

By: Thompson of Harris, Bell of Montgomery

H.B. No. 4115

Substitute the following for H.B. No. 4115:

By: Goldman

C.S.H.B. No. 4115

A BILL TO BE ENTITLED

AN ACT

relating to eligibility for membership on and the regulation of horse racing by the Texas Racing Commission and a prohibition on the conduct of greyhound or other dog racing as live events in this state; creating a criminal offense; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. MEMBERSHIP ON AND REGULATION OF HORSE RACING BY TEXAS RACING COMMISSION

SECTION 1.001. Section 2021.003, Occupations Code, is amended by adding Subdivision (29-a) to read as follows:

(29-a) "Occupational license" means a license issued to an individual to conduct activities prescribed for that license in the commission rules.

SECTION 1.002. Section 2021.006, Occupations Code, is amended to read as follows:

Sec. 2021.006. RELEASE OF CIVIL LIABILITY. A commission member, a commission employee, a person contracted by the commission, a steward or judge, a racetrack association, a horsemen's organization, or any other person regulated under this subtitle is not liable for a cause of action that arises out of that person's performance or exercise of discretion in the implementation or enforcement of this subtitle or a rule adopted under this subtitle if the person has acted in good faith.

SECTION 1.003. Section 2022.004(e), Occupations Code, is

1 amended to read as follows:

2 (e) A person is not eligible for appointment as a commission
3 member or to be designated to serve as an ex officio member's
4 designee as described by Section 2022.001(b) if:

5 (1) the person or the person's spouse:

6 (A) is licensed by the commission, except as a
7 commissioner;

8 (B) is employed by the commission or participates
9 in the management of a business entity or other organization
10 regulated by the commission or receiving funds from or through the
11 commission;

12 (C) owns or controls, directly or indirectly,
13 more than a 10 percent interest in a business entity or other
14 organization regulated by the commission or receiving funds from or
15 through the commission; or

16 (D) uses or receives a substantial amount of
17 tangible goods, services, or funds from or through the commission,
18 other than compensation or reimbursement authorized by law for
19 commission membership, attendance, or expenses; or

20 (2) the person:

21 (A) owns any financial interest in a racetrack or
22 its operation or is related within the second degree by affinity or
23 the third degree by consanguinity, as determined under Subchapter
24 B, Chapter 573, Government Code, to a person who owns any financial
25 interest in a racetrack or its operation; or

26 (B) has been convicted of a felony [~~or of any~~
27 ~~crime involving moral turpitude~~].

1 SECTION 1.004. The heading to Section 2022.052, Occupations
2 Code, is amended to read as follows:

3 Sec. 2022.052. EMPLOYEES; RESTRICTIONS ON EMPLOYMENT;
4 CONTRACTING.

5 SECTION 1.005. Sections 2022.052(a) and (c), Occupations
6 Code, are amended to read as follows:

7 (a) The commission shall hire employees or contract with
8 persons as necessary to administer this subtitle.

9 (c) The commission may not employ or continue to employ or
10 contract with or continue to contract with a person who:

11 (1) owns or controls a financial interest in a
12 commission license holder;

13 (2) is employed by or serves as a paid consultant to a
14 commission license holder, an official state breed registry, or a
15 Texas trade association, as defined by Section 2022.004(a), in the
16 field of horse [~~or greyhound~~] racing or breeding;

17 (3) owns or leases a race animal that participates in
18 pari-mutuel racing in this state;

19 (4) accepts or is entitled to any part of the purse or
20 Texas-bred incentive award to be paid on a horse [~~or a greyhound~~] in
21 a race conducted in this state; or

22 (5) resides with or is related within the first degree
23 by affinity or consanguinity to a person subject to a
24 disqualification prescribed by this subsection.

25 SECTION 1.006. Subchapter B, Chapter 2022, Occupations
26 Code, is amended by adding Section 2022.0515 to read as follows:

27 Sec. 2022.0515. GRANTS. The executive director may apply

1 for and receive any grant applicable to the implementation or
2 enforcement of this subtitle or a rule adopted under this subtitle.

3 SECTION 1.007. Chapter 2022, Occupations Code, is amended
4 by adding Subchapter D to read as follows:

5 SUBCHAPTER D. TEXAS EQUINE EDUCATION AND RESEARCH COUNCIL AND
6 ESCROW ACCOUNT

7 Sec. 2022.151. DEFINITIONS. In this subchapter:

8 (1) "Council" means the Texas equine education and
9 research council.

10 (2) "Escrow account" means the Texas equine education
11 and research escrow account.

12 Sec. 2022.152. TEXAS EQUINE EDUCATION AND RESEARCH ESCROW
13 ACCOUNT. The Texas equine education and research escrow account is
14 a special account in the general revenue fund. Money deposited to
15 the credit of the escrow account may be used only for the purposes
16 described in this subchapter.

17 Sec. 2022.153. TEXAS EQUINE EDUCATION AND RESEARCH COUNCIL.

18 (a) The Texas equine education and research council is composed of:

19 (1) the executive director; and

20 (2) one representative designated by each of the
21 following entities:

22 (A) Texas A&M Veterinary Medical Diagnostic
23 Laboratory;

24 (B) Texas A&M AgriLife Extension Service;

25 (C) Texas A&M School of Veterinary Medicine &
26 Biomedical Sciences;

27 (D) Texas Animal Health Commission; and

1 (E) Department of State Health Services.

2 (b) The executive director serves as the council's
3 presiding officer.

4 SECTION 1.008. Sections 2023.053(c) and (f), Occupations
5 Code, are amended to read as follows:

6 (c) Any unappropriated money exceeding \$2 million
7 [~~\$750,000~~] that remains in the fund at the close of each state
8 fiscal biennium shall be transferred to the general revenue fund
9 and may be appropriated for any purpose.

10 (f) This section does not apply to money deposited into the
11 Texas-bred escrow account [~~incentive fund~~] established under
12 Section 2028.301.

13 SECTION 1.009. Section 2023.061(a), Occupations Code, is
14 amended to read as follows:

15 (a) Not later than January 31 of each year, the commission
16 may [~~shall~~] file a report with the governor, lieutenant governor,
17 and speaker of the house of representatives. The report may
18 include, to the extent the commission considers appropriate:

19 (1) descriptions of changes to commission programs;
20 and

21 (2) recommendations to the governor and the
22 legislature.

23 SECTION 1.010. Section 2024.055(b), Occupations Code, is
24 amended to read as follows:

25 (b) This section does not apply to money deposited into the
26 Texas-bred escrow account [~~incentive fund~~] established under
27 Section 2028.301.

1 SECTION 1.011. Section 2025.001, Occupations Code, is
2 amended by adding Subsection (a-1) to read as follows:

3 (a-1) The commission shall comply with Chapter 53 in the
4 administration of the commission's licensing program.

5 SECTION 1.012. Section 2025.103(a), Occupations Code, is
6 amended to read as follows:

7 (a) After a racetrack association has been granted a license
8 to operate a racetrack and before the completion of construction at
9 the designated place for which the license was issued, the
10 commission may, on application by the racetrack association, issue
11 a temporary license that authorizes the racetrack association to
12 conduct races at a location in the same county until the earlier of:

13 (1) the fifth [~~second~~] anniversary of the date of
14 issuance of the temporary license; or

15 (2) the completion of the permanent facility.

16 SECTION 1.013. Section 2025.262, Occupations Code, is
17 amended to read as follows:

18 Sec. 2025.262. GROUNDS FOR DENIAL, REVOCATION, AND
19 SUSPENSION OF OCCUPATIONAL LICENSE. The commission may refuse to
20 issue any original or renewal license under this subchapter or may
21 revoke or suspend the license if, after notice and hearing, the
22 commission finds that the applicant or license holder, as
23 appropriate:

24 (1) has been convicted of a violation of this subtitle
25 or a commission rule or has aided, abetted, or conspired to commit a
26 violation of this subtitle or a commission rule;

27 (2) has been convicted of a felony [~~or a crime~~]

1 ~~involving moral turpitude~~] that is reasonably related to the
2 person's present fitness to hold a license under this subtitle;

3 (3) has violated or has caused to be violated this
4 subtitle or a commission rule in a manner that involves moral
5 turpitude, as distinguished from a technical violation of this
6 subtitle or a rule;

7 (4) is unqualified, by experience or otherwise, to
8 perform the duties required of a license holder under this
9 subtitle;

10 (5) failed to answer or has falsely or incorrectly
11 answered a question in an original or renewal application;

12 (6) fails to disclose the true ownership or interest
13 in a horse ~~[or greyhound]~~ as required by commission rules;

14 (7) is indebted to this state for any fee or for the
15 payment of a penalty imposed by this subtitle or a commission rule;

16 (8) is not of good moral character or the person's
17 reputation as a peaceable, law-abiding citizen in the community
18 where the person resides is bad;

19 (9) is in the habit of using alcoholic beverages to an
20 excess or uses a controlled substance as defined in Chapter 481,
21 Health and Safety Code, or a dangerous drug as defined in Chapter
22 483, Health and Safety Code, or is mentally incapacitated;

23 (10) may be excluded from an enclosure under this
24 subtitle;

25 (11) has improperly used a temporary pass, license
26 certificate, credential, or identification card issued under this
27 subtitle;

1 (12) resides with a person whose license was revoked
2 for cause during the 12 months preceding the date of the present
3 application;

4 (13) has failed or refused to furnish a true copy of
5 the application to the commission's district office in the district
6 in which the premises for which the license is sought are located;
7 or

8 (14) is engaged or has engaged in activities or
9 practices that are detrimental to the best interests of the public
10 and the sport of horse racing [~~or greyhound racing~~].

11 SECTION 1.014. Section 2026.008(b), Occupations Code, is
12 amended to read as follows:

13 (b) The commission shall adopt rules relating to:

14 (1) the approval of plans and specifications;

15 (2) the contents of plans and specifications,
16 including a requirement that a plan incorporate proposals for the
17 racetrack to support state emergency management activities under
18 Chapter 418, Government Code;

19 (3) the maintenance of records to ensure compliance
20 with approved plans and specifications;

21 (4) the content and filing of construction progress
22 reports by the racetrack association to the commission;

23 (5) the inspection by the commission or others;

24 (6) the method for making a change or amendment to an
25 approved plan or specification; and

26 (7) any other method of supervision or oversight
27 necessary.

1 SECTION 1.015. Section 2026.051, Occupations Code, is
2 amended to read as follows:

3 Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR
4 EJECTION. The commission shall adopt rules providing for the
5 exclusion or ejection from an enclosure where horse [~~or greyhound~~]
6 races are conducted, or from specified portions of an enclosure, of
7 a person:

8 (1) who has engaged in bookmaking, touting, or illegal
9 wagering;

10 (2) whose income is from illegal activities or
11 enterprises;

12 (3) who has been convicted of a violation of this
13 subtitle;

14 (4) who has been convicted of theft;

15 (5) who has been convicted under the penal law of
16 another jurisdiction for committing an act that would have
17 constituted a violation of any rule described in this section;

18 (6) who has committed a corrupt or fraudulent act in
19 connection with horse [~~or greyhound~~] racing or pari-mutuel wagering
20 or who has committed any act tending or intended to corrupt horse
21 [~~or greyhound~~] racing or pari-mutuel wagering;

22 (7) who is under suspension or has been excluded or
23 ejected from a racetrack by the commission or a steward in this
24 state or by a corresponding authority in another state because of
25 corrupt or fraudulent practices or other acts detrimental to
26 racing;

27 (8) who has submitted a forged pari-mutuel ticket or

1 has altered or forged a pari-mutuel ticket for cashing or who has
2 cashed or caused to be cashed an altered, raised, or forged
3 pari-mutuel ticket;

4 (9) who has been convicted of committing a lewd or
5 lascivious act [~~or other crime involving moral turpitude~~];

6 (10) who is guilty of boisterous or disorderly conduct
7 while inside an enclosure;

8 (11) who is an agent or habitual associate of a person
9 excludable under this section; or

10 (12) who has been convicted of a felony.

11 SECTION 1.016. Sections [2028.103](#)(a) and (a-1), Occupations
12 Code, are amended to read as follows:

13 (a) A horse racetrack association shall set aside for the
14 Texas-bred program and pay to the commission an amount equal to one
15 percent of a live multiple two wagering pool and a live multiple
16 three wagering pool. From the set-aside amounts:

17 (1) the greater of two percent or \$50,000 shall be set
18 aside for purposes of Subchapter D, Chapter 2022 [~~F, Chapter 88,~~
19 ~~Education Code~~]; and

20 (2) the remaining amount shall be allocated as
21 follows:

22 (A) 10 percent may be used by the appropriate
23 state horse breed registry for administration; and

24 (B) the remainder shall be used for awards.

25 (a-1) The commission shall deposit money paid to the
26 commission under Subsection (a) into the Texas-bred escrow account
27 [~~incentive fund~~] established under Section [2028.301](#). The

1 commission shall distribute the money collected under this section
2 and deposited into the fund to the appropriate state horse breed
3 registries for the Texas-bred program in accordance with rules
4 adopted under Subsection (c).

5 SECTION 1.017. Sections 2028.105(d) and (d-1), Occupations
6 Code, are amended to read as follows:

7 (d) The horse racetrack association shall pay to the
8 commission for deposit into the Texas-bred escrow account
9 [~~incentive fund~~] established under Section 2028.301 and
10 distribution to the appropriate state horse breed registry the
11 remaining 80 percent of the total breakage to be allocated as
12 follows:

13 (1) 40 percent to the owners of the accredited
14 Texas-bred horses that finish first, second, or third;

15 (2) 40 percent to the breeders of accredited
16 Texas-bred horses that finish first, second, or third; and

17 (3) 20 percent to the owner of the stallion standing in
18 this state at the time of conception whose Texas-bred get finish
19 first, second, or third.

20 (d-1) The commission shall deposit the portions of total
21 breakage paid to the commission under Subsections (b) and (d) into
22 the Texas-bred escrow account [~~incentive fund~~] established under
23 Section 2028.301. The commission shall distribute the money
24 collected under this section and deposited into the fund to the
25 appropriate state horse breed registries in accordance with this
26 section and with rules adopted by the commission under Section
27 2028.103.

1 SECTION 1.018. Section 2028.202(a-1), Occupations Code, is
2 amended to read as follows:

3 (a-1) A racetrack association shall pay to the commission
4 for deposit into the Texas-bred escrow account [~~incentive fund~~]
5 established under Section 2028.301 the shares to be distributed
6 under Subsections (a)(3) and (a)(4) for the Texas-bred program.
7 The commission shall distribute the money collected under this
8 section and deposited into the fund to the appropriate state breed
9 registries for use under the Texas-bred program.

10 SECTION 1.019. Section 2028.301, Occupations Code, is
11 amended to read as follows:

12 Sec. 2028.301. TEXAS-BRED ESCROW ACCOUNT [~~INCENTIVE FUND~~].

13 (a) The comptroller [~~commission~~] shall deposit the state's share
14 of the simulcast pari-mutuel pool [~~money set aside for the~~
15 ~~Texas-bred program or set aside~~] for use by state breed registries
16 under this chapter into a trust fund [~~an escrow account~~] in the
17 state treasury [~~in the registry of the commission~~] to be known as
18 the Texas-bred escrow account. Money in the account may not be
19 appropriated for state expenditure [~~incentive fund~~].

20 (b) The commission shall distribute money from the
21 Texas-bred escrow account [~~incentive fund~~] in accordance with this
22 chapter and commission rules.

23 SECTION 1.020. Subchapter A, Chapter 2029, Occupations
24 Code, is amended by adding Section 2029.0015 to read as follows:

25 Sec. 2029.0015. TRANSFER OF ALLOCATED RACE DATE. (a) A
26 class 2 racetrack may submit to the commission an application to
27 transfer to a class 1 racetrack a race date the commission allocated

1 to the class 2 racetrack under Section 2029.001. The horsemen's
2 organization must agree to the transfer before the application is
3 submitted.

4 (b) The commission:

5 (1) shall approve or disapprove an application
6 submitted under Subsection (a) not later than the 10th day after the
7 date the application is submitted; and

8 (2) may not charge a fee for the submitted
9 application.

10 SECTION 1.021. Section 2033.002, Occupations Code, is
11 amended to read as follows:

12 Sec. 2033.002. UNLAWFUL RACING. A person commits an
13 offense if:

14 (1) the person participates in, permits, or conducts a
15 horse [~~or greyhound~~] race at a racetrack without a permit issued
16 under Chapter 751, Health and Safety Code;

17 (2) the person wagers on the partial or final outcome
18 of the horse [~~or greyhound~~] race or knows or reasonably should know
19 that another person is betting on the partial or final outcome of
20 the race; and

21 (3) the race is not part of a performance or race
22 meeting conducted under this subtitle or commission rule.

23 SECTION 1.022. Section 2033.004(a), Occupations Code, is
24 amended to read as follows:

25 (a) A person commits an offense if the person:

26 (1) conducts a horse [~~or greyhound~~] race without:

27 (A) a racetrack license; or

1 (B) a permit issued under Chapter 751, Health and
2 Safety Code; and

3 (2) knows or reasonably should know that another
4 person is betting on the final or partial outcome of the race.

5 SECTION 1.023. Section 2033.014, Occupations Code, is
6 amended by adding Subsection (a-1) to read as follows:

7 (a-1) A person commits an offense if the person:

8 (1) seeks to enter, train, or ride a horse for a horse
9 race that is part of a performance or race meeting conducted under
10 this subtitle or commission rule; and

11 (2) knows or reasonably should know that the horse has
12 participated in a performance or race meeting in this state that was
13 not conducted:

14 (A) under this subtitle or commission rule; or

15 (B) under a permit issued under Chapter 751,
16 Health and Safety Code.

17 SECTION 1.024. Sections 2033.101(a) and (b), Occupations
18 Code, are amended to read as follows:

19 (a) The executive director may issue a cease and desist
20 order if the executive director reasonably believes a person
21 ~~[racetrack association or other license holder]~~ is engaging or is
22 likely to engage in conduct that violates this subtitle or a
23 commission rule.

24 (b) On issuance of a cease and desist order, the executive
25 director shall serve a proposed cease and desist order on the person
26 ~~[racetrack association or other license holder]~~ by personal
27 delivery or registered or certified mail, return receipt requested,

1 to the person's last known address.

2 SECTION 1.025. Section [2033.104](#), Occupations Code, is
3 amended to read as follows:

4 Sec. 2033.104. EMERGENCY CEASE AND DESIST ORDER; SEIZURE OF
5 AFFECTED ANIMALS. (a) The executive director may issue an
6 emergency cease and desist order if the executive director
7 reasonably believes a person [~~racetrack association or other~~
8 ~~license holder~~] is engaged in a continuing activity that:

9 (1) violates this subtitle or a commission rule in a
10 manner that threatens immediate and irreparable public harm; or

11 (2) involves suspected cruelty to an animal in
12 violation of commission rule or Section [42.09](#) or [42.092](#), Penal
13 Code.

14 (b) After issuing an emergency cease and desist order, the
15 executive director shall serve on the person [~~racetrack association~~
16 ~~or other license holder~~] by personal delivery or registered or
17 certified mail, return receipt requested, to the person's last
18 known address, an order stating the specific charges and requiring
19 the person immediately to cease and desist from the conduct that
20 violates this subtitle or a commission rule. The order must contain
21 a notice that a request for hearing may be filed under this section.

22 (c) On issuance of an emergency cease and desist order, the
23 executive director may authorize the seizure of any animal
24 suspected of being or to have been subject to cruelty to an animal
25 in violation of commission rule or Section [42.09](#) or [42.092](#), Penal
26 Code. An emergency cease and desist order issued under Subsection
27 (a)(2) satisfies the evidence requirement for a showing of probable

1 cause for purposes of Section 821.022, Health and Safety Code.

2 SECTION 1.026. Section 2034.001(c), Occupations Code, is
3 amended to read as follows:

4 (c) The commission's rules must require state-of-the-art
5 testing methods. The testing may:

6 (1) be conducted [~~pre-race or post-race~~] as determined
7 by the commission; and

8 (2) be by an invasive or noninvasive method.

9 SECTION 1.027. The following provisions of the Occupations
10 Code are repealed:

11 (1) Section 2021.003(19);

12 (2) Section 2023.053(e);

13 (3) Sections 2023.061(b) and (c);

14 (4) Section 2025.001(a);

15 (5) Section 2025.260;

16 (6) Section 2026.011; and

17 (7) Section 2028.2041(c).

18 SECTION 1.028. Section 2021.006, Occupations Code, as
19 amended by this Act, applies only to a cause of action that accrues
20 on or after the effective date of this Act.

21 SECTION 1.029. The term of a person who is serving as a
22 member of the Texas Racing Commission immediately before the
23 effective date of this Act and who is ineligible for appointment
24 under Section 2022.004(e), Occupations Code, as amended by this
25 Act, expires on the effective date of this Act.

26 SECTION 1.030. On September 1, 2023, money in the
27 Texas-bred incentive fund is transferred to the Texas-bred escrow

1 account, and the Texas-bred incentive fund is abolished.

2 SECTION 1.031. The changes in law made by this Act apply
3 only to an offense committed on or after the effective date of this
4 Act. An offense committed before the effective date of this Act is
5 governed by the law in effect on the date the offense was committed,
6 and the former law is continued in effect for that purpose. For
7 purposes of this section, an offense was committed before the
8 effective date of this Act if any element of the offense occurred
9 before that date.

10 ARTICLE 2. PROHIBITION ON CONDUCT OF GREYHOUND AND OTHER DOG RACING
11 AS LIVE EVENTS

12 SECTION 2.001. Section [481.172\(a\)](#), Government Code, is
13 amended to read as follows:

14 (a) The office shall:

15 (1) as the primary state governmental entity
16 responsible for out-of-state tourism marketing and promotion
17 efforts, promote and advertise within the United States and in
18 foreign countries, by radio, television, newspaper, the Internet,
19 and other means considered appropriate, tourism in this state by
20 non-Texans, including persons from foreign countries, and
21 distribute promotional materials through appropriate distribution
22 channels;

23 (2) represent the state in domestic and international
24 travel trade shows, trade missions, and seminars;

25 (3) encourage travel by Texans to this state's scenic,
26 historical, cultural, natural, agricultural, educational,
27 recreational, and other attractions;

1 (4) conduct a public relations campaign to create a
2 responsible and accurate national and international image of this
3 state;

4 (5) use current market research to develop a tourism
5 marketing plan to increase travel to the state by domestic and
6 international visitors;

7 (6) develop methods to attract tourist attractions to
8 the state;

9 (7) assist communities to develop tourist
10 attractions;

11 (8) not later than December 31, 2003, enter into a
12 memorandum of understanding with the Parks and Wildlife Department,
13 the Texas Department of Transportation, the Texas Historical
14 Commission, and the Texas Commission on the Arts to direct the
15 efforts of those agencies in all matters relating to tourism;

16 (9) promote and encourage the horse racing [~~and~~
17 ~~greyhound racing~~] industry, if funds are appropriated for the
18 promotion or encouragement; and

19 (10) promote the sports industry and related
20 industries in this state, including promoting this state as a host
21 for national and international amateur athletic competition and
22 promoting sports or fitness programs for the residents of this
23 state, if funds are appropriated for the promotion.

24 SECTION 2.002. The heading to Section 751.0021, Health and
25 Safety Code, is amended to read as follows:

26 Sec. 751.0021. APPLICABILITY TO CERTAIN HORSE [~~AND~~
27 ~~GREYHOUND~~] RACES.

1 SECTION 2.003. Section 751.0021(a), Health and Safety Code,
2 is amended to read as follows:

3 (a) This chapter applies to a horse [~~or greyhound~~] race that
4 attracts or is expected to attract at least 100 persons, except that
5 this chapter does not apply if the race is held at a location at
6 which pari-mutuel wagering is authorized under Subtitle A-1, Title
7 13, Occupations Code (Texas Racing Act).

8 SECTION 2.004. Section 2021.002, Occupations Code, is
9 amended to read as follows:

10 Sec. 2021.002. PURPOSE. The purpose of this subtitle is to
11 provide for the strict regulation of horse racing [~~and greyhound~~
12 ~~racing~~] and the control of pari-mutuel wagering in connection with
13 that racing.

14 SECTION 2.005. Sections 2021.003(30), (34), (41), (42),
15 (44), and (54), Occupations Code, are amended to read as follows:

16 (30) "Outstanding ticket" means a pari-mutuel ticket
17 not presented for payment before the end of the horse racing day [~~or~~
18 ~~greyhound racing day~~] for which the ticket was purchased.

19 (34) "Pari-mutuel wagering" means the form of wagering
20 on the outcome of horse racing [~~or greyhound racing~~] in which
21 persons who wager purchase tickets of various denominations on an
22 animal or animals and all wagers for each race are pooled and held
23 by the racetrack association for distribution of the total amount,
24 less the deductions authorized by this subtitle, to holders of
25 tickets on the winning animals.

26 (41) "Racetrack" means a facility licensed under this
27 subtitle for the conduct of pari-mutuel wagering on horse racing

1 ~~[or greyhound racing]~~.

2 (42) "Racetrack association" means a person licensed
3 under this subtitle to conduct a horse race meeting ~~[or a greyhound~~
4 ~~race meeting]~~ with pari-mutuel wagering.

5 (44) "Regular wagering" means wagering on a single
6 horse ~~[or greyhound]~~ in a single race. The term includes wagering on
7 the win pool, the place pool, or the show pool.

8 (54) "Trainer" means a person who is licensed by the
9 commission to train horses ~~[or greyhounds]~~.

10 SECTION 2.006. Chapter 2021, Occupations Code, is amended
11 by adding Section 2021.010 to read as follows:

12 Sec. 2021.010. GREYHOUND RACING PROHIBITED. Greyhound
13 racing conducted as a live racing event, or any other form of dog
14 racing, is prohibited in this state.

15 SECTION 2.007. Section 2022.001(c), Occupations Code, is
16 amended to read as follows:

17 (c) Of the appointed commission members:

18 (1) five members must be representatives of the
19 general public and have general knowledge of business or
20 agribusiness; and

21 (2) one additional member must have special knowledge
22 or experience related to horse racing~~[, and~~

23 ~~[(3) one additional member must have special knowledge~~
24 ~~or experience related to greyhound racing]~~.

25 SECTION 2.008. Section 2022.004(b), Occupations Code, is
26 amended to read as follows:

27 (b) A person may not be a commission member and may not be a

1 commission employee employed in a "bona fide executive,
2 administrative, or professional capacity," as that phrase is used
3 for purposes of establishing an exemption to the overtime
4 provisions of the federal Fair Labor Standards Act of 1938 (29
5 U.S.C. Section 201 et seq.), if:

6 (1) the person is an officer, employee, or paid
7 consultant of a Texas trade association in the field of horse [~~or~~
8 ~~greyhound~~] racing or breeding; or

9 (2) the person's spouse is an officer, manager, or paid
10 consultant of a Texas trade association in the field of horse [~~or~~
11 ~~greyhound~~] racing or breeding.

12 SECTION 2.009. The heading to Subchapter A, Chapter 2023,
13 Occupations Code, is amended to read as follows:

14 SUBCHAPTER A. REGULATION, SUPERVISION, AND LICENSING RELATING TO
15 HORSE RACING [~~AND GREYHOUND RACING~~]

16 SECTION 2.010. Section 2023.001, Occupations Code, is
17 amended to read as follows:

18 Sec. 2023.001. LICENSING, REGULATION, AND SUPERVISION OF
19 HORSE RACING [~~AND GREYHOUND RACING~~]. (a) Notwithstanding any
20 contrary provision in this subtitle, the commission may license and
21 regulate all aspects of horse racing [~~and greyhound racing~~] in this
22 state, regardless of whether that racing involves pari-mutuel
23 wagering.

24 (b) The commission, in adopting rules and in the supervision
25 and conduct of racing, shall consider the effect of a proposed
26 commission action on the state's agricultural, horse breeding, and
27 horse training[~~, greyhound breeding, and greyhound training~~]

1 industry.

2 SECTION 2.011. Section 2023.002, Occupations Code, is
3 amended to read as follows:

4 Sec. 2023.002. REGULATION AND SUPERVISION OF WAGERING AT
5 RACE MEETINGS. (a) The commission shall regulate and supervise
6 each race meeting in this state that involves wagering on the result
7 of horse racing [~~or greyhound racing~~]. Each person and thing
8 relating to the operation of a race meeting is subject to regulation
9 and supervision by the commission.

10 (b) The commission shall adopt rules, issue licenses, and
11 take any other necessary action relating exclusively to horse
12 racing [~~or greyhound racing~~].

13 SECTION 2.012. Section 2023.004(a), Occupations Code, is
14 amended to read as follows:

15 (a) The commission shall adopt:

16 (1) rules for conducting horse racing [~~or greyhound~~
17 ~~racing~~] in this state that involves wagering; and

18 (2) rules for administering this subtitle in a manner
19 consistent with this subtitle.

20 SECTION 2.013. Section 2023.101, Occupations Code, is
21 amended to read as follows:

22 Sec. 2023.101. EMPLOYMENT OF STEWARDS [~~AND JUDGES~~]. (a) A
23 horse race meeting must be supervised by three stewards [~~, and a~~
24 ~~greyhound race meeting must be supervised by three judges~~].

25 (b) The commission shall employ each steward [~~and judge~~] for
26 the supervision of a horse race [~~or greyhound race~~] meeting.

27 (c) The commission shall designate one steward [~~or judge, as~~

1 ~~appropriate,~~] as the presiding steward [~~or judge~~] for each race
2 meeting.

3 (d) Following the completion of a race meeting, a racetrack
4 association may submit to the commission for the commission's
5 review written comments regarding the job performance of the
6 stewards [~~and judges~~]. A racetrack association's comments
7 submitted under this section are not binding, in any way, on the
8 commission.

9 SECTION 2.014. Section [2024.055](#)(a), Occupations Code, is
10 amended to read as follows:

11 (a) The comptroller shall deposit the state's share of each
12 pari-mutuel pool from horse racing [~~and greyhound racing~~] in the
13 general revenue fund.

14 SECTION 2.015. Section [2025.051](#), Occupations Code, is
15 amended to read as follows:

16 Sec. 2025.051. RACETRACK LICENSE REQUIRED; CRIMINAL
17 PENALTY. A person may not conduct wagering on a horse [~~or~~
18 ~~greyhound~~] race meeting without first obtaining a racetrack license
19 issued by the commission. A person who violates this section
20 commits an offense.

21 SECTION 2.016. Section [2025.053](#)(b), Occupations Code, is
22 amended to read as follows:

23 (b) The commission shall set application fees in amounts
24 reasonable and necessary to cover the costs of administering this
25 subtitle. The commission by rule shall establish a schedule of
26 application fees for the various types and classifications of
27 racetracks using minimum application fees. The minimum application

1 fee[+]

2 [~~(1) for a horse racetrack~~] is:

3 (1) [~~(A)~~] \$15,000 for a class 1 racetrack;

4 (2) [~~(B)~~] \$7,500 for a class 2 racetrack;

5 (3) [~~(C)~~] \$2,500 for a class 3 racetrack; and

6 (4) [~~(D)~~] \$1,500 for a class 4 racetrack[+, and

7 [~~(2) for a greyhound racetrack is \$20,000~~].

8 SECTION 2.017. Section [2025.101\(c\)](#), Occupations Code, is
9 amended to read as follows:

10 (c) The commission may not issue a license to operate a
11 class 1 or class 2 racetrack [~~or a greyhound racetrack~~] to a
12 corporation unless:

13 (1) the corporation is incorporated under the laws of
14 this state; and

15 (2) a majority of any of its corporate stock is owned
16 at all times by individuals who meet the residency qualifications
17 prescribed by Section [2025.201](#) for individual applicants.

18 SECTION 2.018. Section [2025.102\(b\)](#), Occupations Code, is
19 amended to read as follows:

20 (b) In determining whether to grant or deny an application
21 for any class of racetrack license, the commission may consider:

22 (1) the applicant's financial stability;

23 (2) the applicant's resources for supplementing the
24 purses for races for various breeds;

25 (3) the location of the proposed racetrack;

26 (4) the effect of the proposed racetrack on traffic
27 flow;

- 1 (5) facilities for patrons and occupational license
2 holders;
- 3 (6) facilities for race animals;
- 4 (7) availability to the racetrack of support services
5 and emergency services;
- 6 (8) the experience of the applicant's employees;
- 7 (9) the potential for conflict with other licensed
8 race meetings;
- 9 (10) the anticipated effect of the race meeting on the
10 horse [~~or greyhound~~] breeding industry in this state; and
- 11 (11) the anticipated effect of the race meeting on the
12 state and local economy from tourism, increased employment, and
13 other sources.

14 SECTION 2.019. Sections [2025.201\(a\)](#) and (c), Occupations
15 Code, are amended to read as follows:

16 (a) The commission may refuse to issue a racetrack license
17 or may revoke or suspend a license if, after notice and hearing, the
18 commission finds that the applicant or license holder, as
19 appropriate:

20 (1) has been convicted of a violation of this subtitle
21 or a commission rule, or has aided, abetted, or conspired to commit
22 a violation of this subtitle or a commission rule;

23 (2) has been convicted of a felony or a crime involving
24 moral turpitude, including a conviction for which the punishment
25 received was a suspended sentence, probation, or a nonadjudicated
26 conviction, that is reasonably related to the person's present
27 fitness to hold a license under this subtitle;

1 (3) has violated or has caused to be violated this
2 subtitle or a commission rule in a manner that involves moral
3 turpitude, as distinguished from a technical violation of this
4 subtitle or a rule;

5 (4) is unqualified, by experience or otherwise, to
6 perform the duties required of a license holder under this
7 subtitle;

8 (5) failed to answer or falsely or incorrectly
9 answered a question in an application;

10 (6) fails to disclose the true ownership or interest
11 in a horse [~~or greyhound~~] as required by commission rules;

12 (7) is indebted to this state for any fee or for the
13 payment of a penalty imposed by this subtitle or a commission rule;

14 (8) is not of good moral character or the person's
15 reputation as a peaceable, law-abiding citizen in the community
16 where the person resides is bad;

17 (9) is not at least the minimum age necessary to
18 purchase alcoholic beverages in this state;

19 (10) is in the habit of using alcoholic beverages to an
20 excess or uses a controlled substance as defined by Chapter 481,
21 Health and Safety Code, or a dangerous drug as defined in Chapter
22 483, Health and Safety Code, or is mentally incapacitated;

23 (11) may be excluded from an enclosure under this
24 subtitle;

25 (12) has not been a United States citizen residing in
26 this state for the 10 consecutive years preceding the filing of the
27 application;

1 (13) has improperly used a credential, including a
2 license certificate or identification card, issued under this
3 subtitle;

4 (14) resides with a person whose license was revoked
5 for cause during the 12 months preceding the date of the present
6 application;

7 (15) has failed or refused to furnish a true copy of
8 the application to the commission's district office in the district
9 in which the premises for which the license is sought are located;

10 (16) is engaged or has engaged in activities or
11 practices the commission determines are detrimental to the best
12 interests of the public and the sport of horse racing [~~or greyhound~~
13 ~~racing~~]; or

14 (17) fails to fully disclose the true owners of all
15 interests, beneficial or otherwise, in a proposed racetrack.

16 (c) The commission may refuse to issue a license or may
17 suspend or revoke a license of a license holder under this
18 subchapter who knowingly or intentionally allows access to an
19 enclosure where horse races [~~or greyhound races~~] are conducted to a
20 person:

21 (1) who has engaged in bookmaking, touting, or illegal
22 wagering;

23 (2) whose income is from illegal activities or
24 enterprises; or

25 (3) who has been convicted of a violation of this
26 subtitle.

27 SECTION 2.020. Section [2026.003](#)(a), Occupations Code, is

1 amended to read as follows:

2 (a) The commission by rule shall require that each racetrack
3 association that holds a license for a class 1 racetrack or[~~7~~] class
4 2 racetrack[~~7~~, ~~or greyhound racetrack~~] annually file with the
5 commission a detailed financial statement that:

6 (1) contains the names and addresses of all
7 stockholders, members, and owners of any interest in the racetrack;

8 (2) indicates compliance during the filing period with
9 Section 2025.101; and

10 (3) includes any other information required by the
11 commission.

12 SECTION 2.021. Section 2026.004(a), Occupations Code, is
13 amended to read as follows:

14 (a) Except as provided by this section, Section 2026.005, or
15 Section 2025.103, a racetrack association may not conduct horse
16 racing [~~or greyhound racing~~] at any place other than the place
17 designated in the license.

18 SECTION 2.022. Section 2027.001(a), Occupations Code, is
19 amended to read as follows:

20 (a) The commission shall adopt rules to regulate wagering on
21 horse races [~~and greyhound races~~] under the system known as
22 pari-mutuel wagering.

23 SECTION 2.023. Section 2027.006(a), Occupations Code, is
24 amended to read as follows:

25 (a) A person who claims to be entitled to any part of a
26 distribution from a pari-mutuel pool may, not later than the first
27 anniversary of the day the ticket was purchased, file with the

1 appropriate racetrack association a claim for the money accompanied
2 by a substantial portion of the pari-mutuel ticket sufficient to
3 identify the racetrack association, race, or horse [~~or greyhound~~]
4 involved, amount wagered, and type of ticket.

5 SECTION 2.024. Section 2028.051, Occupations Code, is
6 amended to read as follows:

7 Sec. 2028.051. SET-ASIDE FROM LIVE PARI-MUTUEL POOL. A
8 horse [~~or greyhound~~] racetrack association shall set aside for this
9 state from each live pari-mutuel pool at the racetrack an amount
10 equal to:

11 (1) one percent of each live pari-mutuel pool from the
12 total amount of all of the racetrack association's live pari-mutuel
13 pools in a calendar year in excess of \$100 million but less than
14 \$200 million;

15 (2) two percent of each live pari-mutuel pool from the
16 total amount of all of the racetrack association's live pari-mutuel
17 pools in a calendar year in excess of \$200 million but less than
18 \$300 million;

19 (3) three percent of each live pari-mutuel pool from
20 the total amount of all of the racetrack association's live
21 pari-mutuel pools in a calendar year in excess of \$300 million but
22 less than \$400 million;

23 (4) four percent of each live pari-mutuel pool from
24 the total amount of all of the racetrack association's live
25 pari-mutuel pools in a calendar year in excess of \$400 million but
26 less than \$500 million; and

27 (5) five percent of each live pari-mutuel pool from

1 the total amount of all of the racetrack association's live
2 pari-mutuel pools in a calendar year in excess of \$500 million.

3 SECTION 2.025. Section 2028.202(a), Occupations Code, is
4 amended to read as follows:

5 (a) A racetrack association shall distribute from the total
6 amount deducted as provided by Section [~~Sections~~] 2028.101 [~~and~~
7 ~~2028.152~~] from each simulcast pari-mutuel pool and each simulcast
8 cross-species pari-mutuel pool the following shares:

9 (1) an amount equal to one percent of each simulcast
10 pari-mutuel pool to the commission for the administration of this
11 subtitle;

12 (2) an amount equal to 1.25 percent of each simulcast
13 cross-species pari-mutuel pool to the commission for the
14 administration of this subtitle;

15 (3) for a horse racetrack association, an amount equal
16 to one percent of a multiple two wagering pool or multiple three
17 wagering pool as the amount set aside for the Texas-bred program to
18 be used as provided by Section 2028.103;

19 [~~(4) for a greyhound racetrack association, an amount~~
20 ~~equal to one percent of a multiple two wagering pool or a multiple~~
21 ~~three wagering pool as the amount set aside for the Texas-bred~~
22 ~~program for greyhound races, to be distributed and used in~~
23 ~~accordance with commission rules adopted to promote greyhound~~
24 ~~breeding in this state,~~] and

25 (4) [(5)] the remainder as the amount set aside for
26 purses, expenses, the sending track, and the receiving location
27 under a contract approved by the commission between the sending

1 track and the receiving location.

2 SECTION 2.026. The heading to Chapter 2030, Occupations
3 Code, is amended to read as follows:

4 CHAPTER 2030. TEXAS-BRED HORSES [~~AND GREYHOUNDS~~]

5 SECTION 2.027. Section 2035.001(a), Occupations Code, is
6 amended to read as follows:

7 (a) The commission may not issue a racetrack license or
8 accept a license application for a racetrack to be located in a
9 county until the commissioners court has certified to the secretary
10 of state that the qualified voters of the county have approved the
11 legalization of pari-mutuel wagering on horse races [~~or greyhound~~
12 ~~rac~~es] in the county at an election held under this chapter.

13 SECTION 2.028. Section 2035.002, Occupations Code, is
14 amended to read as follows:

15 Sec. 2035.002. INITIATION OF LEGALIZATION ELECTION. The
16 commissioners court:

17 (1) may, on its own motion by a majority vote of its
18 members, order an election to approve the legalization of
19 pari-mutuel wagering on horse races [~~or greyhound rac~~es]; and

20 (2) shall order an election on presentation of a
21 petition meeting the requirements of this chapter.

22 SECTION 2.029. Section 2035.005, Occupations Code, is
23 amended to read as follows:

24 Sec. 2035.005. CONTENTS OF PETITION APPLICATION. To be
25 valid, the petition application must contain:

26 (1) a heading, as follows: "Application for a Petition
27 for a Local Option Election to Approve the Legalization of

1 Pari-mutuel Wagering on Horse Races" [~~or "Application for a~~
2 ~~Petition for a Local Option Election to Approve the Legalization of~~
3 ~~Pari-mutuel Wagering on Greyhound Races," as appropriate];~~

4 (2) a statement of the issue to be voted on, as
5 follows: "Legalizing pari-mutuel wagering on horse races in
6 _____ County" [~~or "Legalizing pari-mutuel wagering on~~
7 ~~greyhound races in _____ County," as appropriate];~~

8 (3) a statement immediately above the signatures of
9 the applicants, as follows: "It is the hope, purpose, and intent of
10 the applicants whose signatures appear below that pari-mutuel
11 wagering on horse races be legalized in _____ County" [~~or "It~~
12 ~~is the hope, purpose, and intent of the applicants whose signatures~~
13 ~~appear below that pari-mutuel wagering on greyhound races be~~
14 ~~legalized in _____ County," as appropriate]; and~~

15 (4) the printed name, signature, residence address,
16 and voter registration certificate number of each applicant.

17 SECTION 2.030. Section 2035.006, Occupations Code, is
18 amended to read as follows:

19 Sec. 2035.006. CONTENTS OF PETITION. To be valid, the
20 petition must contain:

21 (1) a heading, as follows: "Petition for a Local
22 Option Election to Approve the Legalization of Pari-mutuel Wagering
23 on Horse Races" [~~or "Petition for a Local Option Election to Approve~~
24 ~~the Legalization of Pari-mutuel Wagering on Greyhound Races," as~~
25 ~~appropriate];~~

26 (2) a statement of the issue to be voted on, in the
27 same words used in the application;

1 (3) a statement immediately above the signatures of
2 the petitioners, as follows: "It is the hope, purpose, and intent of
3 the petitioners whose signatures appear below that pari-mutuel
4 wagering on horse races be legalized in _____ County" [~~or "It~~
5 ~~is the hope, purpose, and intent of the petitioners whose~~
6 ~~signatures appear below that pari-mutuel wagering on greyhound~~
7 ~~races be legalized in _____ County," as appropriate];~~

8 (4) lines and spaces for the names, signatures,
9 addresses, and voter registration certificate numbers of the
10 petitioners; and

11 (5) the date of issuance, the serial number, and the
12 seal of the county clerk on each page.

13 SECTION 2.031. Section [2035.015](#), Occupations Code, is
14 amended to read as follows:

15 Sec. 2035.015. BALLOT PROPOSITION. The ballots for an
16 election under this subchapter shall be printed to permit voting
17 for or against the proposition: "Legalizing pari-mutuel wagering on
18 horse races in _____ County," [~~"Legalizing pari-mutuel~~
19 ~~wagering on greyhound races in _____ County,"~~] or "Authorizing
20 pari-mutuel wagering on simulcast races in _____ County," as
21 appropriate.

22 SECTION 2.032. Section [2035.016](#), Occupations Code, is
23 amended to read as follows:

24 Sec. 2035.016. CERTIFICATION OF ELECTION RESULTS. If a
25 majority of the votes cast in the election favor the legalization of
26 pari-mutuel wagering on horse races [~~or greyhound races~~] in the
27 county, or the authorization of pari-mutuel wagering on simulcast

1 races in the county, as appropriate, the commissioners court shall
2 certify that fact to the secretary of state not later than the 10th
3 day after the date of the canvass of the returns.

4 SECTION 2.033. Section 2035.105, Occupations Code, is
5 amended to read as follows:

6 Sec. 2035.105. BALLOT PROPOSITION. The ballots for an
7 election under this subchapter shall be printed to permit voting
8 for or against the proposition: "Rescinding the legalization of
9 pari-mutuel wagering on horse races in _____ County" [~~or~~
10 ~~"Rescinding the legalization of pari-mutuel wagering on greyhound~~
11 ~~races in _____ County," as appropriate]~~.

12 SECTION 2.034. Section 11.23(h), Tax Code, is amended to
13 read as follows:

14 (h) County Fair Associations. A county fair association
15 organized to hold agricultural fairs and encourage agricultural
16 pursuits is entitled to an exemption from taxation of the land and
17 buildings that it owns and uses to hold agricultural fairs. An
18 association that holds a license issued after January 1, 2001,
19 under Subtitle A-1, Title 13, Occupations Code (Texas Racing Act),
20 to conduct a horse race meeting [~~or a greyhound race meeting~~] with
21 pari-mutuel wagering is not entitled to an exemption under this
22 subsection. Land or a building used to conduct a horse race meeting
23 [~~or a greyhound race meeting~~] with pari-mutuel wagering under a
24 license issued after January 1, 2001, under that subtitle may not be
25 exempted under this subsection. To qualify for an exemption under
26 this subsection, a county fair association must:

27 (1) be a nonprofit corporation governed by Chapter 22,

1 Business Organizations Code;

2 (2) be exempt from federal income taxes as an
3 organization described by Section 501(c)(3), (4), or (5), Internal
4 Revenue Code of 1986;

5 (3) qualify for an exemption from the franchise tax
6 under Section 171.060; and

7 (4) meet the requirements of a charitable organization
8 provided by Sections 11.18(e) and (f), for which purpose the
9 functions for which the association is organized are considered to
10 be charitable functions.

11 SECTION 2.035. The following provisions of the Occupations
12 Code are repealed:

13 (1) Sections 2021.003(15), (16), (17), (22), and (35);

14 (2) Section 2023.054;

15 (3) Subchapter D, Chapter 2025;

16 (4) Section 2026.010;

17 (5) Section 2027.056;

18 (6) Subchapter D, Chapter 2028;

19 (7) Sections 2028.202(b), (c), (d), and (e);

20 (8) Section 2028.205;

21 (9) Subchapter B, Chapter 2029; and

22 (10) Subchapter B, Chapter 2030.

23 SECTION 2.036. (a) Greyhound purse funds held by any
24 greyhound racetrack association on September 1, 2023, shall be
25 transferred to the Texas Racing Commission for deposit into an
26 escrow account in the commission's registry. Any horse breed
27 registry that holds greyhound purse funds on September 1, 2023,

1 shall retain those funds, and those funds may only be used for live
2 horse race purses. The commission by rule shall determine the
3 allocation of greyhound purse funds transferred to the commission
4 under this subsection.

5 (b) A racetrack association conducting live horse racing in
6 this state on or after September 1, 2023, may apply to the Texas
7 Racing Commission for allocation of purse funds described by
8 Subsection (a) of this section to be used for purses at the
9 association's racetrack during the calendar year for which the
10 purse funds are requested. A commission decision relating to the
11 allocation of purse funds is final.

12 SECTION 2.037. (a) On or before January 1, 2024, a
13 greyhound racetrack association may submit an application to the
14 Texas Racing Commission to convert the association's greyhound
15 racetrack license to a class 2 or class 3 racetrack license, as
16 classified under Subchapter C, Chapter 2026, Occupations Code, for
17 horse racing.

18 (b) The Texas Racing Commission shall approve an
19 application submitted under Subsection (a) of this section if:

20 (1) the applicant is in good standing with the
21 commission;

22 (2) information related to the applicant on file with
23 the commission is current, complete, and accurate; and

24 (3) the applicant pays a fee of \$25,000 for the
25 commission's review of the application.

26 (c) An applicant approved under this section must complete
27 the conversion of the greyhound racetrack facility to a horse

1 racetrack facility not later than December 31, 2027.

2 SECTION 2.038. As soon as practicable after the effective
3 date of this Act, the Texas Racing Commission shall adopt the rules
4 necessary to implement this article.

5 ARTICLE 3. EFFECTIVE DATE

6 SECTION 3.001. This Act takes effect September 1, 2023.