

## **BILL ANALYSIS**

S.B. 1387  
By: Armbrister  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Texas Racing Commission is responsible for ensuring fair wagering, safe racing, and helping the racing industry grow as an asset to the state's economy. As proposed, S.B. 1387 amends the Texas Racing Act to update and clarify provisions relating to breed registry, new racetrack locations, and tax collections.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Racing Commission in SECTION 5 (Section 6.0915 , Article 179e, Vernon's Texas Civil Statutes) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 3.07(d), Article 179e, V.T.C.S., to require medication or drug testing performed on a race animal under this Act to be conducted by the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) or by a laboratory operated by or in conjunction with or by a private or public agency selected by the Texas Racing Commission (TRC) after consultation with TVMDL. Deletes text requiring the laboratory to be selected on a yearly basis by competitive bidding and based on cost and integrity. Requires TRC to determine if the laboratory drug testing charges are reasonable, in relation to industry standards, by periodically surveying the testing charges of comparable laboratories in the United States. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Section 3.08(a), Article 179e, V.T.C.S., to modify statutory references to conform to current law. Provides that a decision appealed under this section is required to be reviewed under the substantial evidence rule.

SECTION 3. Amends Article 5, Texas Racing Act, V.T.C.S. (sic), to add Section 5.06, as follows:

Sec. 5.06. OCCUPATIONAL LICENSEES. Requires any racetrack that conducts a seasonal live race meeting in which there is a period of at least six weeks between live meets to, at the completion of the live meet, terminate the seasonal workforce within 10 days, collect seasonal workforce licensee certificates or credentials issued by TRC, and provide TRC with a list of all terminated licensees within five days of termination.

SECTION 4. Amends Section 6.08, Article 179e, V.T.C.S., by amending Subsection (i) and adding Subsection (n), as follows:

- (i) Removes references to Appaloosa horses and the Texas Appaloosa Horse Club.
- (j) Authorizes a horse breed registry by rule to restrict the eligibility of its horses for accredited Texas-bred awards or purse supplements when the horse runs in mixed racing.

SECTION 5. Amends Article 6, Texas Racing Act (sic), by adding Section 6.0915, as follows:

Sec. 6.0915. CROSS-SPECIES SIMULCASTING. (a) Authorizes a racetrack, to ensure cross-species simulcasting adequately supports and enhances the live races offered at the racetrack, to offer a cross-species simulcast only under an agreement, approved by TRC, between the horsemen's organization, the state greyhound breed registry, and all racetracks desiring to offer cross-species simulcasting. Requires that the agreement contain provisions to address the percentage of revenue from the simulcast that will be allocated to horse purses, greyhound purses, and administrative costs. Authorizes TRC to adopt rules specifying other matters to be addressed in the agreement. Authorizes the rules to require the payment of any purse allocation to TRC or to one or more official breed registry for distribution among the various Texas racetracks.

(b) Provides that if the parties to the agreement described in Subsection (a) cannot reach an agreement by September 1, 2002, (sic) any party listed in Subsection (a) is authorized to request TRC to take jurisdiction over the matter and negotiate an agreement between the parties to provide for cross-species simulcasting at all racetracks desiring to offer cross-species simulcasting.

(c) Requires that an agreement under this section provide for an amount set by the official state greyhound breed registry, but not to exceed 15% of the amount set aside for greyhound purses under this section from each cross-species simulcast pool, to be paid to the registry.

(d) Requires that an agreement under this section provide for 0.37% of each cross-species simulcast pool at a horse racetrack to be paid to the state quarter horse breed registry for distribution as quarter horse purses at Texas horse racetracks.

(e) Requires that an agreement under this section provide for 0.37% of each cross-species simulcast pool at a horse racetrack to be paid to the state thoroughbred breed registry for distribution as thoroughbred purses at Texas horse racetracks.

(f) Requires TRC to adopt rules relating to the oversight, collection and distribution of the amounts allocated under Section 6.091 and this section.

(g) Provides that this section takes effect January 1, 2002 (sic).

SECTION 6. Amends Section 11.011(e), Article 179e, V.T.C.S., to Provide that the racetrack where the wager is made is responsible for reporting and remitting the state's share of the pari-mutuel pool. Deletes text referring to intrastate wagering pools' being combined between tracks.

SECTION 7. Amends Section 6.06(a), Article 179e, V.T.C.S., to delete a provision authorizing TRC to revoke or suspend a license if after notice and hearing it has reasonable grounds to believe and finds that the applicant has not been a United States citizen residing in this state for the period of 10 consecutive years immediately preceding the filing of the application. Renumbers subdivisions accordingly.

SECTION 8. Amends Article 11, Article 179e, V.T.C.S., to add Section 11.11, as follows:

Sec. 11.11. SIMULCASTING RESTRICTED TO DESIGNATED PREMISES. Prohibits TRC from allowing wagering on a simulcast horse or greyhound race at more than one location licensed under Section 6.02 of this Act and within an area defined by Section 6.02(b) of this Act.

SECTION 9. Repealers: Sections 6.06(c) (limiting a license for operation being issued to a

corporation), (d) (regarding residency of corporate license holders), and (h) (prohibiting a person from owning more than a five percent interest in more than two racetracks), and 6.16 (Employment of Former Commission Members or Employees), Article 179e, V.T.C.S.

SECTION 10. Repealers: Sections 6.091(c)-(j) (relating to interstate cross-species simulcasting) and 11.011(h)-(j) (regarding interstate race simulcasting), Article 179e, V.T.C.S.

SECTION 11. Effective date: September 1, 2003.

**EFFECTIVE DATE**

September 1, 2003