to offer pre-opening simulcasting for a number of years, these unbuilt tracks can prove a consistent, reliable revenue stream to potential lenders.

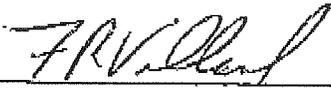
While this legislation will not immediately enable us to be competitive at the level we would like, it will be a step toward that goal.

For all these reasons, SB 1340 as passed by the Texas Senate and then by the House Committee on Licensing and Administrative Procedures, and now presented for consideration by the Texas House of Representatives has the full support of the Texas Arabian Breeders Association, the Texas Paint Horse Association, the Texas Quarter Horse Association, the Texas Thoroughbred Association, the Texas Horsemen's Partnership and the Texas-based American Quarter Horse Association and American Paint Horse Association, as evidenced by the signatures below.

SB 1340 as passed by the Texas Senate, the House Committee on Licensing and Administrative Procedures, and now presented for consideration by the Texas House of Representatives has the full support of:



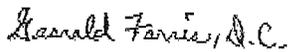
Texas Arabian Breeders Association



Texas Paint Horse Breeders Association



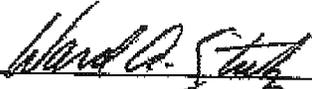
Texas Quarter Horse Association



Texas Thoroughbred Association



Texas Horsemen's Partnership



American Quarter Horse Association



American Paint Horse Association

From: Texas Thoroughbred Association
Texas Thoroughbred Association
Sent: Friday, May 17, 2013 3:35 PM
To:
Subject: URGENT - Contact Your Representative Now!

Texas Thoroughbred Association May 17, 2013

TTA Member Alert

Your immediate action is needed! SB 1340 (Seliger), now carried by Representative Tracy King in the House, was voted favorably out of the House Licensing and Administrative Procedures Committee and should advance for consideration on the House floor early next week.

Please contact your personal State Representative as soon as possible, to ask for his/her support of this bill. Be sure to thank the member for his/her time and emphasize that this measure will generate funds vital to the horse racing and breeding industry.

This bill extends the time authorized in the Texas Racing Act for a licensed but yet unbuilt racetrack to offer pre-opening simulcasting from 2 years to 6 years, generating several million dollars in incremental purse money and breeders awards each year. SB 1340 is a pro-business, economic development bill that also helps agriculture and the Texas horse industry by allowing us to move toward competitiveness with our neighboring states.

TALKING POINTS ARE ATTACHED HERE: [SB 1340](#)

Given the short time period, this bill is likely our only hope to pass beneficial legislation in this session. Thank you!





[Forward email](#)



Try it FREE today.

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Texas Thoroughbred Association | 1016 La Posada, Suite 130 | Austin | TX | 78752

-----Original Message-----

From: Mary Ruyle |

Sent: Friday, May 17, 2013 3:09 PM

To:

Cc: 'Tommy'; 'Jeff Hooper'; 'Val Clark'; 'Rob Werstler'; 'Ed Wilson';
Jackie Rich,

Gerald Farris;

Subject: Letter of Support for SB 1340

Gentlemen,

Attached you will find a letter of horse industry support for SB 1340. This letter can help to be a major part of a compelling case to the Governor's office.

Please note that the Texas horse industry is requesting support for SB 1340 AS CURRENTLY WRITTEN.

Our Texas horse racing industry desperately needs the purse money and Accredited Texas-Bred Awards monies that SB 1340 will help to generate.

The bill as written is limited to licensed Texas racetracks that have gone through a rigorous licensing procedure and remain in good standing with the Texas Racing Commission, and continue to pay their \$235,000 per year annual license renewal fees. Only tracks that exercise good faith in making progress toward the construction and use of a live racing facility (and that have gone through the process of being granted live race dates by the Racing Commission) can utilize the simulcasting privileges.

Your efforts to pass this beneficial legislation are deeply appreciated by all involved in the Texas horse industry. Please let us know of anything we can do to help.

Thank you,

Mary Ruyle
Executive Director
Texas Thoroughbred Association
PO Box 14967
Austin, TX 78761
512.458.6133
512.453.5919 fax



CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

SUBCHAPTER A. RACETRACK LICENSES

DIVISION 1. GENERAL PROVISIONS

1 309.13. Temporary License to Conduct Racing.

2 (a) Issuance of Temporary License. Upon written application by
3 an association, the Commission may issue the association a
4 temporary license to conduct racing at a location other than the
5 designated location if:

6 (1) the association currently holds a valid racing license
7 from the Commission;

8 (2) the association has not completed construction of its
9 facilities at its designated location;

10 (3) the temporary location is located within the same
11 county as the designated location;

12 (4) the conduct of racing at the temporary location
13 complies with all zoning laws;

14 (5) the association owes no outstanding debts to the
15 Commission for fees or bonds;

16 (6) the Commission has granted future live race dates to
17 the association; and

18 (7) the Commission finds that issuing the temporary
19 license is in the public interest.

20 (b) Form of Written Application. An association's written
21 application for a temporary license shall include:

22 (1) a description of the association's existing facilities
23 at its designated location;

24 (2) a description and site map of the proposed temporary
25 location;

26 (3) plans or schematic drawings of the proposed temporary
27 facilities, including parking and any proposed
28 improvements;

- 1 (3) a management and business plan describing the
2 association's strategy for funding and completing
3 construction of its permanent facility within two years;
4 (4) financial statements reflecting the assets and
5 liabilities of the association;
6 (5) a map and inventory reflecting the current residential,
7 commercial, industrial, religious and government uses for
8 all property within one-half mile of the proposed
9 temporary location;
10 (6) resumes and required background disclosure forms for
11 all key management personnel; and
12 (7) any other information required by the Commission.

13 (c) Expiration of Temporary License. Except as provided in
14 subsection (d) of this section, a temporary license expires two
15 years after the date of issuance of the temporary license to the
16 association or on the completion of the permanent facility,
17 whichever occurs first.

18 (d) Extension of Temporary License. Before the expiration of a
19 temporary license, the Commission may grant an association a
20 two-year extension of the temporary license. To request an
21 extension, the association must submit a request in writing that
22 includes a detailed management and business plan describing the
23 association's strategy for funding and completing construction
24 of its permanent facility within the period of the extension.
25 Any such request filed prior to January 1, 2015, must be
26 submitted no later than thirty (30) days before the expiration
27 of the temporary license. Any such request filed on or after
28 January 1, 2015, must be filed no later than one hundred eighty
29 (180) days prior to the expiration of the temporary license.
30 The timely filing of a request shall extend the temporary
31 license until the Commission acts to either extend or refuse to
32 extend the temporary license. If the Commission approves an

1 extension of the temporary license, the association shall make a
2 progress report to the Commission after one year of the
3 extension.

4 (e) Bond. The Commission may condition the issuance of a
5 temporary license under subsection (a) of this section or the
6 extension of a temporary license under subsection (b) of this
7 section upon the association's submission of a bond under
8 subsection (e) of Section 309.51 (relating to Designation of
9 Active and Inactive Racetrack Licenses) of this Chapter.

Rule Adoptions

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: March 7 2014

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

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

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

Contact Information:

Name:	Sally Briggs	Phone(s):	409/9869500
E-mail address:	:	Fax number:	409/9869700
Mailing address:			

Check appropriate box(s)

- Personal Submission *OR*
- Submission on behalf of Gulf Greyhound Park/Texas Greyhound Assn.
(Name of Organization)

- If known, Proposed Change to Chapter: Chapter: 309 Rule: 355(n)
- 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

There is a current rule in the Texas Rules of Racing (Section 309.355 (n)) which states *"An association may not require a kennel owner to furnish a greyhound of a specific grade or for a specific distance."*

B. Discussion of the Issue and Problem

With our current situation, one major problem is the lack of longer distance races that Gulf Greyhound Park can provide to the betting public due to the rule as stated. When looking at a daily race performance, a majority of the races are from the same 550-yard distance and when compared to other greyhound racetracks around the country, the lack of variety can be classified as "boring" and Gulf Greyhound Park loses the attraction of our product. Throughout the years, many top 660-yard distance greyhounds have been forced to leave in order to compete at other racetracks because Gulf Greyhound Park was unable to create any races which also hurts our kennel operators, the greyhound owners that want to try to keep their greyhounds in the state of Texas and once again our live racing product.

C. Possible Solutions and Impact

Gulf Greyhound Park and the Texas Greyhound Association would like to change the wording of this rule in order to create more variety of the greyhound races. With the addition of a requirement for each kennel owner to provide a minimum of 15% of the active list of greyhounds for the specific distance of 660-yard or longer races, this will allow Gulf Greyhound Park the capability of competing with other racetracks by providing races over different distances. Historically, the mutuel handle on longer distance races is higher and the addition of the purse money provided by these longer distance races will benefit the kennel owners, as well as the greyhound owners, allowing them the opportunity to keep their greyhounds in the state of Texas and providing Gulf Greyhound Park a more viable product to compete with other racetracks.

D. Support or Opposition

There have been many discussions between Gulf Greyhound Park, the Texas Greyhound Association, the Texas Racing Commission Judges at Gulf Greyhound Park and many of the trainers currently in the Gulf Greyhound Park kennel compound. The general consensus is that all parties involved are in agreement with the change of this rule to require a minimum number of five longer distance greyhounds.

E. Proposal

The new rule would state *"An Association may require a kennel owner to furnish a minimum of 15% of the active list of greyhounds for 660-yard or longer races. The Association may reduce the active list and available starts until the kennel complies with the rule."*

CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

SUBCHAPTER D. GREYHOUND RACETRACKS

DIVISION 1. OPERATIONS

1 **Sec. 309.355. Grading System**

2 (a)-(m) (No change.)

3 (n) An association may require a kennel owner to furnish a
4 minimum of 15% of the active list of greyhounds for 660-yard or
5 longer races. The association may reduce the active list and
6 available starts until the kennel complies with the rule. [~~An~~
7 ~~association may not require a kennel owner to furnish a~~
8 ~~greyhound of a specific grade or for a specific distance.]~~

9 (o) (No change.)

**TEXAS RACING COMMISSION
COMMITTEE ON RULES**

Date of Request: 1/14/2014

***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.texas.gov

Contact Information:

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

Check appropriate box(s)

Personal Submission *OR*

Submission on behalf of TRC Staff
(Name of Organization)

If known, Proposed Change to Chapter: Chapter: 311 Rule: 2

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

Senate Bill 162 (83rd Legislature, Regular Session) amends the Occupations Code to require a state agency that issues a license to establish an expedited license procedure for a qualified military spouse applicant who holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to Texas licensing requirements. The bill provides for the term of an expedited license and requires the agency to determine the requirements for renewing the license.

The bill requires a state licensing agency, with respect to an applicant who is a military service member or military veteran, to credit verified military service, training, or education toward licensing requirements, with certain exceptions, including examination requirements. The bill requires state agencies to adopt rules necessary to credit the service, training, or education of service members or veterans towards licensing requirements.

B. Discussion of the Issue and Problem

Regarding the licensing of military spouse applicants, the Commission's processes already provide for the prompt licensing of those who hold substantially equivalent licenses in other jurisdictions. Staff has been unable to identify an opportunity to further expedite the licensing procedure.

Regarding the licensing of service members and veterans, the Commission's occupational licenses don't require any specific training, education or experience requirements. Trainers and assistant trainers must pass written and practical examinations, and exercise riders, pony persons, jockeys and assistant jockeys must pass practical exams. The Commission will grant other licenses immediately, subject to a subsequent criminal background check.

The Commission may comply with the requirements of SB 162 through a simple rule amendment.

C. Possible Solutions and Impact

Amend Rule 311.2, Application Procedure, to specify that military service members and military veterans will receive credit toward any experience requirements for a license as appropriate for the particular license type and the military service member or veteran's specific experience.

D. Support or Opposition

Staff does not anticipate opposition to this change. At its meeting on April 8, 2014, the Commission approved the publication of this proposal in the *Texas Register* for public comment. To date, staff has not received any comments in response to the publication.

E. Proposal

See next page.

CHAPTER 311. OTHER LICENSES

SUBCHAPTER A. LICENSING PROVISIONS

DIVISION 1. OCCUPATIONAL LICENSES

1 **Sec. 311.2. Application Procedure**

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

3 (f) Credit for Military Service. Military service members and
4 military veterans, as defined in Texas Occupations Code, Chapter
5 55, will receive credit toward any experience requirements for a
6 license as appropriate for the particular license type and the
7 specific experience of the military service member or veteran.

OCCUPATIONS CODE

TITLE 2. GENERAL PROVISIONS RELATING TO LICENSING

CHAPTER 55. LICENSING OF MILITARY SERVICE MEMBERS, MILITARY VETERANS, AND MILITARY SPOUSES

Sec. 55.001. DEFINITIONS. In this chapter:

- (1) "License" means a license, certificate, registration, permit, or other form of authorization required by law or a state agency rule that must be obtained by an individual to engage in a particular business.
- (1-a) "Military service member" means a person who is currently serving in the armed forces of the United States, in a reserve component of the armed forces of the United States, including the National Guard, or in the state military service of any state.
- (1-b) "Military spouse" means a person who is married to a military service member who is currently on active duty.
- (1-c) "Military veteran" means a person who has served in the army, navy, air force, marine corps, or coast guard of the United States, or in an auxiliary service of one of those branches of the armed forces.
- (2) "State agency" means a department, board, bureau, commission, committee, division, office, council, or agency of the state.

Sec. 55.002. EXEMPTION FROM PENALTY FOR FAILURE TO RENEW LICENSE. A state agency that issues a license shall adopt rules to exempt an individual who holds a license issued by the agency from any increased fee or other penalty imposed by the agency for failing to renew the license in a timely manner if the individual establishes to the satisfaction of the agency that the individual failed to renew the license in a timely manner because the individual was on active duty in the United States armed forces serving outside this state.

Sec. 55.003. EXTENSION OF CERTAIN DEADLINES FOR ACTIVE DUTY MILITARY PERSONNEL. A person who holds a license, is a member of the state military forces or a reserve component of the armed forces of the United States, and is ordered to active duty by proper authority is entitled to an additional amount of time, equal to the total number of years or parts of years that the person serves on active duty, to complete:

- (1) any continuing education requirements; and
- (2) any other requirement related to the renewal of the person's license.

Sec. 55.004. ALTERNATIVE LICENSE PROCEDURE FOR MILITARY SPOUSE. (a) A state agency that issues a license shall adopt rules for the issuance of the license to an applicant who is the spouse of a person serving on active duty as a member of the armed forces of the United States and:

- (1) holds a current license issued by another state that has licensing requirements that are substantially equivalent to the requirements for the license; or
- (2) within the five years preceding the application date held the license in this state that expired while the applicant lived in another state for at least six months.

(b) Rules adopted under this section must include provisions to allow alternative demonstrations of competency to meet the requirements for obtaining the license.

(c) The executive director of a state agency may issue a license by endorsement in the same manner as the Texas Commission of Licensing and Regulation under Section 51.404 to an applicant described by Subsection (a).

Sec. 55.005. EXPEDITED LICENSE PROCEDURE FOR MILITARY SPOUSES. (a) A state agency that issues a license shall, as soon as practicable after a military spouse files an application for a license:

(1) process the application; and

(2) issue a license to a qualified military spouse applicant who holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to the licensing requirements in this state.

(b) A license issued under this section may not be a provisional license and must confer the same rights, privileges, and responsibilities as a license not issued under this section.

Sec. 55.006. RENEWAL OF EXPEDITED LICENSE ISSUED TO MILITARY SPOUSE.

(a) As soon as practicable after a state agency issues a license under Section 55.005, the state agency shall determine the requirements for the license holder to renew the license.

(b) The state agency shall notify the license holder of the requirements for renewing the license in writing or by electronic means.

(c) A license issued under Section 55.005 has the term established by law or state agency rule, or a term of 12 months from the date the license is issued, whichever term is longer.

Sec. 55.007. LICENSE ELIGIBILITY REQUIREMENTS FOR APPLICANTS WITH MILITARY EXPERIENCE. (a) Notwithstanding any other law, a state agency that issues a license shall, with respect to an applicant who is a military service member or military veteran, credit verified military service, training, or education toward the licensing requirements, other than an examination requirement, for a license issued by the state agency.

(b) The state agency shall adopt rules necessary to implement this section.

(c) Rules adopted under this section may not apply to an applicant who:

(1) holds a restricted license issued by another jurisdiction; or

(2) has an unacceptable criminal history according to the law applicable to the state agency.

TEXAS RACING COMMISSION

COMMITTEE ON RULES

Date of Request: 1/13/2014

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

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

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

Contact Information:

Name:	Rob Werstler	Phone(s):	512-458-5202
E-mail address:		Fax number:	512-458-1713
Mailing address:	706 W. 11 th St Elgin, TX 78621		

- Personal Submission OR
- Submission on behalf of Texas Quarter Horse Association
(Name of Organization)
- If known, Proposed Change to Chapter: _____, Rule _____
- If known, Proposed Addition to Chapter: 313.110
- If known, Other Rules Affected by Proposal: _____

A. Brief Description of the Issue

To allow Quarter Horses entered in a race that are owned in whole or in part by the same individual or entity or if the trainer owns an interest in either horse to run as separate betting interests in stakes races with purses in excess of \$100,000.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

- *What specific problems or concerns are involved in this issue?*
- *Who does the issue affect?*
- *What existing model rules relate to this issue?*

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O:\Cmsn-Cmtes&WkgGrps\Rules

- *Provide relevant quantitative or statistical information if possible.*

It is not uncommon to have multiple horses with common ownership racing in stakes races where trial races determine horses that will compete in the final. In a race that should have ten betting interests we many times only have six or seven betting interests because two or more horses have common ownership. This affects the amount of money wagered on these races which are the best betting races.

C. Possible Solutions and Impact

Provide possible recommendations to solve the problem. Include details on each proposed solution such as:

- *What solution does this proposal provide?*
- *How will the solution fix the problem?*
- *How will the change affect any entities or stakeholders?*
- *How will you or your organization be affected by the proposed change?*
- *What are the benefits of the proposed change?*
- *What are the possible drawbacks of the proposed change?*
- *Identify possible fiscal impact of the recommended change.*

Allow the Stewards to have the discretion to allow same owner entries to race as uncoupled entries in Quarter Horse stakes races with purses of at least \$100,000

D. Support or Opposition

Please identify any affected stakeholder groups that expressed support or opposition. (These stakeholders may include the racetracks, breed registries, owners, kennel owners, trainers, jockeys, veterinarians, or others.)

- *For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.*
- *Are there any affected stakeholder groups that have not been consulted on this proposal?*
- *Please submit any formal letters of support or opposition by stakeholder groups.*

E. Proposal

Provide rule language you are proposing. If you are proposing that current rule language be eliminated, please ~~strikeout~~ the language to be deleted. Please show new language with underlined text.

Add section (c) The stewards may allow same owner/trainer entries to race as uncoupled entries in Quarter Horse Stakes races in excess of \$100,000



TEXAS
THOROUGHBRED
ASSOCIATION

2014 FEB 20 PM 1:03

TEXAS RACING
COMMISSION

February 19, 2014

TRC Rules Committee, c/o Chuck Trout
Texas Racing Commission
8505 Cross Park Drive, Suite 110
Austin, TX 78754-4552

Dear Commissioners,

During the January 29, 2014 meeting of the Texas Thoroughbred Association Board of Directors, the members reviewed the proposal by the Texas Quarter Horse Association to amend Rule 313.110 and voted to request a similar change for Thoroughbreds.

It is not uncommon to have multiple horses with common ownership racing in stakes races. Field sizes have already been negatively impacted by the declines in foal crops, and coupled entries may significantly reduce the amount wagered on these races.

After conversation with Class 1 track representatives who expressed their support for a change, we would like to propose the following language:

**CHAPTER 313. OFFICIALS AND RULES OF HORSE RACING
SUBCHAPTER B. ENTRIES, SCRATCHES, AND ALLOWANCES
DIVISION 1. ENTRIES**

Sec. 313.110 Coupled Entries

- (a) Not more than two horses that have common interests through ownership, training, or lease may be entered in an overnight race, unless the race is divided.
- (b) If two horses entered in an overnight race of any purse value or a stakes race in which the value of the purse is less than \$50,000 are owned in whole or in part by the same individual or entity, the entry shall be coupled as a single wagering interest.
- (c) In a Thoroughbred stakes race with a purse of at least \$50,000 the stewards may allow two or more horses entered and owned in whole or in part by the same individual or entity to race as an uncoupled entry.

Thank you for your consideration of this issue, and please do not hesitate to contact me if you have any questions.

Respectfully,

Mary Ruyle
Executive Director



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

Dear Mark,

I would like to amend my rule change request for rule 313.110 to read:

(c) In stakes races with a purse of at least \$50,000 the stewards may allow two or more horses owned in whole or in part by the same individual or entity to race as separate wagering interests.

I have spoken to Mary Ruyle with the TTA and she supports this amendment.

I plan to attend the March 21 Rules Committee meeting.

Sincerely,

Rob Werstler
Director of Racing

A handwritten signature in black ink that reads 'Rob Werstler'. The signature is written in a cursive, flowing style.

CHAPTER 313. OFFICIALS AND RULES OF HORSE RACING
SUBCHAPTER B. ENTRIES, SCRATCHES, AND ALLOWANCES
DIVISION 1. ENTRIES

1 **Sec. 313.110 Coupled Entries**

2 (a) Not more than two horses that have common interests through
3 ownership, training, or lease may be entered in an overnight
4 race, unless the race is divided.

5 (b) Except as provided by subsection (c), if [~~If~~] two horses
6 entered in a race are owned in whole or in part by the same
7 individual or entity, the entry shall be coupled as a single
8 wagering interest.

9 (c) In stakes races with a purse of at least \$50,000, the
10 stewards may allow two or more horses owned in whole or in part
11 by the same individual or entity to race as separate wagering
12 interests.