

By: Armbrister

S.B. No. 1796

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

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

SECTION 2. Article 5, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended by adding Section 5.06 to read as follows:

Sec. 5.06. OCCUPATIONAL LICENSEES. A racetrack that conducts a seasonal live race meeting in which there is a period of at least six weeks between live meets shall:

(1) terminate the racetrack's seasonal workforce within 10 days of the last day of the live meet before the period between live meets;

(2) at the time of termination collect from the individuals whose employment is terminated the licensee certificates or other credentials issued by the commission; and

1           (3) provide the commission with a list of the names of  
2 those individuals on or before the fifth day after the date of  
3 termination.

4           SECTION 3. Section 6.06(a), Texas Racing Act (Article 179e,  
5 Vernon's Texas Civil Statutes), is amended to read as follows:

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

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

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

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

27           (4) the applicant is unqualified, by experience or

1 otherwise, to perform the duties required of a licensee under this  
2 Act;

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

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

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

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

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

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

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

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

26 [~~13~~] the applicant has improperly used a license  
27 certificate, credential, or identification card issued under this

1 Act;

2 (13) [~~(14)~~] the applicant is residentially domiciled  
3 with a person whose license has been revoked for cause within the 12  
4 months immediately preceding the date of the present application;

5 (14) [~~(15)~~] the applicant has failed or refused to  
6 furnish a true copy of the application to the commission's district  
7 office in the district in which the premises for which the permit is  
8 sought are located;

9 (15) [~~(16)~~] the applicant is engaged or has engaged in  
10 activities or practices that the commission finds are detrimental  
11 to the best interests of the public and the sport of greyhound  
12 racing or horse racing; or

13 (16) [~~(17)~~] the applicant fails to fully disclose the  
14 true owners of all interests, beneficial or otherwise, in a  
15 proposed racetrack facility.

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

19 (i) Ten percent of the total breakage from a live  
20 pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to  
21 the commission for use by the appropriate state horse breed  
22 registry, subject to rules promulgated by the commission. The  
23 appropriate breed registry for Thoroughbred horses is the Texas  
24 Thoroughbred Breeders Association, for quarter horses is the Texas  
25 Quarter Horse Association, [~~for Appaloosa horses is the Texas~~  
26 ~~Appaloosa Horse Club,~~] for Arabian horses is the Texas Arabian  
27 Breeders Association, and for paint horses is the Texas Paint Horse

1 Breeders Association.

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

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

8 Sec. 6.0915. CROSS-SPECIES SIMULCASTING. (a) To ensure  
9 that cross-species simulcasting adequately supports and enhances  
10 the live races conducted at the racetrack, a racetrack may present a  
11 cross-species simulcast only pursuant to an agreement, approved by  
12 the commission, between the horsemen's organization, the state  
13 greyhound breed registry, and each racetrack desiring to present  
14 cross-species simulcasting. The agreement must contain provisions  
15 to address the percentage of revenue from the simulcast that will be  
16 allocated to horse purses, greyhound purses, and administrative  
17 costs. The commission may adopt rules specifying other matters to  
18 be addressed in the agreement. The rules may require the payment of  
19 any purse allocation to the commission or to one or more official  
20 breed registries for distribution among the various Texas  
21 racetracks.

22 (b) If the necessary parties to the agreement described by  
23 Subsection (a) of this section cannot reach an agreement by  
24 September 1, 2006, any party listed in Subsection (a) of this  
25 section may request the commission to take jurisdiction over the  
26 matter and negotiate an agreement between the parties to provide  
27 for cross-species simulcasting at all racetracks desiring to offer

1 cross-species simulcasting.

2 (c) An agreement under this section must provide for an  
3 amount set by the official state greyhound breed registry, but not  
4 to exceed 15 percent of the amount set aside for greyhound purses  
5 under this section from each cross-species simulcast pool, to be  
6 paid to the registry.

7 (d) An agreement under this section must provide for 0.37  
8 percent of each cross-species simulcast pool at a horse racetrack  
9 to be paid to the state quarter horse breed registry for  
10 distribution as quarter horse purses at Texas horse racetracks.

11 (e) An agreement under this section must provide for 0.37  
12 percent of each cross-species simulcast pool at a horse racetrack  
13 to be paid to the state Thoroughbred breed registry for  
14 distribution as Thoroughbred purses at Texas horse racetracks.

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

18 SECTION 6. Article 11, Texas Racing Act (Article 179e,  
19 Vernon's Texas Civil Statutes), is amended by adding Section 11.11  
20 to read as follows:

21 Sec. 11.11. SIMULCASTING RESTRICTED TO DESIGNATED  
22 PREMISES. The commission may not allow wagering on a simulcast  
23 horse or greyhound race at more than one location licensed under  
24 Section 6.02 of this Act within an area defined by Section 6.02(b)  
25 of this Act.

26 SECTION 7. The following sections of the Texas Racing Act  
27 (Article 179e, Vernon's Texas Civil Statutes) are repealed:

- 1           (1) Sections 6.06(c), (d), and (h);
- 2           (2) Sections 6.091(c)-(j);
- 3           (3) Section 6.16; and
- 4           (4) Sections 11.011(h), (i), and (j).

5           SECTION 8. This Act takes effect September 1, 2005, except  
6 that Section 6 of this Act takes effect January 1, 2006.