

By: Armbrister

S.B. No. 1387

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of racing.

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

SECTION 1. Subsection (d), Section 3.07, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended to read as follows:

(d) Medication or drug testing performed on a race animal under this Act shall be conducted by the Texas Veterinary Medical Diagnostic Laboratory or by a laboratory operated by or in conjunction with or by a private or public agency selected by the commission after consultation with the ~~[on a yearly basis by competitive bidding submitted to the commission for final approval. The commission's decision shall be based on cost and integrity. The]~~ Texas Veterinary Medical Diagnostic Laboratory ~~[may aid the commission in its selection]~~. Medication or drug testing performed on a human under this Act shall be conducted by a laboratory approved by the commission. Charges for services performed under this section shall be forwarded to the commission for approval as to the reasonableness of the charges for the services. Charges may include but are not limited to expenses incurred for travel, lodging, testing, and processing of test results. The reasonable charges associated with medication or drug testing conducted under this Act shall be paid by the association that receives the services. The commission shall adopt rules for the procedures for

1 approving and paying laboratory charges under this section. The  
 2 commission shall determine if the laboratory drug-testing charges  
 3 are ~~[On the approval of the charges as]~~ reasonable, in relation to  
 4 industry standards ~~[for testing charges]~~, by periodically  
 5 surveying the testing charges of comparable laboratories in the  
 6 United States. The ~~[the]~~ commission shall forward a copy of the  
 7 charges to the association that receives the services for immediate  
 8 payment.

9 SECTION 2. Subsection (a), Section 3.08, Texas Racing Act  
 10 (Article 179e, Vernon's Texas Civil Statutes), is amended to read  
 11 as follows:

12 (a) Except as provided by Subsection (b) of this section, a  
 13 final decision of the stewards or judges may be appealed to the  
 14 commission in the manner provided for a contested case under  
 15 Chapter 2001, Government Code ~~[the Administrative Procedure and~~  
 16 ~~Texas Register Act (Article 6252-13a, Vernon's Texas Civil~~  
 17 ~~Statutes)]~~. A decision appealed under this section shall be  
 18 reviewed under the substantial evidence rule.

19 SECTION 3. Article 5, Texas Racing Act (Article 179e,  
 20 Vernon's Texas Civil Statutes), is amended by adding Section 5.06  
 21 to read as follows:

22 Sec. 5.06. OCCUPATIONAL LICENSEES. Any racetrack that  
 23 conducts a seasonal live race meeting in which there is a period of  
 24 at least six weeks between live meets must, at the completion of the  
 25 live meet:

26 (1) terminate the seasonal workforce within 10 days of  
 27 the end of the live meet;

1           (2) collect seasonal workforce licensee certificates  
2 or credentials issued by the commission; and

3           (3) provide the commission with a list of all  
4 terminated licensees within five days of termination.

5           SECTION 4. Section 6.08, Texas Racing Act (Article 179e,  
6 Vernon's Texas Civil Statutes), is amended by amending Subsection  
7 (i) and adding Subsection (o) to read as follows:

8           (i) Ten percent of the total breakage from a live  
9 pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to  
10 the commission for use by the appropriate state horse breed  
11 registry, subject to rules promulgated by the commission. The  
12 appropriate breed registry for Thoroughbred horses is the Texas  
13 Thoroughbred Breeders Association, for quarter horses is the Texas  
14 Quarter Horse Association, ~~[for Appaloosa horses is the Texas~~  
15 ~~Appaloosa Horse Club,~~ for Arabian horses is the Texas Arabian  
16 Breeders Association, and for paint horses is the Texas Paint Horse  
17 Breeders Association.

18           (o) A horse breed registry may by rule restrict the  
19 eligibility of its horses for accredited Texas-bred awards or purse  
20 supplements when the horse runs in mixed racing.

21           SECTION 5. Article 6, Texas Racing Act (Article 179e,  
22 Vernon's Texas Civil Statutes), is amended by adding Section 6.0915  
23 to read as follows:

24           Sec. 6.0915. CROSS-SPECIES SIMULCASTING. (a) To ensure  
25 cross-species simulcasting adequately supports and enhances the  
26 live races offered at the racetrack, a racetrack may offer a  
27 cross-species simulcast only pursuant to an agreement, approved by

1 the commission, between the horsemen's organization, the state  
 2 greyhound breed registry, and all racetracks desiring to offer  
 3 cross-species simulcasting. The agreement shall contain  
 4 provisions to address the percentage of revenue from the simulcast  
 5 that will be allocated to horse purses, greyhound purses, and  
 6 administrative costs. The commission may adopt rules specifying  
 7 other matters to be addressed in the agreement. The rules may  
 8 require the payment of any purse allocation to the commission or to  
 9 one or more official breed registries for distribution among the  
 10 various Texas racetracks.

11 (b) If the parties to the agreement described in Subsection  
 12 (a) of this section cannot reach an agreement by September 1, 2004,  
 13 any party listed in Subsection (a) of this section may request the  
 14 commission to take jurisdiction over the matter and negotiate an  
 15 agreement between the parties to provide for cross-species  
 16 simulcasting at all racetracks desiring to offer cross-species  
 17 simulcasting.

18 (c) An agreement under this section shall provide for an  
 19 amount set by the official state greyhound breed registry, but not  
 20 to exceed 15 percent of the amount set aside for greyhound purses  
 21 under this section from each cross-species simulcast pool, to be  
 22 paid to the registry.

23 (d) An agreement under this section shall provide for 0.37  
 24 percent of each cross-species simulcast pool at a horse racetrack  
 25 to be paid to the state quarter horse breed registry for  
 26 distribution as quarter horse purses at Texas horse racetracks.

27 (e) An agreement under this section shall provide for 0.37

1 percent of each cross-species simulcast pool at a horse racetrack  
2 to be paid to the state Thoroughbred breed registry for  
3 distribution as Thoroughbred purses at Texas horse racetracks.

4 (f) The commission shall adopt rules relating to the  
5 oversight, collection, and distribution of the amounts allocated  
6 under Section 6.091 of this Act and this section.

7 (g) This section takes effect January 1, 2004.

8 SECTION 6. Subsection (a), Section 6.06, Texas Racing Act  
9 (Article 179e, Vernon's Texas Civil Statutes), is amended to read  
10 as follows:

11 (a) To preserve and protect the public health, welfare, and  
12 safety, the commission shall adopt rules relating to license  
13 applications, the financial responsibility, moral character, and  
14 ability of applicants, and all matters relating to the planning,  
15 construction, and operation of racetracks. The commission may  
16 refuse to issue a racetrack license or may revoke or suspend a  
17 license if, after notice and hearing, it has reasonable grounds to  
18 believe and finds that:

19 (1) the applicant has been convicted in a court of  
20 competent jurisdiction of a violation of this Act or any rule  
21 adopted by the commission or that the applicant has aided, abetted,  
22 or conspired with any person to commit such a violation;

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

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

5           (4) the applicant is unqualified, by experience or  
6 otherwise, to perform the duties required of a licensee under this  
7 Act;

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

10          (6) the applicant fails to disclose the true ownership  
11 or interest in a greyhound or horse as required by the rules of the  
12 commission;

13          (7) the applicant is indebted to the state for any fees  
14 or for the payment of a penalty imposed by this Act or by a rule of  
15 the commission;

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

19          (9) the applicant has not yet attained the minimum age  
20 necessary to purchase alcoholic beverages in this state;

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

26          (11) the applicant may be excluded from a track  
27 enclosure under this Act;

1           (12) ~~the applicant has not been a United States~~  
2 ~~citizen residing in this state for the period of 10 consecutive~~  
3 ~~years immediately preceding the filing of the application;~~

4           ~~(13)~~ the applicant has improperly used a license  
5 certificate, credential, or identification card issued under this  
6 Act;

7           (13) ~~(14)~~ the applicant is residentially domiciled  
8 with a person whose license has been revoked for cause within the 12  
9 months immediately preceding the date of the present application;

10          (14) ~~(15)~~ the applicant has failed or refused to  
11 furnish a true copy of the application to the commission's district  
12 office in the district in which the premises for which the permit is  
13 sought are located;

14          (15) ~~(16)~~ the applicant is engaged or has engaged in  
15 activities or practices that the commission finds are detrimental  
16 to the best interests of the public and the sport of greyhound  
17 racing or horse racing; or

18          (16) ~~(17)~~ the applicant fails to fully disclose the  
19 true owners of all interests, beneficial or otherwise, in a  
20 proposed racetrack facility.

21          SECTION 7. Article 11, Texas Racing Act (Article 179e,  
22 Vernon's Texas Civil Statutes), is amended by adding Section 11.11  
23 to read as follows:

24          Sec. 11.11. SIMULCASTING RESTRICTED TO DESIGNATED  
25 PREMISES. The commission shall not allow wagering on a simulcast  
26 horse or greyhound race at more than one location licensed under  
27 Section 6.02 of this Act and within an area defined by Section

1 6.02(b) of this Act.

2           SECTION 8. Subsections (c), (d), and (h), Section 6.06, and  
3 Section 6.16, Texas Racing Act (Article 179e, Vernon's Texas Civil  
4 Statutes), are repealed.

5           SECTION 9. Subsections (c) through (j), Section 6.091, and  
6 Subsections (h), (i), and (j), Section 11.011, Texas Racing Act  
7 (Article 179e, Vernon's Texas Civil Statutes), are repealed.

8           SECTION 10. This Act takes effect September 1, 2003.