

1993

ANNUAL REPORT



TEXAS RACING COMMISSION

**TEXAS RACING COMMISSION
9420 RESEARCH BOULEVARD
ECHELON BUILDING III, SUITE 200
AUSTIN, TEXAS 78759**

**MAILING ADDRESS:
P.O. BOX 12080
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AN EQUAL OPPORTUNITY EMPLOYER



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PAT PANGBURN
Chair

GLENN BLODGETT, D.V.M.
Vice Chair

LUKIN T. GILLILAND, JR.
A. L. MANGHAM, JR.
DEORSEY E. MCGRUDER, JR., D.V.M.
ANNE DUNIGAN WILSON
Commissioners



TEXAS RACING COMMISSION
P. O. BOX 12080
AUSTIN, TEXAS 78711-2080
(512) 794-8461
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Ex-Officio Members

JOHN SHARP
Comptroller of Public Accounts
RONALD D. KRIST
Chair
Public Safety Commission

DAVID J. FREEMAN
Executive Secretary

January 31, 1994

The Honorable Ann W. Richards
Governor of the State of Texas
State Capitol, Room 200
Austin, Texas 78711

Dear Governor Richards:

In accordance with Section 3.10 of the Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes) and on behalf of the Texas Racing Commission, it is my pleasure to submit to you the 1993 Annual Report.

This report summarizes the activities of the Commission during 1993 and provides information relating to all aspects of the Texas greyhound and horse racing programs and breeding programs throughout the year.

With the opening of the first Class 1 racetrack, Sam Houston Race Park in northwest Harris county, world-class horse racing will make its Texas debut in 1994. As the industry has grown and become stronger, pari-mutuel racing and breeding has become a vital component to the state's economic structure.

The Racing Commission remains dedicated to improving pari-mutuel racing in the state as well as providing legendary service to the people of Texas. We thank you and your staff for your support in building a strong economic industry and to seeing all of Texas reap the benefits of the combined efforts.

Very truly yours,

A handwritten signature in cursive script that reads "Pangburn".
Pat Pangburn
Chair



PAT PANGBURN
Chair

GLENN BLODGETT, D.V.M.
Vice Chair

LUKIN T. GILLILAND, JR.
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DAVID J. FREEMAN
Executive Secretary

January 28, 1994

The Honorable Ann W. Richards
Governor of the State of Texas
State Capitol, Room 200
Austin, Texas 78711

Dear Governor Richards:

As the chief administrator of the Texas Racing Commission, I proudly submit the Commission's 1993 Annual Report. In this past year, the Texas racing industry took tremendous leaps forward while the Commission as an agency instituted important changes.

In July, 1993, ground was broken for the State's first Class 1 pari-mutuel racetrack. By the end of the year, Sam Houston Race Park in Harris County had contributed over \$20 million to the local economy through its construction and was moving steadily towards an April 29, 1994 grand opening. Retama Park, the Class 1 racetrack in Bexar County received its final financing in December, 1993 and construction began immediately. Throughout 1993, the litigants over the Dallas and Tarrant County Class 1 racetrack licenses engaged in intense settlement negotiations. As of this writing, all pending litigation has been dismissed and the Commission has granted Class 1 licenses to Trinity Meadows, an existing Class 2 racetrack in Willow Park, and to Lone Star Jockey Club, a new facility to be constructed in Grand Prairie. The Commission expects Lone Star to obtain its financing quickly and begin construction in 1994. Lone Star and Retama Park will open in 1995, thereby completing the Class 1 racing circuit for the state.

The Commission remained responsive to the needs of the Class 1 licensees, taking all necessary steps to facilitate the financing and construction of these facilities. At the same time, the Commission monitored the operations of the Class 2 and Class 3 racetracks, now in their third and fourth years. The Class 2 licensees, Trinity Meadows, Bandera Downs, and Manor Downs, found simulcasting a real complement to their live racing programs. Simulcasting added significantly to purses paid horsemen and horsewomen participating in live racing in this state. Simulcasting also increased the amounts distributed to the Texas Bred Incentive Programs for horses over 1992 levels. Gillespie County Fair and Festivals Association, the state's only not-for-profit racetrack, raised over \$11,000 for local charities during its 12 day summer meet.

The three greyhound racetracks continued operating in Corpus Christi, Harlingen, and La Marque. Gulf Greyhound Park in La Marque completed its first full year of operations in 1993, setting national records for attendance and wagering. Corpus Christi Greyhound Race Track and

Valley Greyhound Park, confronting declining attendance and handle, explored new marketing and management techniques, as well as implementing simulcasting, to maintain their positions as revenue generators for the state and local economies.

I believe that the Commission and its staff have fulfilled your vision of how a state agency should operate. The Commission has dutifully enforced each of the mandates of the Texas Racing Act with complete professionalism. The Commission has performed exemplary public service by providing prompt, helpful, and courteous responses to the citizens of Texas. The Commission's policy has always been to make its decisions only after including in its deliberations every segment of the racing and breeding industries, the racetrack licensees, other state agencies, and the general public.

The Commission has worked diligently to continue to improve its efficiency and has, I believe, been quite successful. The Commission's activities have resulted in increased revenues to the State, eliminated internal red tape and bureaucracy, reduced license fees for those who can least afford licenses, maintained its operating budget at near FY 92-93 levels despite dramatic increases in activity, and developed a savings plan that resulted in the highest productivity bonuses for its classified employees of any state agency in 1993.

In the 1992 Annual Report, I told you how proud I was of the Commission staff and that it was my privilege to serve with them. This past year has served only to deepen the respect and admiration that I feel for every individual member of the staff. They have truly provided "legendary service" through the dedication of their efforts, by willingly giving of their personal and professional resources, and by doing their jobs with the highest measures of integrity and ethical behavior. I know that you, just as I am, would be very proud of the service that they are providing the citizens of Texas.

Other state agencies played important roles in regulating pari-mutuel racing, notably the Comptroller of Public Accounts and the Department of Public Safety. With the cooperation of these agencies, the Commission successfully ensures the absolute integrity of pari-mutuel racing and maximizes the social and economic benefits from racing to all the citizens of Texas.

Sincerely,



David J. Freeman
Executive Secretary

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD BOX 4087 AUSTIN TX 78773-0001

512/465-2000



JAMES R. WILSON
DIRECTOR

DUDLEY M. THOMAS
ASST. DIRECTOR



COMMISSION
ROBERT B. HOLT
CHAIRMAN
ALBERT B. ALKEK
RONALD D. KRIST
COMMISSIONERS

January 03, 1994

Pat Pangburn, Commission Chair
Texas Racing Commission
9420 Research Boulevard, Suite 200
Eschelon Center, Building III
Austin, Texas 78759

**RE: ARTICLE 179e, SECTION 3.10
VERNON'S TEXAS CIVIL STATUTES**

Dear Ms. Pangburn:

Article 179e, Section 3.10 of Vernon's Texas Civil Statutes requires the Texas Racing Commission (TRC) to obtain a comprehensive report from the Texas Department of Public Safety (DPS) that would indicate any organized crime activity in Texas, as well as information on any and all illegal gambling. As required by this statute, we submit the following:

NON-TRADITIONAL ORGANIZED CRIME ACTIVITY

A major concern to the law enforcement community is the continued growth of non-traditional organized crime gangs operating in Texas. As previously reported, these gangs continue to align themselves along the lines of age, race and/or national origin. These alliances make them very difficult to infiltrate by law enforcement.

As in past years, these gangs continue to involve themselves in any criminal enterprise that proves to be the most lucrative monetarily. These criminal gangs continue to be heavily involved in illegal gambling, credit card and insurance fraud, extortion, loan sharking, narcotics trafficking, firearms violations, pornography and prostitution. Due to the nature of these businesses, these gangs are prone to violence and commit violent acts on a frequent basis in their struggle to gain territory and superiority over their competition. They appear to have no fear of law enforcement or of being prosecuted for their crimes.

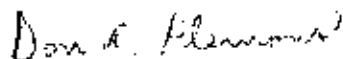
ILLEGAL GAMBLING

Even though Texas has seen the passage of legislation legalizing some gambling operations that were previously illegal; there has been no indication that illegal gambling is on the decline. State and local authorities continue to execute search and arrest warrants on illegal casino and bookmaking operations. Thousands of dollars in illegal gambling proceeds and illegal gambling paraphernalia continues to be seized and the number of arrests continues to rise.

Another aspect that is very troubling to law enforcement is the increase in juvenile offenders involved in illegal bookmaking, numbers and lottery rackets. Of even greater concern is their injudicious use of violence which sometimes results in the injury or death of innocent bystanders.

This report is to apprise the Texas Racing Commission of the extent of the current problems in Texas reference the above areas of concern.

Sincerely,



Don R. Plemons
Commander
Criminal Intelligence Service

DRP:bic

POLICYMAKING BODY

The Commission is composed of eight members, six of whom are appointed by the Governor with the advice and consent of the Senate. These six non-salaried commissioners serve overlapping six-year terms. Of these six, two must be veterinarians, one specializing in the treatment of small animals, and one in the treatment of large animals.

Of the four members who are not veterinarians, two must have knowledge or experience related to greyhound racing and two must have knowledge or experience related to horse racing. The Chair of the Public Safety Commission and the Comptroller of Public Accounts serve as ex-officio members of the Commission with full voting privileges. The Governor designates the chair. The eight members elect the vice-chair for a term of two years.

On matters of general application to both greyhound and horse racing, the Commission acts as a single body. For purposes of rule making and licensing, or for any action relating exclusively to horse racing or exclusively to greyhound racing, the Commission acts as separate sections.

In 1993, there were 7 full Commission meetings and 2 Horse Section only meetings.

COMMISSIONERS

Pat Pangburn
Chair
Southlake, Texas
Term expires: February 1, 1997
Greyhound Section

Glenn P. Blodgett, D.V.M.
Vice-Chair
Guthrie, Texas
Term Expires: February 1, 1995
Horse Section

John Sharp
Comptroller of Public Accounts
Austin, Texas
Ex-Officio Member

A. L. Mangham, Jr.
Nacogdoches, Texas
Term expires: February 1, 1995
Greyhound Section

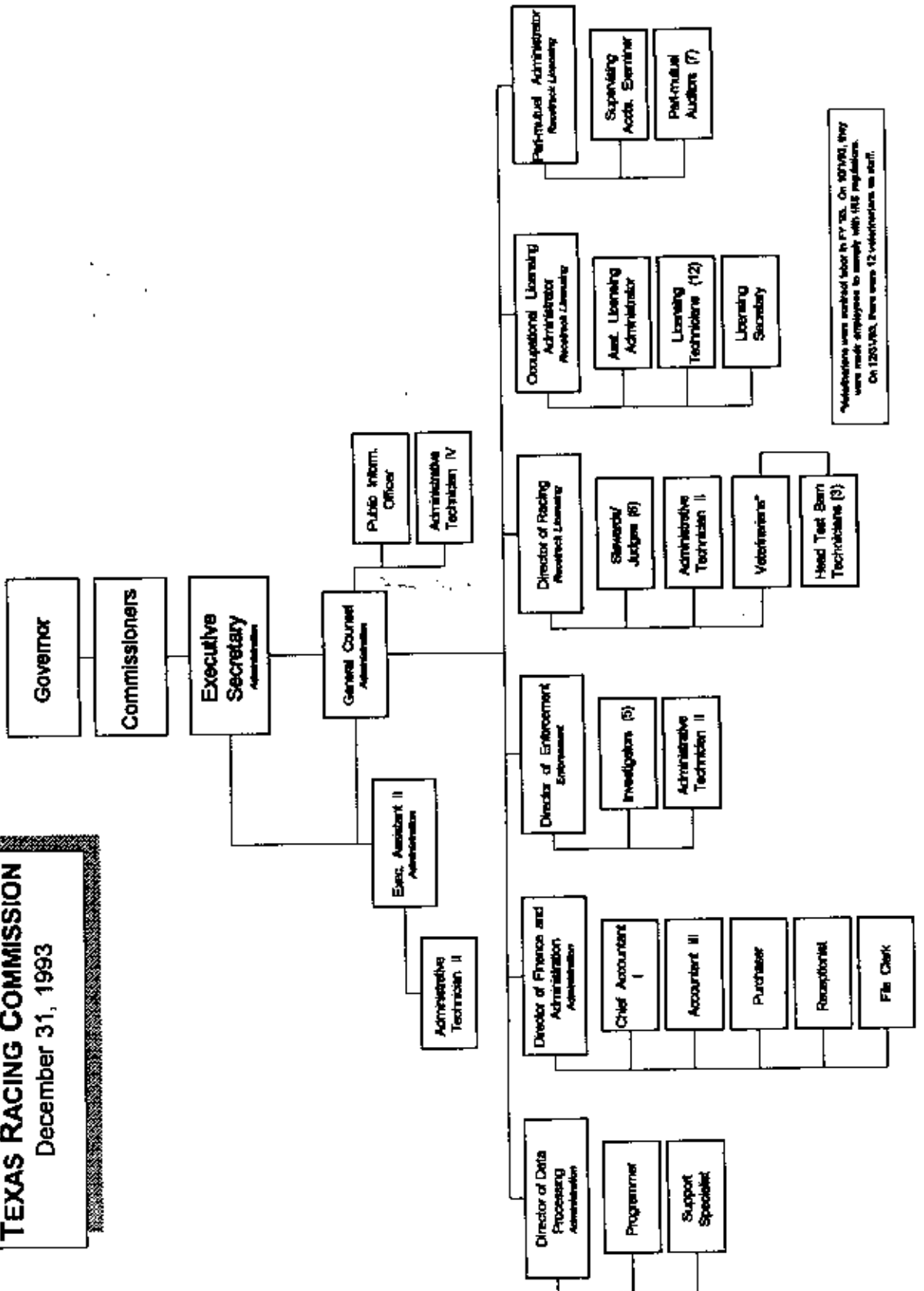
Anne Dunigan Wilson
Abilene, Texas
Term Expires: February 1, 1997
Horse Section

Ronald D. Krist
Chair, Public Safety Commission
Houston, Texas
Ex-Officio Member

Deorsey E. Mc Gruder, Jr.,
D.V.M.
Dallas, Texas
Term Expires: February 1, 1999
Greyhound Section

Lukin T. Gilliland, Jr.
San Antonio, Texas
Term Expires: February 1, 1999
Horse Section

TEXAS RACING COMMISSION
December 31, 1993



*Volunteers were needed last FY 93. On 8/27/93, they were made employees to comply with HR regulations. On 12/31/93, there were 12 volunteers on staff.

REGULATORY FUNCTIONS

The Commission's operations are divided into three main groups: Administration; Enforcement; and Racetrack Licensing.

ADMINISTRATION

EXECUTIVE DIVISION

The Executive Division includes the Executive Secretary and General Counsel and their staff. The Executive Secretary is the head of the agency and supervises the agency's activities as a whole. This Division also is responsible for recommending race date allocations, assessing administrative penalties against racetrack licensees, and prosecuting appeals from decisions at the racetracks.

The Executive Division will spearhead the sunset review process that will begin in 1994. The Division also will implement a new records management process in the coming year, as well as continue to streamline Commission procedures.

FINANCE DIVISION

The Finance Division manages the budget, accounting, purchasing, personnel, and other administrative functions of the Commission.

During 1993, the Division assisted in obtaining the budget appropriation from the Legislature for fiscal years 1994-1995 as well as overseeing the distribution of \$2.6 million in the Texas-Bred Incentive Program. Also, in 1993, this Division submitted a cost savings plan of \$136,000 which the Commission implemented during fiscal year 1993.

In 1994, the Finance Division will play a key role in the sunset review in determining the fiscal impact of proposed changes to the Texas Racing Act.

DATA PROCESSING DIVISION

The main purpose of this Division is to support the hardware, software, and applications necessary for the day-to-day operations of the Commission while developing new procedures to assist the staff in automating and streamlining their jobs wherever possible.

More new programs were developed by the Division in 1993 to automate procedures than in any other year. A total of 15 new programs were developed and 585 applications/functions were modified or corrected. Also, over 40 open record requests were received, and 350 hardware and software problems were solved.

The Data Processing Division foresees their most significant contribution in 1994 as opening Sam Houston Race Park using new technology and a significantly different and more efficient configuration from other Texas racetracks.

ENFORCEMENT

ENFORCEMENT DIVISION

The Commission's Investigators administer and coordinate the enforcement of the Commission's Rules and the Texas Racing Act. In so doing, investigations were conducted on animal drug positives, criminal histories on licensees, illegal wagering, use and possession of contraband, drug abuse and narcotics trafficking, and other illicit activities which could affect the integrity of Texas pari-mutuel racing.

REGULATORY FUNCTIONS (CONTINUED)

The Enforcement Division conducted a total of 522 investigations into suspected rule and law violations in 1993. In addition, 535 serious criminal history reports were received from the Department of Public Safety and the Federal Bureau of Investigation on current and former licensees and 1,157 minor criminal history reports were received and reviewed for licensing compliance.

The opening of Sam Houston Race Park in 1994 will bring new demands on the investigative staff. The Enforcement Division will continue to provide investigation services responsive to the needs of the Commission.

RACETRACK LICENSING

RACING DIVISION

The Division includes Commission Stewards and Racing Judges, at least one Commission Veterinarian for each operating pari-mutuel racetrack, and other support personnel. The Racing Division is responsible for supervising races being conducted and implementing the Commission's drug testing program for race animals. In addition, Stewards/Judges are authorized to suspend licenses for up to one year and to assess fines of up to \$5,000 if warranted.

Stewards/Judges at greyhound and horse racetracks handed down a total of 716 rulings. Of that number, 398 resulted in fines, 235 resulted in suspensions, and 58 resulted in the licensee being restored to good standing.

With the onset of Class 1 racing at Sam Houston Race Park, the Racing Division anticipates working with many new owners and trainers who will be participating in Texas racing for the first time.

PARI-MUTUEL AUDITING DIVISION

The Pari-mutuel Auditing Division tests the computer programs that calculate odds and payoffs on wagers, wagering patterns, and mutuel operations at the racetrack, as well as monitoring the Texas-Bred Incentive Program.

In 1994, the Division will review, and revise if necessary, the Commission's procedures for accounting and distributing Texas-Bred Incentive Funds.

OCCUPATIONAL LICENSING DIVISION

The Licensing Division is responsible for issuing occupational licenses and registrations to all persons involved in pari-mutuel greyhound and horse racing. This Division works closely with the Enforcement Division and the Stewards/Judges. Licensing staff at each racetrack help to maintain the integrity of the industry by insuring all participants are licensed and in good standing. Over 14,180 occupational licensees were regulated by the Commission in 1993.

A major accomplishment last year was streamlining the licensing process through a review and revision of all occupational licensing forms and procedures. This review resulted in a decrease in the number of forms a licensee must complete. Additionally, the cost of some licenses and registrations was lowered as a result of this review.

In 1994, the Licensing Division will continue to contribute to the overall success of the pari-mutuel industry by efficiently licensing all participants involved in pari-mutuel racing and by meeting new challenges as a result of Class 1 racing in the state.

SCHEDULE OF FUNDS RECEIVED AND EXPENDED

Fiscal Year 1993

(From September 1, 1992 through August 31, 1993)

	<u>Total</u>	<u>General Revenue Fund (001)</u>	<u>Special Revenue Fund (597)</u>
REVENUES:			
Racetrack Licenses – Horses:			
Class I Tracks	\$ 60,000	\$ 0	\$ 60,000
Class II Tracks	20,000	0	20,000
Class III Tracks	7,000	0	7,000
Total Racetrack Licenses – Horses	<u>87,000</u>	<u>0</u>	<u>87,000</u>
Racetrack Licenses – Greyhounds	50,000	0	50,000
Outstanding Tickets	324,561	0	324,561
Race Day Fees:			
Horses – Live	235,461	0	235,461
Horses – Simulcast	81,475	0	81,475
Greyhounds	657,922	0	657,922
Total Race Day Fees	<u>974,858</u>	<u>0</u>	<u>974,858</u>
Fines	6,650	0	6,650
Occupational Licenses	845,527	0	845,527
Breakage:			
Horses	2,281,571	0	2,281,571
Greyhounds	1,098,211	0	1,098,211
Total Breakage	<u>3,379,782</u>	<u>0</u>	<u>3,379,782</u>
Track Official's Fees	672,068	0	672,068
Other	212,682	0	212,682
TOTAL REVENUE	\$ <u>6,553,128</u>	\$ <u>0</u>	\$ <u>6,553,128</u>

	<u>Total</u>	<u>General Revenue Fund (001)</u>	<u>Special Revenue Fund (597)</u>
EXPENDITURES:			
Salaries & Wages	\$ 1,482,314	\$ 0	\$ 1,482,314
Payroll Related Costs	374,351	0	374,351
Professional Fees and Services	423,381	0	423,381
Travel	105,743	0	105,743
Materials & Supplies	57,375	0	57,375
Communications & Utilities	90,607	0	90,607
Repairs & Maintenance	89,543	0	89,543
Rentals & Leases	107,188	0	107,188
Printing & Reproduction	15,621	0	15,621
Other Expenditures	81,228	25	81,203
Capital Outlay	40,505	0	40,505
Breakage—Horses & Greyhounds	<u>2,597,088</u>	<u>0</u>	<u>2,597,088</u>
TOTAL EXPENDITURES	\$ <u>5,464,944</u>	\$ <u>25</u>	\$ <u>5,464,919</u>
EXCESS REVENUES OVER EXPENDITURES	\$ <u>1,088,184</u>	\$ <u>(25)</u>	\$ <u>1,088,209</u>
TRANSFERS OUT:			
Debt Payment to General Revenue	150,000	0	150,000
Equine Research	58,172	0	58,172
Texas Comm. on Alcohol & Drug Abuse	122,836	0	122,836
Savings Measurement Account	34,103	0	34,103
School Child Care Fund	<u>170</u>	<u>0</u>	<u>170</u>
TOTAL TRANSFERS OUT	\$ <u>365,281</u>	\$ <u>0</u>	\$ <u>365,281</u>
EXCESS REVENUES OVER EXPENDITURES & TRANSFERS	\$ <u>722,903</u>	\$ <u>(25)</u>	\$ <u>722,928</u>

TEXAS-BRED PROGRAMS

Two of the reasons why the Texas Racing Commission was created are to encourage agriculture and to encourage the horse and greyhound breeding industries in the state. The Texas-Bred Incentive Program, which provides purse supplements and breeders' awards as monetary incentives to breeders and owners of Texas-bred greyhounds and horses, is designed to accomplish those goals.

GREYHOUND

Funding for the Texas-Bred Greyhound Incentive Program is derived from 50 percent of the total breakage. Of that portion, 25 percent is used for stakes races and the remaining 25 percent is paid to the Commission for use by the state greyhound breed registry for disbursement to Texas-bred greyhound winners.

Once a month funds are distributed by dividing the monthly total available for awards by the number of winning Texas-bred greyhounds for the same month.

HORSE

Each Texas-bred horse finishing first, second, or third in any race other than a stakes race receives a purse supplement.

Funding is derived from 98 percent of the breakage from all pari-mutuel pools and from 98 percent of 1 percent of all multiple two and multiple three wagering pools. These monies are distributed on a 40/40/20 percent split, respectively, among owners of accredited Texas-bred horses, breeders of Texas-bred horses, and stallion owners.

Effective January 1, 1994, horse racetracks must run the equivalent of two accredited Texas-bred restricted races per race day during each race meeting.

The official breed registries, which are named in the Texas Racing Act, determine the qualifications for Texas-Bred status for their breed, maintain the lists of persons eligible for awards, and distribute the monetary awards.

The breed registries distributed the following amounts in 1993:

Texas Greyhound Association	\$598,586.79
Texas-Bred Stakes (Horses)	\$114,076.20
Texas Thoroughbred Breeders' Association	\$1,109,104.68
Texas Quarter Horse Association	\$836,630.93
Texas Arabian Breeders' Association	\$13,705.66
Texas Appaloosa Horse Club	\$4,103.76
Texas Paint Horse Breeders Association	<u>\$2,278.07</u>
TOTAL	\$2,678,486.09

EQUINE RESEARCH

Over \$42,700 generated by pari-mutuel wagering went into the equine research fund, a fund established under the Texas Racing Act. The Equine Research Account Advisory Committee was created by the Legislature to oversee research grants funded by these monies. The Committee is the sole administrator of this fund and is not connected with the Commission.

DRUG TESTING

Human drug testing has become an integral part of regulating the racing industry in Texas. Licensees suspected of using illegal drugs while performing their duties are tested. If a licensee tests positive for any illicit drug, the licensee is not immediately disqualified from participation in pari-mutuel racing, but faces a suspension and are encouraged to seek professional help. A total of 28 human drug tests were conducted in 1993 with 12 showing positive.

Also, the Commission has implemented a comprehensive drug testing program to safeguard the interests of the wagering public by ensuring that all greyhounds and horses run free from prohibited drugs, chemicals or other foreign substances.

The testing program involves the collection and analysis of blood and urine specimens collected from horses and greyhounds as required by §§319.361 and 319.391 of the Commission's Rules. The analysis of the specimens reveals whether illegal substances have been administered to the animals. By law, the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) at Texas A&M University is responsible for performing the tests. The racetracks are required by law to pay for the testing, which amounted to \$1.36 million in 1993.

If the Stewards/Judges or the Commission find that a specimen tested positive for a prohibited substance, the animal may be immediately disqualified from receiving any purse money and an investigation is immediately conducted. During 1993, specimens from 24,983 greyhounds and 8,874 horses were tested by TVMDL. The following is a summary of the number and types of positives detected:

Greyhound Positives		Horse Positives	
3' Hydroxypentobarb	1	Benzococgonine	1
Caffeine	1	Desmethyl Pylamine	1
Dimethylsulfoxide	4	Etorphine	1
Ephedrine & PPA	3	Flunixin	1
Gamma Hydroxy Bute	7	Furosemide	5
PEG	1	Isoxsurpine	1
Phenylbutazone	2	Ketoprofen	1
Phenylpropanolamine	10	Methamphetamine	1
Polyethylene Glycol	25	Phenylbutazone	21
Procaine	36	Polyethylene Glycol	4
Pseudo Ephedrine	1	Procaine	1
Pseudo Nor-ephedrine	2	Pylamine	1
Sulfa Trimethoprim	1	Trimethoprim-Sulfa	1
Sulfadimethoxine	1	Sulfadimethoxine	1
Trimethoprim	2		
Trimethoprim-Sulfa	2		
TOTAL	99	TOTAL	41

GREYHOUND & HORSE STATISTICS

1/1/93 - 12/31/93 UNAUDITED

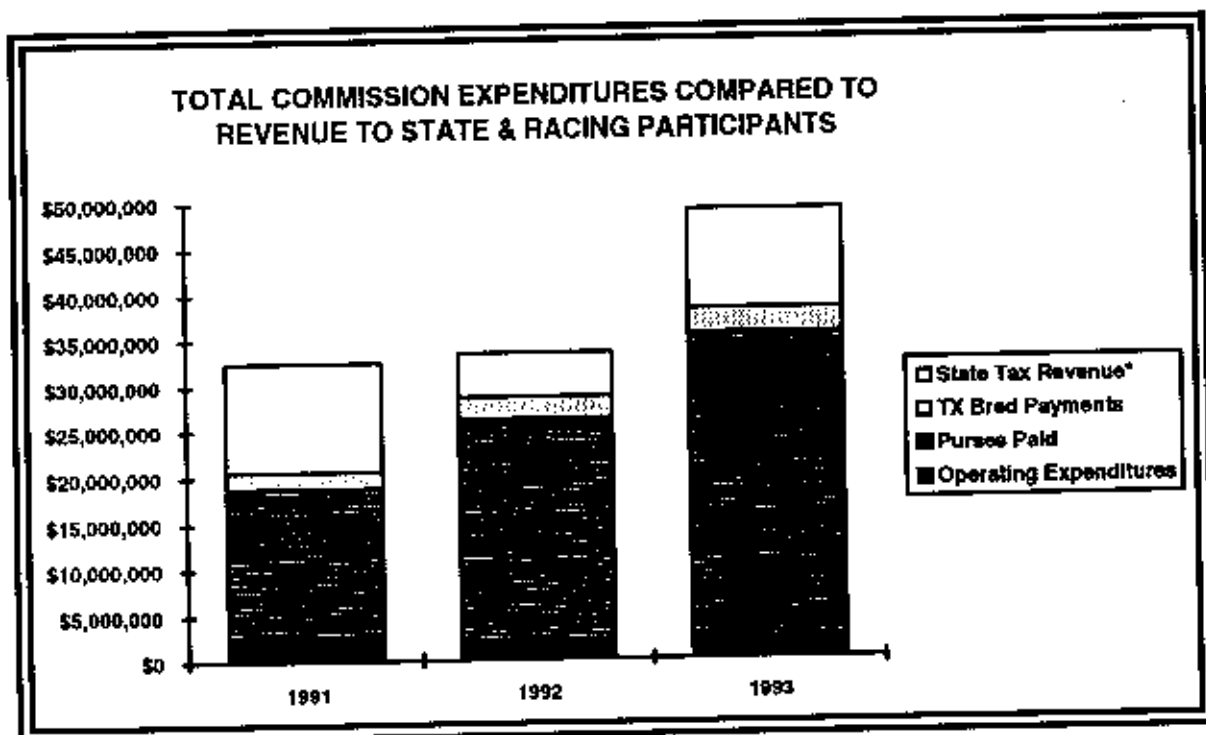
TRACKS	# OF PERF.	TOTAL HANDLE/ AVG. HANDLE	TOTAL ATTEND./ AVG. ATTEND.	PER CAPITA	STATE SHARE	TOTAL PURSES PAID
Corpus Christi GRP	456	\$44,721,484 \$98,073	549,429 1,205	\$81.40	\$894,066	\$2,180,470
Gulf Greyhound Park	494	\$269,382,614 \$543,285	2,069,888 4,190	\$129.66	\$7,735,305	\$19,419,313
Valley - LIVE W/SIMC	388	\$29,242,215 \$75,367	347,731 896	\$84.09	\$569,197	\$1,415,154
SIMULCAST PERF ONLY	58	\$1,933,329 \$33,333	12,923 223	\$149.60	\$19,333	N/A
TOTAL VALLEY GP	446	\$31,175,544	360,654	N/A	\$578,530	\$1,415,154
TOTAL GREYHOUND	1,396	\$344,279,642	2,979,971	N/A	\$9,207,901	\$17,014,937
Bandera Downs LIVE W/SIMC	114	\$26,543,272 \$232,836	207,474 1,820	\$127.94	\$265,433	\$3,508,487
DARK DAY SIMULCAST	15	\$337,335 \$22,489	1,426 95	\$236.56	\$3,373	N/A
SIMULCAST MEET	59	\$2,665,888 \$45,185	10,927 185	\$243.97	\$26,659	N/A
TOTAL BANDERA DOWNS	188	\$29,546,485	219,827	N/A	\$295,465	\$3,508,467
Manor Downs LIVE W/SIMC	58	\$10,159,543 \$175,165	78,404 1,352	\$129.58	\$101,595	\$1,754,863
DARK DAY SIMULCAST	53	\$3,139,495 \$59,236	9,076 171	\$345.91	\$31,395	N/A
SIMULCAST MEET	56	\$3,159,695 \$56,423	10,383 185	\$304.31	\$31,597	N/A
TOTAL MANOR DOWNS	167	\$16,458,733	97,863	N/A	\$164,587	\$1,754,863
Trinity Meadows LIVE W/SIMC	75	\$30,058,155 \$400,775	139,000 1,853	\$216.25	\$300,582	\$5,117,283
QH MEET 8/19 - 12/31	92	\$63,721,245 \$692,622	321,756 3,497	\$198.04	\$637,212	\$5,338,885
DARK DAY SIMULCAST	22	\$3,160,986 \$143,681	10,817 492	\$292.22	\$31,610	N/A
SIMULCAST MEET 1/1 - 3/5	48	\$20,653,730 \$430,286	55,474 1,156	\$372.31	\$206,537	N/A
TOTAL TRINITY MEADOWS	237	\$117,594,116	527,047	N/A	\$1,175,941	\$10,456,168
Gillespie County LIVE HANDLE	12	\$2,066,862 \$172,239	29,077 2,423	\$71.08	\$20,669	\$498,987
TOTAL HORSE	604	\$165,666,206	873,814	N/A	\$1,656,662	\$16,216,485
TOTAL GREYHOUND & HORSE	2,000	\$509,945,848	3,853,785	N/A	\$10,864,563	\$33,231,422

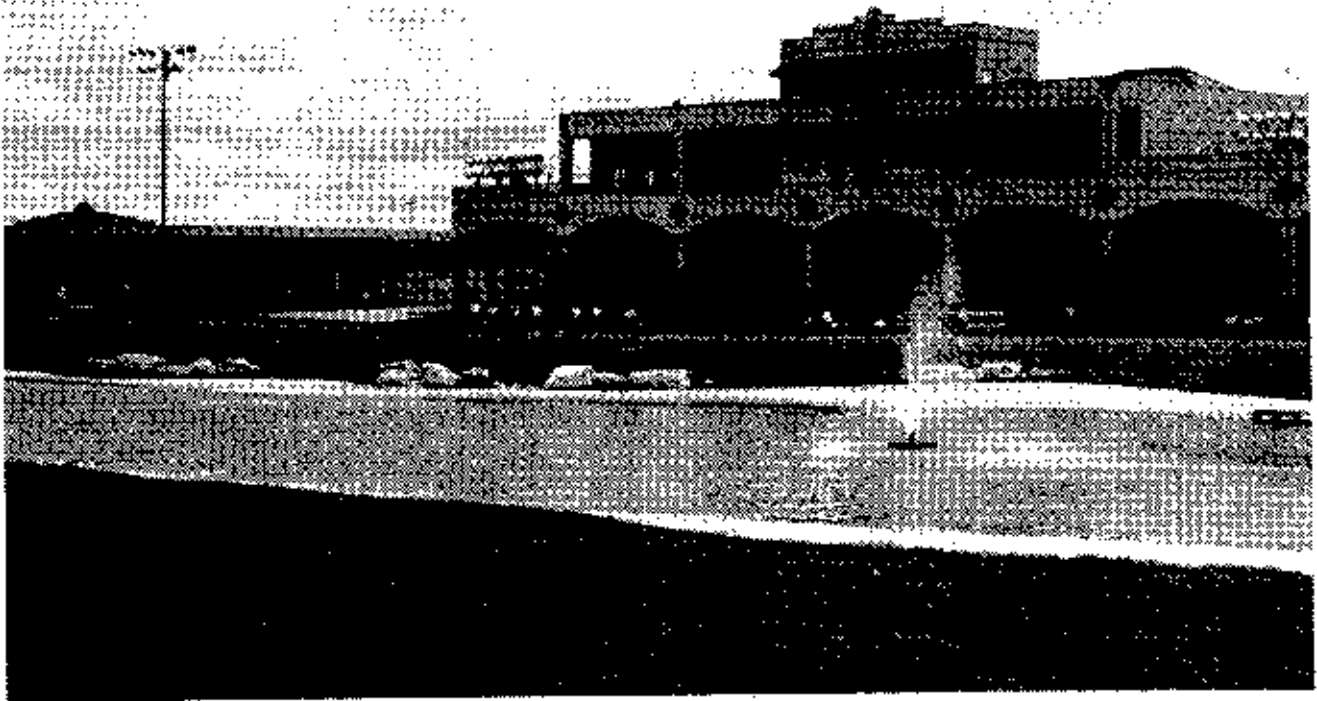
STATISTICAL COMPARISON OF GROWTH IN ACTIVITY & REVENUE VS. COMMISSION EXPENDITURES

	1991	1992	1993
# of Tracks*	6	7	7
Handle	\$263,768,178	\$320,781,058	\$509,945,848
Attendance	2,686,062	2,733,959	3,853,785
Purses Paid	\$16,239,026	\$23,928,460	\$33,231,423
TX Bred Payments	\$1,709,373	\$2,500,610	\$2,678,486
State Tax**	\$11,900,421	\$4,758,083	\$10,864,563
TxRC Operating Expenditures	\$2,594,524	\$2,241,812	\$2,221,964

*Gulf Greyhound Park opened in mid-November of 1992.

**The Legislature lowered the tax rate to the state in 1992.





CORPUS CHRISTI GREYHOUND RACE TRACK

Located just off Interstate 37 at 5302 Leopard Street, Corpus Christi Greyhound Race Track operates on a year-round basis. The operation of the racetrack created 332 jobs with a payroll totaling over \$3.64 million in 1993.

The racetrack paid more than \$1.35 million in liquor, admissions, and sales tax including \$894,430 going to the State. The track paid approximately \$2.8 million in total purses for the year.

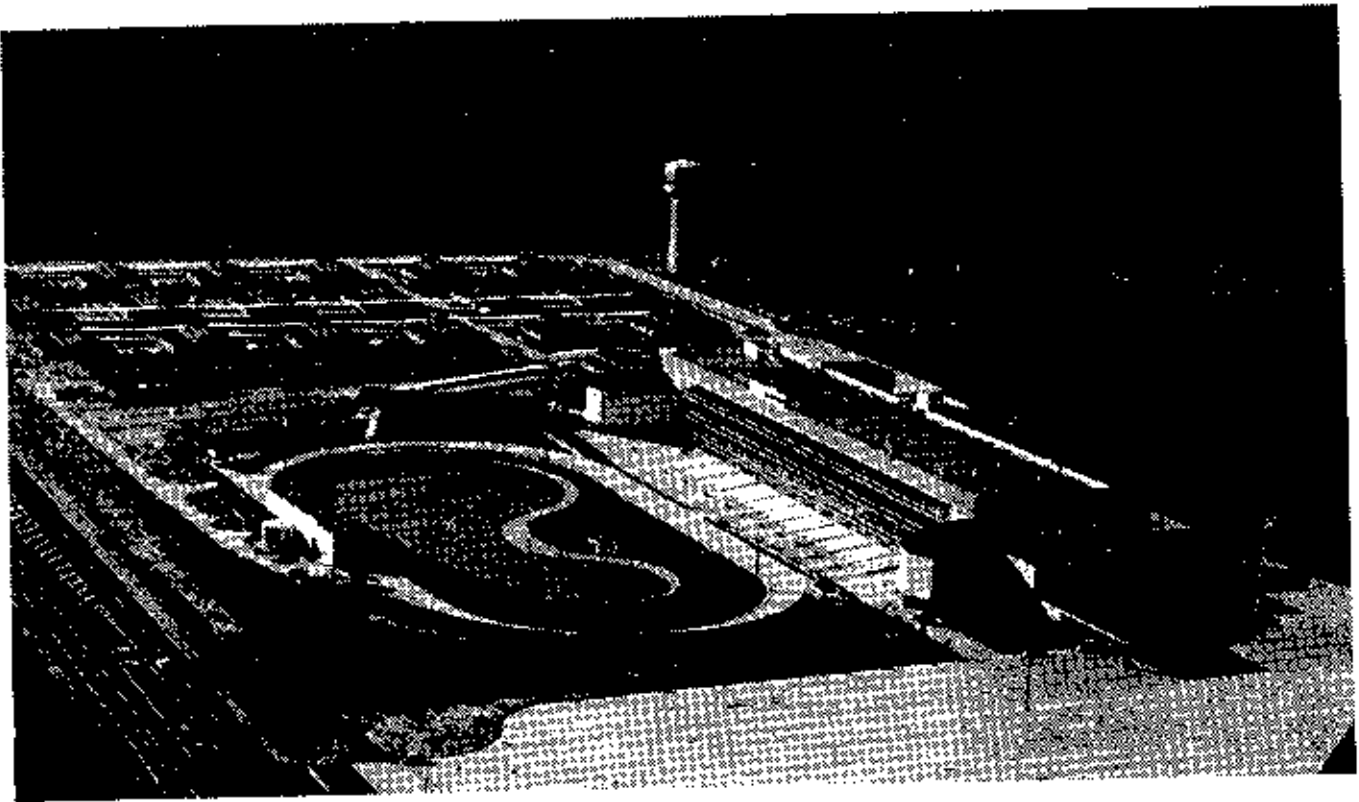
1994 Granted Race Days

Corpus Christi Greyhound Race Track operates on a year-round basis. The Commission granted Corpus 158 matinee performances and 298 evening performances for a total of 456 performances for 1994.

*Race dates are subject to change throughout the year at the discretion of the Commission.

P.O. Box 9087, Corpus Christi, Texas 78469
(512) 289-933; Fax (512) 289-4307

Size of Track:	
Length:	1,347 feet
Width:	22 feet
Total Seating Capacity:	2,500
Kennel Capacity:	
Kennels:	18
Crates in each:	60
Inaugural Meet:	11/15/90
Attendance Record:	6,242 11/23/90
Wagering Record:	\$355,166 2/28/92



GULF GREYHOUND PARK

Gulf Greyhound Park in La Marque, completed its first year in operation in 1993. Employing over 1,000 people, Gulf Greyhound Park's payroll amounted to over \$11.25 million.

The racetrack paid \$3,467,821 in real estate, sales, admissions, and liquor taxes. Charitable contributions totaled more than \$87,000 and total purses paid was \$13,419,131.

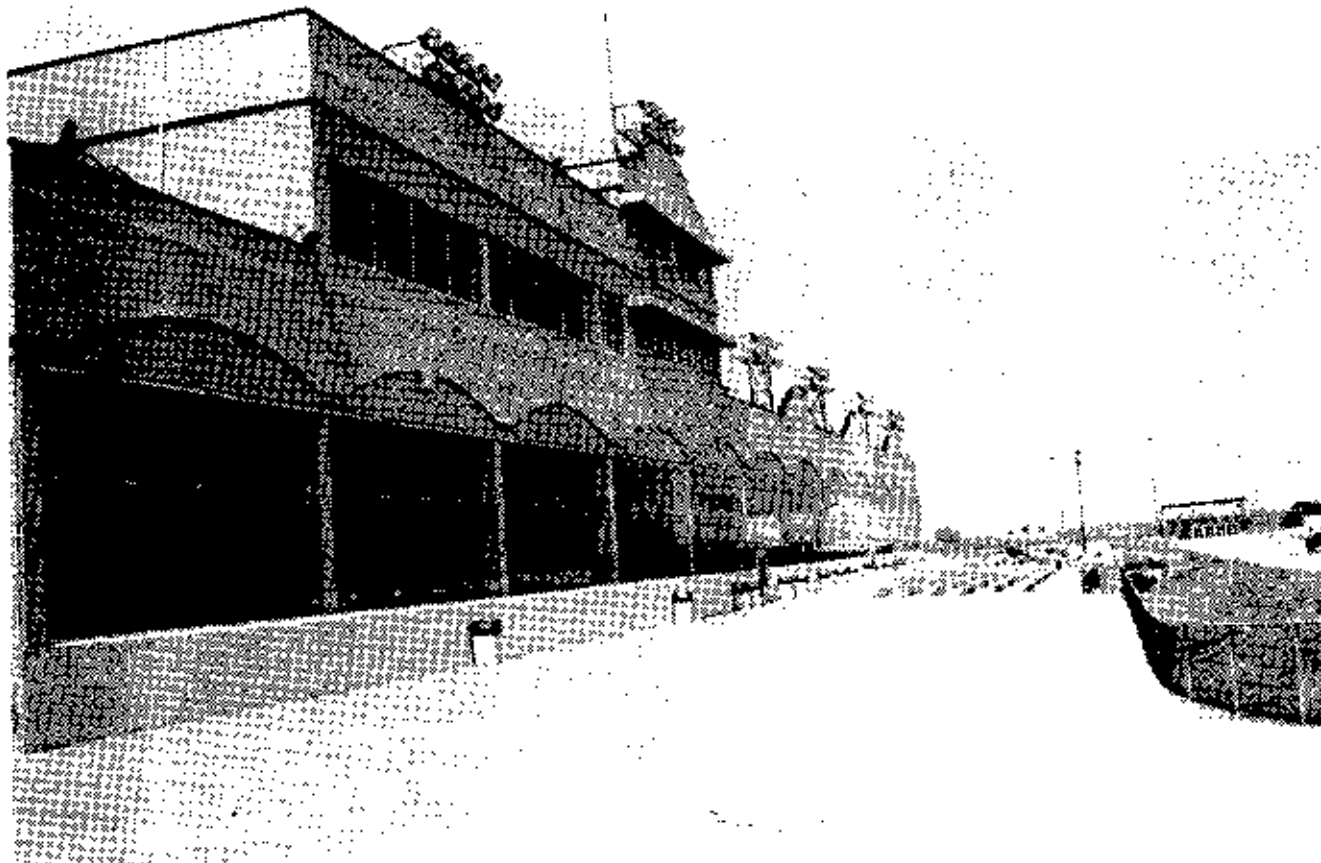
1994 Granted Race Days

Gulf Greyhound Park operates on a year-round basis. The Commission granted Gulf 213 matinee performances and 312 evening performances for a total of 525 performances for 1994.

*Race dates are subject to change throughout the year at the discretion of the Commission.

1000 FM 2004, La Marque, Texas 77568
(409) 986-9500, Fax (409) 986-9603

Size of Track:	
Length:	1/4 mile
Width:	22 feet
Total Seating Capacity:	8,862
Kennel Capacity:	
Kennels:	18
Crates in each:	60
Inaugural Meet:	11/10/92
Attendance Record:	11,652 11/10/92
Wagering Record:	\$1,427,219 7/05/93



VALLEY GREYHOUND PARK

Valley Greyhound Park is located in South Texas in Harlingen. During 1993 the racetrack employed 276 people and had a total payroll of \$2,425,952. The racetrack paid over \$550,000 in real estate, sales, liquor, and admissions taxes.

Simulcasting from Tampa Greyhound Park in Tampa, Florida, was added to Valley Greyhound Park's racing schedule in July 1993.

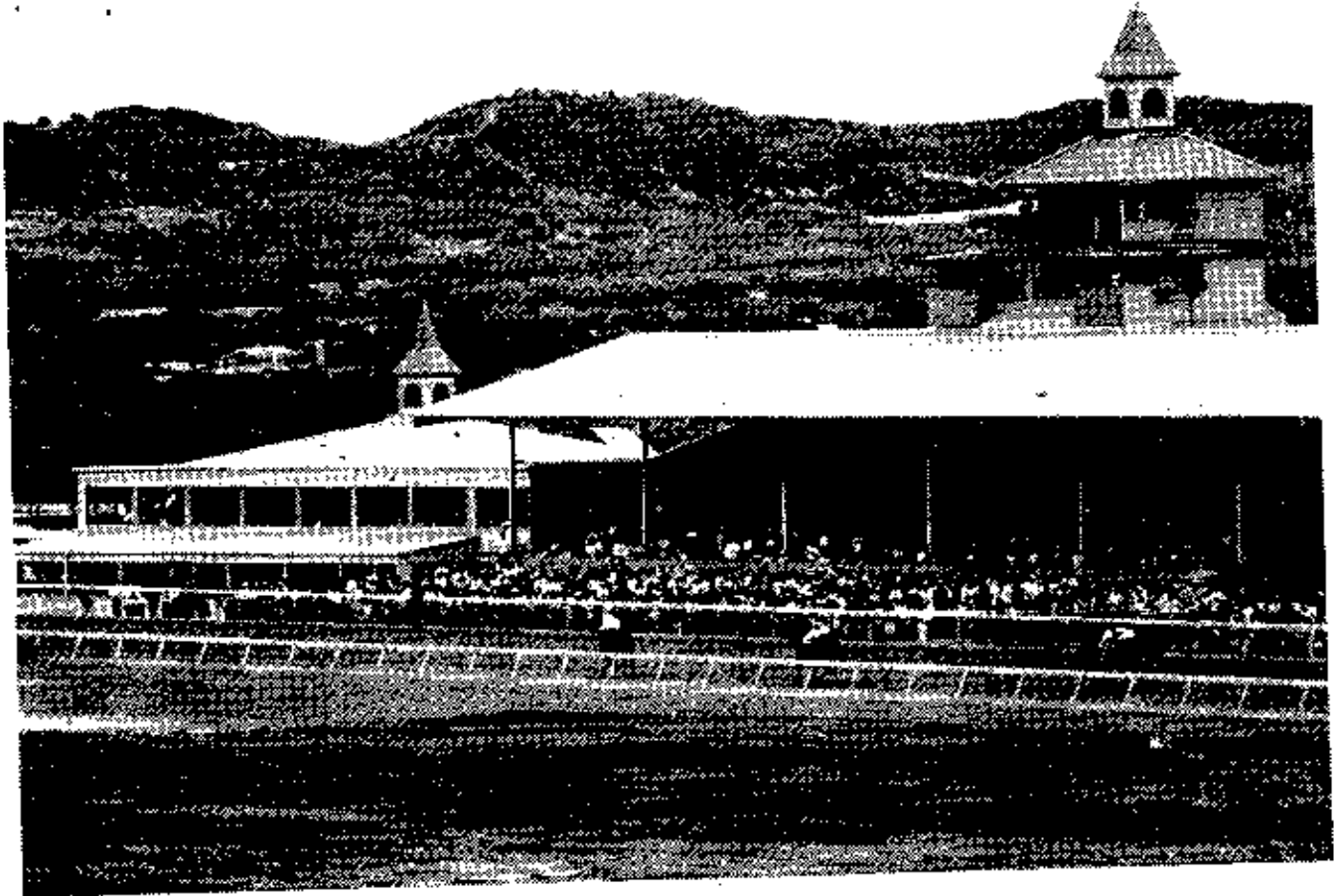
1994 Granted Race Days

Valley Greyhound Park operates on a year-round basis. The Commission granted Valley 110 matinee performances and 260 evening performances for a total of 370 performances for 1994.

*Race dates are subject to change throughout the year at the discretion of the Commission.

2601 South Ed Carey Drive, Harlingen, Texas
(210) 428-0161, Fax (210) 428-0163

Size of Track:	
Length:	1/4 mile
Width:	22 feet
Total Seating:	2,500
Kennel Capacity:	
Kennel:	18
Crates in each:	60
Inaugural Meet:	11/14/90
Attendance Record:	4,712 11/23/90
Wagering Record:	\$327,827 12/07/91



BANDERA DOWNS

The Hill Country is home to Bandera Downs, a Class 2 racetrack. It is located approximately 40 miles northwest of San Antonio in Bandera.

The racetrack paid some \$2.2 million to its 469 employees in 1993 and paid over \$335,000 in real estate, sales, admissions, and liquor taxes. Total purses paid exceeded \$3.5 million.

1994 Granted Race Days

The Commission granted Bandera Downs a total of 89 race days for 1994. They will conduct a mixed meet from February 5 through September 5.

*Race dates are subject to change throughout the year at the discretion of the Commission

P.O. Box 1775, Bandera, Texas, 78003
(210) 796-7781, Fax (210) 796-4682

Size of Track:	
Length:	7/8 mile
Width:	75 feet
Total Seating Capacity:	3,050
Total Stall Space:	930
Inaugural Meet:	7/06/90
Attendance Record:	7,814 9/03/90
Wagering Record:	\$550,541 5/16/92



MANOR DOWNS

Manor Downs, a Class 2 racetrack, is located approximately 10 miles east of Austin. The racetrack employed a total of 132 people during 1993 and its payroll expense was over \$850,000.

The racetrack paid approximately \$103,400 in real estate, sales, and liquor taxes. The track paid \$1,754,863 in total purses.

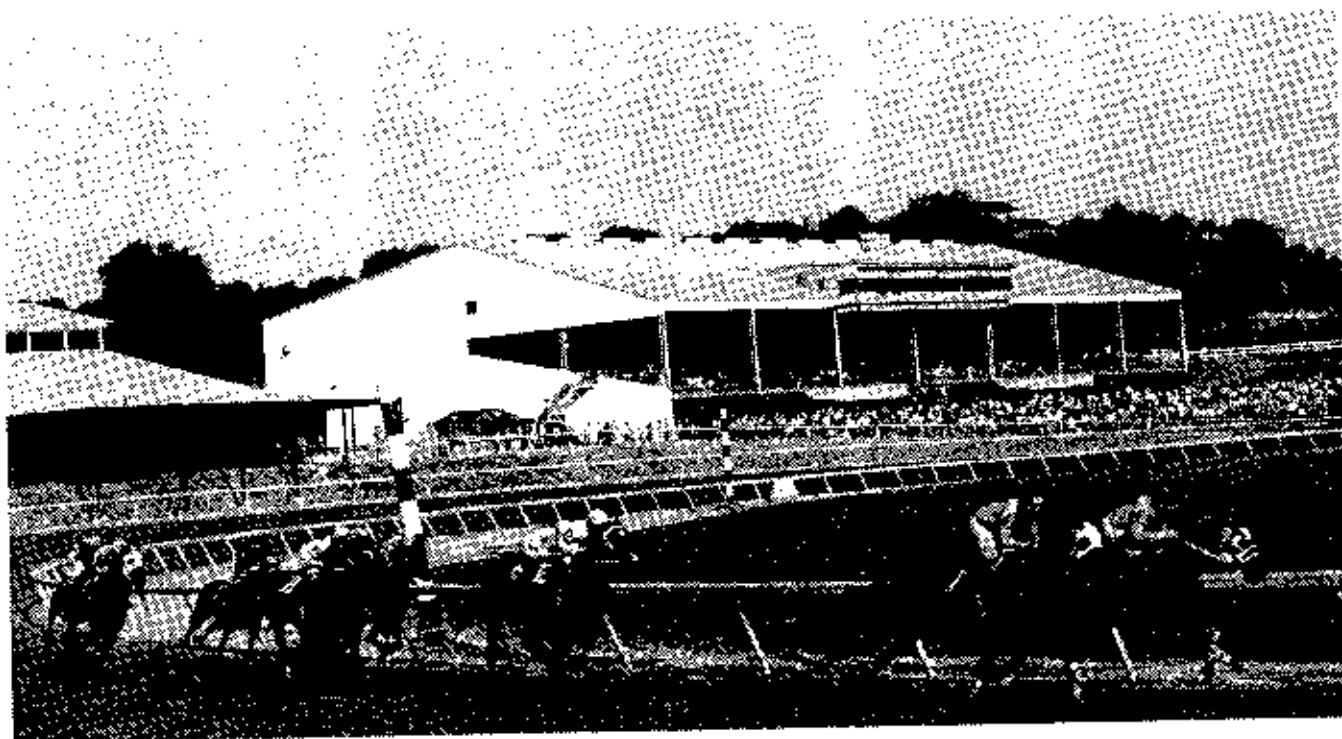
1994 Granted Race Days

The Commission granted Manor Downs a total of 40 race days for 1994. They will conduct a quarter horse meet from March 5 through June 12.

*Race dates are subject to change throughout the year at the discretion of the Commission

P.O. Box 141509, Austin, Texas, 78714
(512) 272-5581, Fax (512) 272-4403

Size of Track:	
Length:	550 yd. straightaway
Width:	80 feet
Total Seating Capacity:	2,500
Total Stall Space:	673
Inaugural Meet:	10/11/90
Attendance Record:	3,829 5/19/91
Wagering Record:	\$414,794 12/16/90



TRINITY MEADOWS

Trinity Meadows is located in Weatherford just outside of Fort Worth. This Class 2 racetrack employed 501 people and had a total payroll of \$4,578,582. Payments in real estate, admissions, and sales taxes exceeded \$735,000.

Charitable contributions totaled \$35,482 for the year and the racetrack paid over \$10.45 million to purses.

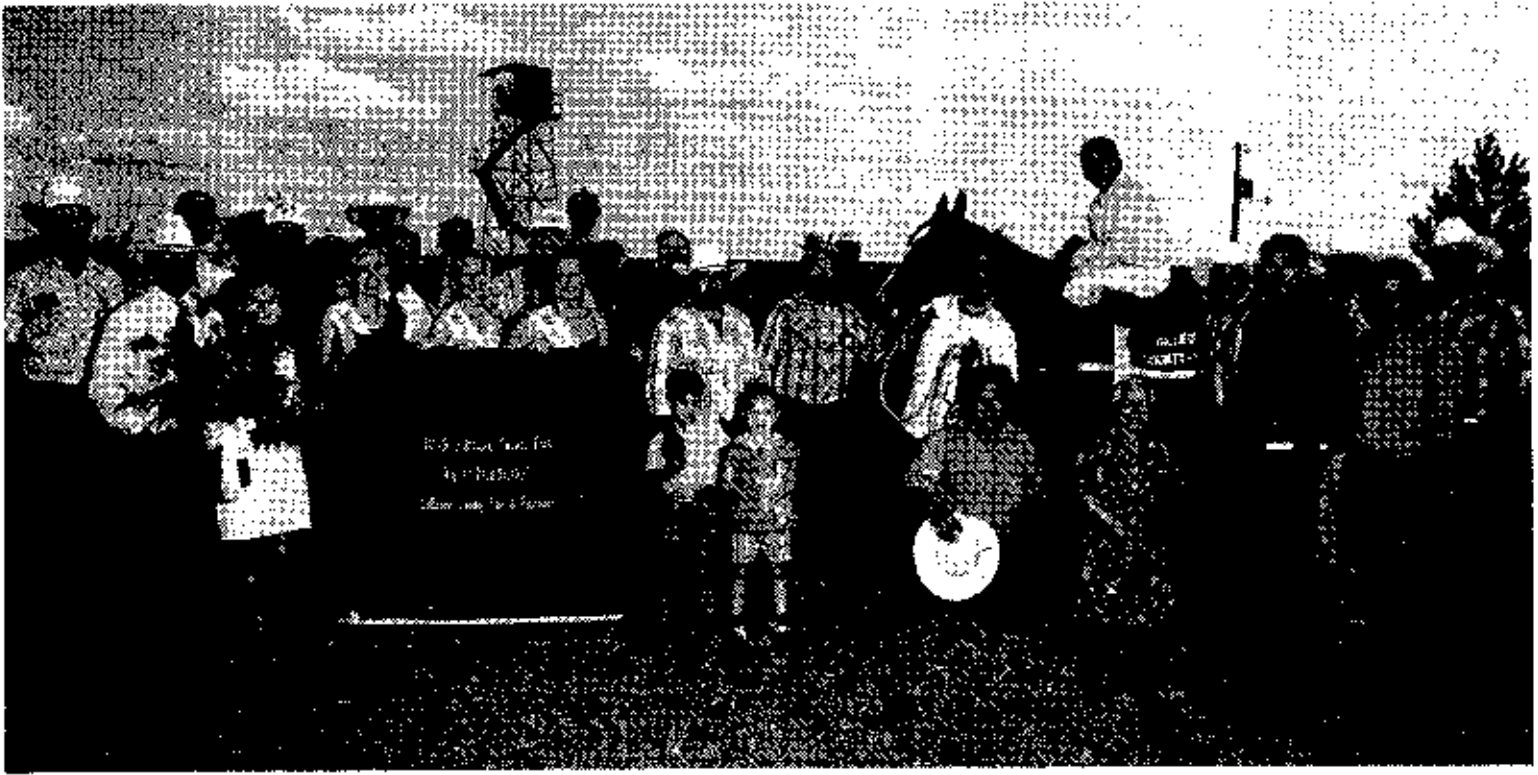
1994 Granted Race Days

The Commission granted Trinity Meadows a total of 211 race days in 1994. They will conduct a mixed meet from March 5 through June 20, a thoroughbred meet from June 25 through October 10, and another mixed meet from October 15 through December 31.

*Race dates are subject to change throughout the year at the discretion of the Commission.

P.O. Box 121789, Fort Worth, Texas, 76121
(817) 441-9240, Fax (817) 441-8098

Size of Track:	
Length:	3/4 mile
Width:	80 ft. back straightaway 90 ft. front straightaway
Total Seating Capacity:	5,500
Total Stall Space:	1,009
Inaugural Meet:	5/29/91
Attendance Record:	17,515 6/1/91
Wagering Record:	\$1,5583,453 5/02/92



GILLESPIE COUNTY FAIR & FESTIVALS ASSOCIATION

Gillespie County Fair & Festivals Association, a Class 3 non-profit county fair organization, is located in Fredericksburg, northwest of San Antonio.

The Association is known for its year-round support and contributions to activities that promote area youth and agricultural programs. This year a total of \$11,125 in scholarships were awarded to Gillespie County youths.

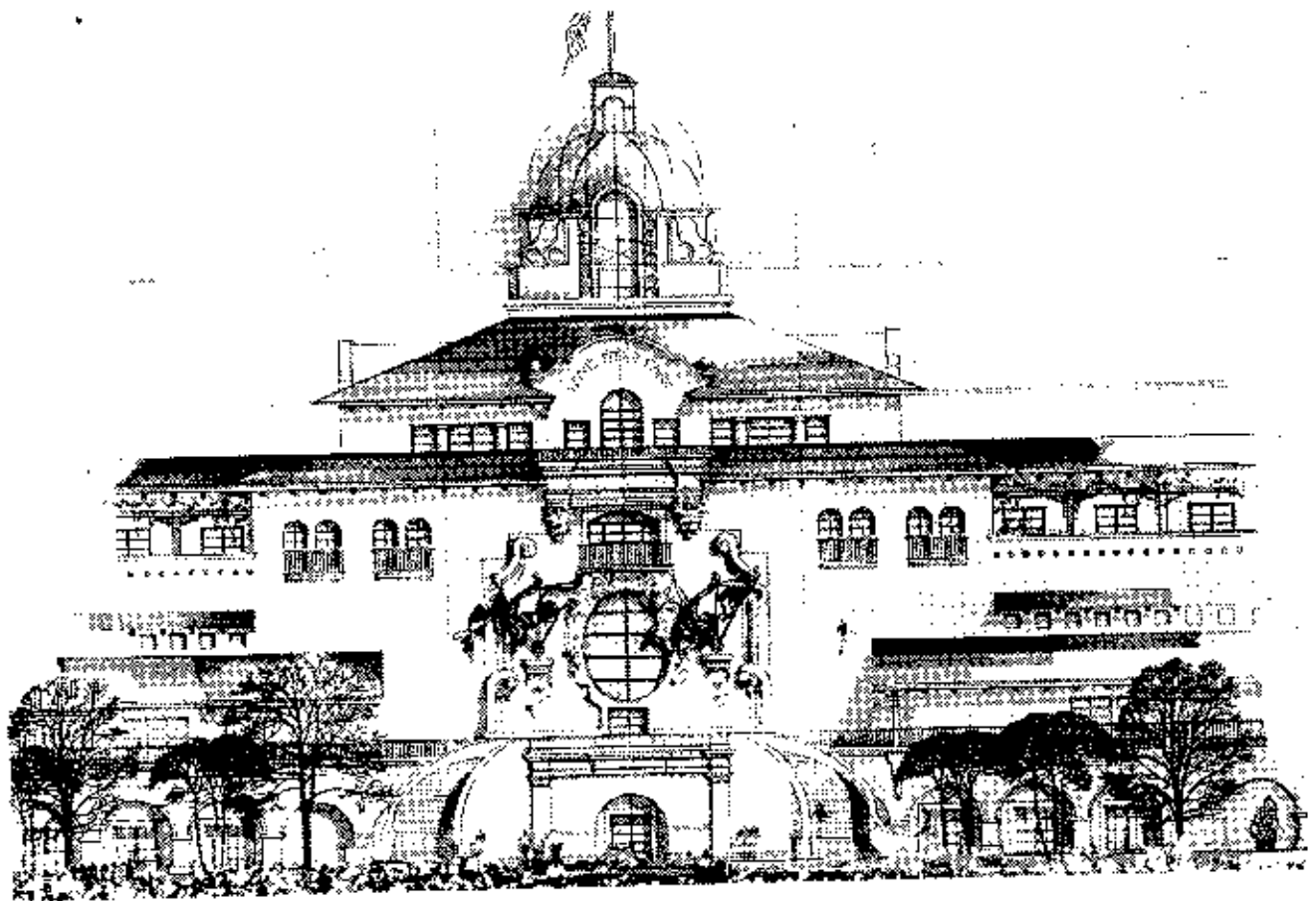
1994 Granted Race Days

The Commission granted Gillespie County Fair & Festivals Association a total of 12 race days in 1994. Those race days are: June 18-19; July 2-4, 16-17; August 20-21, and 26-28.

*Race dates are subject to change throughout the year at the discretion of the Commission.

P.O. Box 526, Fredericksburg, Texas 78624
(210) 997-2359, Fax (210) 997-9804 racing days.

Size of Track:	
Length:	5/8 mile oval
Width:	80 feet
Total Seating Capacity:	3,200
Total Stall Space:	200
Inaugural Meet:	5/26/90
Attendance Record:	7,574 7/04/90
Wagering Record:	\$352,854 7/04/90



LONE STAR JOCKEY CLUB

1993 was a busy year for Lone Star Jockey Club. In January, the three losing license applicants (Trinity Meadows, Midpointe Racing, and Pinnacle Park) filed suit to reverse the Commission's decision to award a Class 1 license to Lone Star. The next four months were spent negotiating documents with the Grand Prairie Sports Development Corporation, obtaining necessary permits and approvals, and finalizing development plans. In June, Lone Star began clearing their site for construction.

At the urging of the Sports Corporation, Lone Star and Midpointe entered into serious settlement negotiations in July. The Commission and the Sports Corporation approved a merger of Lone Star and Midpointe in October.

The total development will encompass over 600 acres conveniently located in the middle of the Dallas/Ft. Worth metroplex in Grand Prairie on Belt Line Road north of Interstate 30. Further negotiations enabled Lone Star to reach an agreement with another applicant, Pinnacle Park, in October. By the end of 1993, the merger with Midpointe and the agreement with Pinnacle Park left Trinity Meadows as the only party pursuing the litigation.

Lone Star expects to start construction on the \$95 million racetrack facility in early 1994 and be open for live racing in 1995.



RETAMA PARK

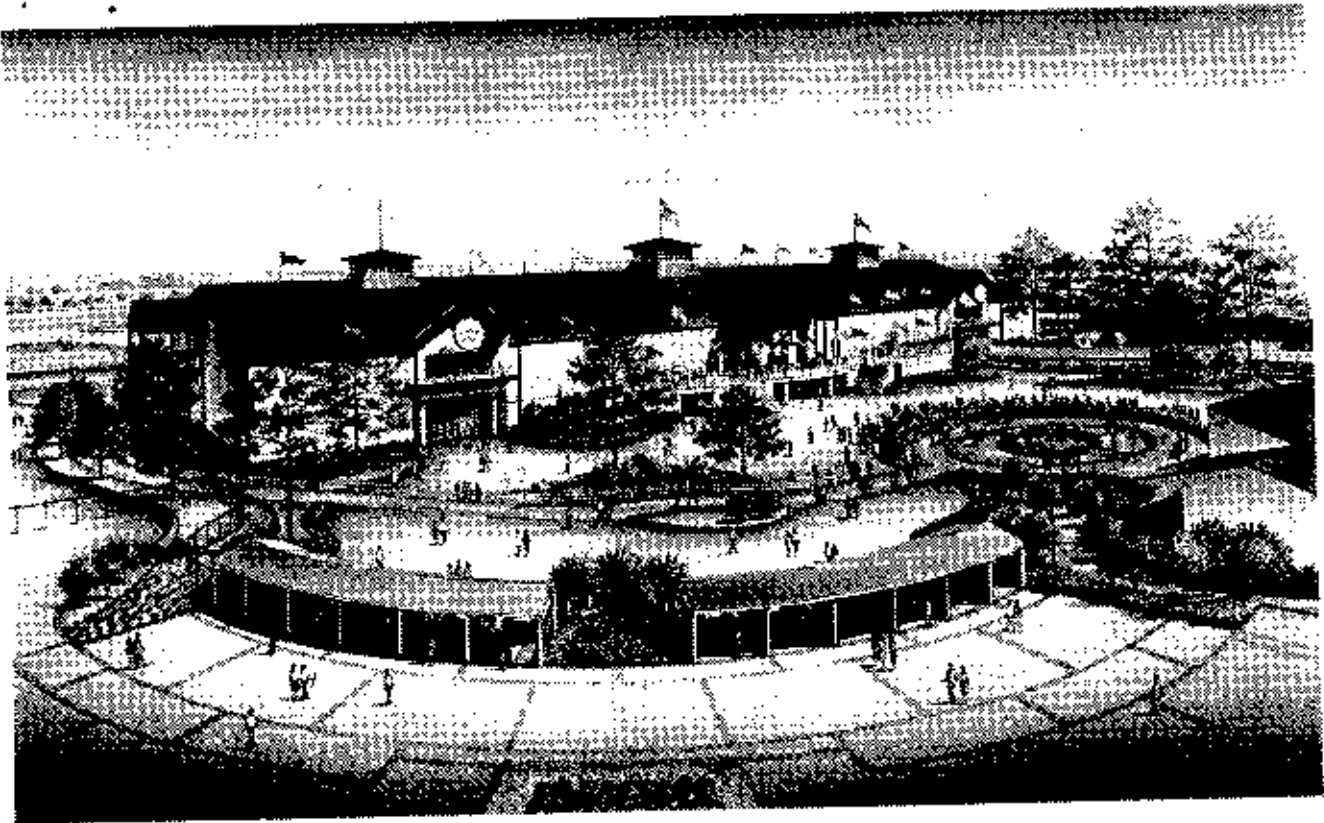
Retama Park, the second Class 1 racetrack licensed in Texas, obtained its financing on December 21, 1993. The racetrack will be located northeast of San Antonio in Selma. Conveniently situated off Interstate 35, the facility is just 20 minutes from downtown San Antonio and 55 minutes from downtown Austin.

The facility will be a 90-foot tall, five-level stadium that will accommodate 8,000 to 12,000 patrons. The main entrance and the grandstand will be connected by the paddock courtyard, which will contain a horse saddling barn, concession areas, a fountain, and plenty of seating. Adjacent to the grandstand will be a grassy knoll to accommodate overflow crowds.

The main racetrack will be a one mile oval with a 7/8 chute and a 550 yard straightaway to the finish line. The track will be equipped with lights for night racing.

Twenty-three barns will stable over 1,280 horses with lush, grassy surroundings and native trees shading a center green common. Grooms cottages for 160 grooms will be provided in this area.

Construction is due to begin in January 1994. The racetrack will create approximately 600 construction jobs over a 15-month building period and employ over 500 people to staff the facility for normal operation. Retama Park anticipates opening in 1995 and will be one of the largest employers in northeast Bexar County.



SAM HOUSTON RACE PARK

On August 23, 1993 Sam Houston Race Park conducted a ceremonial groundbreaking for the new Class 1 horse racing facility which is expected to open April 29, 1994. Sam Houston Race Park is being built on 230 acres of land in Northwest Harris County. The initial phase of construction began in July.

Sam Houston Race Park will offer pari-mutuel wagering on live thoroughbred and quarter horse racing and on races simulcast from other racetracks. Patrons will be able to view races as well as obtain wagering information and place wagers from the grandstand and landscaped outdoor areas adjacent to the grandstand. Maximum patron capacity is expected to be approximately 30,000.

A beautifully landscaped saddling paddock area will be located near the entrance to the grandstand. The racetrack will have a one-mile dirt track and a one and one-eighth mile turf course. Backside facilities will have 18 barns with capacity to house 1,100 horses. The facility will feature a 196,000-square-foot air conditioned grandstand incorporating luxury suites, a private Turf Club, and track-view dining. Sam Houston Race Park will feature numerous video monitors, electronic message boards, video walls, and video replay libraries to provide information to patrons.

One Sam Houston Place, P.O. Box 2323, Houston, Texas 77252, (713) 807-8700, Fax (713) 807-8777



LA BAHIA DOWNS

La Bahia Downs (South Texas Race Association) in Goliad, an existing AQHA-approved racetrack, received its Class 2 racetrack license in 1989. In 1990, the Commission denied La Bahia's application for renewal on the grounds that the racetrack had not received financing for its construction. In 1991, the legislature added §6.19 to the Texas Racing Act, which required the Commission to reinstate La Bahia's license. After receiving an interpretation from the Attorney General about the statute, the Commission reinstated La Bahia's license on January 31, 1992. La Bahia has not received financing for its improvements and did not operate in 1993.

LONGHORN DOWNS

Longhorn Downs, Inc., received a Class 2 license in 1989. The Company originally planned to construct a \$35 million facility in Round Mountain. In 1993, Midpointe Racing, L.C., one of the original applicants for a Class 1 license in Dallas County, acquired a 97.5% interest in Longhorn. Pursuant to newly enacted §6.14(d) of the Texas Racing Act, the Commission approved Longhorn Downs' request to relocate its license to a site in Grand Prairie.

LUBBOCK DOWNS

Lubbock Downs in Lubbock, an existing AQHA-approved racetrack, received its Class 2 racetrack license in 1989. In 1990, Lubbock Downs voluntarily surrendered its license in lieu of revocation, due to its inability to obtain financing to construct its racetrack. In LD-92-001 (1992), Attorney General Dan Morales held that newly enacted §6.19 of the Texas Racing Act required the Commission to reinstate Lubbock Downs' license. The license was reinstated on January 31, 1992. Although the Commission granted Lubbock Downs' request for live race dates in 1993, the racetrack did not operate due to its lack of financing for construction.