

1-1 By: Flores (Senate Sponsor - Lucio) H.B. No. 2701
1-2 (In the Senate - Received from the House May 14, 2007;
1-3 May 15, 2007, read first time and referred to Committee on State
1-4 Affairs; May 18, 2007, reported favorably by the following vote:
1-5 Yeas 7, Nays 0; May 18, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the regulation of horse and dog racing.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 1.03, Texas Racing Act (Article 179e,
1-11 Vernon's Texas Civil Statutes), is amended by amending Subdivisions
1-12 (36) and (53) and adding Subdivision (79) to read as follows:

1-13 (36) "Trainer" means a person who is licensed by the
1-14 commission to train racehorses or greyhounds.

1-15 (53) "Judge" means a racing official with general
1-16 authority and supervision over:

1-17 (A) the conduct of a licensed race meeting; and

1-18 (B) all licensees at a racetrack during a race
1-19 meeting [an executive official of a greyhound racetrack].

1-20 (79) "Executive director" means the executive
1-21 secretary of the Texas Racing Commission.

1-22 SECTION 2. Section 2.12, Texas Racing Act (Article 179e,
1-23 Vernon's Texas Civil Statutes), is amended by adding Subsection
1-24 (a-1) to read as follows:

1-25 (a-1) The commission and the executive secretary may use the
1-26 title "executive director" for any purpose in referring to the
1-27 office of executive secretary.

1-28 SECTION 3. Section 3.07(e), Texas Racing Act (Article 179e,
1-29 Vernon's Texas Civil Statutes), is amended to read as follows:

1-30 (e) To pay the charges associated with the medication or
1-31 drug testing, an association may use the money held by the
1-32 association to pay outstanding tickets and pari-mutuel vouchers.
1-33 If additional amounts are needed to pay the charges, the
1-34 association shall pay those additional amounts. [~~If the amount~~
1-35 ~~held exceeds the amount needed to pay the charges, the association~~
1-36 ~~shall pay the excess to the commission in accordance with Section~~
1-37 ~~11.08 of this Act.~~]

1-38 SECTION 4. Section 3.16(b), Texas Racing Act (Article 179e,
1-39 Vernon's Texas Civil Statutes), is amended to read as follows:

1-40 (b) The commission [~~may require prerace testing and~~] shall
1-41 require [~~postrace~~] testing to determine whether a prohibited
1-42 substance has been used. The testing may be prerace or postrace as
1-43 determined by the commission. The testing may be by an invasive or
1-44 noninvasive method. The commission's rules shall require
1-45 state-of-the-art testing methods.

1-46 SECTION 5. Section 5.01, Texas Racing Act (Article 179e,
1-47 Vernon's Texas Civil Statutes), is amended by adding Subsection (d)
1-48 to read as follows:

1-49 (d) The commission by rule shall set fees in amounts
1-50 reasonable and necessary to cover the commission's costs of
1-51 regulating, overseeing, and licensing live and simulcast racing at
1-52 racetracks.

1-53 SECTION 6. Section 5.03(b), Texas Racing Act (Article 179e,
1-54 Vernon's Texas Civil Statutes), is amended to read as follows:

1-55 (b) If a complete set of fingerprints is required by the
1-56 commission, the commission shall, not later than the 10th business
1-57 [next] day after the date the commission receives [receiving] the
1-58 prints, forward the prints to the Department of Public Safety or the
1-59 Federal Bureau of Investigation. If the prints are forwarded to the
1-60 Department of Public Safety, the department shall classify the
1-61 prints and check them against its fingerprint files and shall
1-62 report to the commission its findings concerning the criminal
1-63 record of the applicant or the lack of such a record. A racetrack
1-64 license may not be issued until the report is made to the

2-1 commission. A temporary occupational license may be issued before
 2-2 a report is made to the commission.

2-3 SECTION 7. Section 6.09(c), Texas Racing Act (Article 179e,
 2-4 Vernon's Texas Civil Statutes), is amended to read as follows:

2-5 (c) On each racing day, the association shall pay~~+~~
 2-6 ~~[(1)]~~ the fee due the state to the comptroller ~~[, and~~
 2-7 ~~[(2) the 50 percent of the breakage due the state to~~
 2-8 ~~the commission].~~

2-9 SECTION 8. Section 6.091(a), Texas Racing Act (Article
 2-10 179e, Vernon's Texas Civil Statutes), is amended to read as
 2-11 follows:

2-12 (a) An association shall distribute from the total amount
 2-13 deducted as provided by Sections 6.08(a) and 6.09(a) of this Act
 2-14 from each simulcast pari-mutuel pool and each simulcast
 2-15 cross-species pool the following shares:

2-16 (1) ~~[(A) until January 1, 1999, an amount equal to 0.25~~
 2-17 ~~percent of each simulcast pari-mutuel pool and each simulcast~~
 2-18 ~~cross-species simulcast pool as the amount set aside to reimburse~~
 2-19 ~~the general revenue fund for amounts that are appropriated for the~~
 2-20 ~~administration and enforcement of this Act and that are in excess of~~
 2-21 ~~the cumulative amount of funds deposited in the Texas Racing~~
 2-22 ~~Commission fund, until the excess amount and interest on the excess~~
 2-23 ~~amount are fully reimbursed,]~~

2-24 ~~[(B)]~~ an amount equal to one percent of each
 2-25 simulcast pool as the amount set aside for the state; ~~[and]~~

2-26 (2) ~~[(C)]~~ an amount equal to 1.25 percent of each
 2-27 simulcast cross-species ~~[simulcast]~~ pool as the amount set aside
 2-28 for the state;

2-29 ~~[(2) an amount equal to 0.25 percent of each pool set~~
 2-30 ~~aside to reimburse the general revenue fund for amounts that are~~
 2-31 ~~appropriated for the administration and enforcement of this Act and~~
 2-32 ~~that are in excess of the cumulative amount of funds deposited in~~
 2-33 ~~the Texas Racing Commission fund, until the excess amount and~~
 2-34 ~~interest on the excess amount are fully reimbursed,]~~

2-35 (3) if the association is a horse racing association,
 2-36 an amount equal to one percent of a multiple two wagering pool or
 2-37 multiple three wagering pool as the amount set aside for the
 2-38 Texas-bred program to be used as provided by Section 6.08(f) of this
 2-39 Act;

2-40 (4) if the association is a greyhound association, an
 2-41 amount equal to one percent of a multiple two wagering pool or a
 2-42 multiple three wagering pool as the amount set aside for the
 2-43 Texas-bred program for greyhound races, to be distributed and used
 2-44 in accordance with rules of the commission adopted to promote
 2-45 greyhound breeding in this state; and

2-46 (5) the remainder as the amount set aside for purses,
 2-47 expenses, the sending association, and the receiving location
 2-48 pursuant to a contract approved by the commission between the
 2-49 sending association and the receiving location.

2-50 SECTION 9. Section 6.13(b), Texas Racing Act (Article 179e,
 2-51 Vernon's Texas Civil Statutes), is amended to read as follows:

2-52 (b) Each transaction that involves an acquisition or a
 2-53 transfer of a pecuniary interest in the association must receive
 2-54 prior approval from the commission. A transaction that changes the
 2-55 ownership of the association requires submission of updated
 2-56 information of the type required to be disclosed under Subsection
 2-57 (a) of Section 6.03 of this Act and payment of a fee to recover the
 2-58 costs of the criminal background check.

2-59 SECTION 10. Section 6.16(a), Texas Racing Act (Article
 2-60 179e, Vernon's Texas Civil Statutes), is amended to read as
 2-61 follows:

2-62 (a) An association may not employ any person who has been a
 2-63 member of the commission, the executive secretary of the
 2-64 commission, or an employee employed by the commission in a position
 2-65 in the state employment classification plan of grade 12 or above, or
 2-66 any person related within the second degree by affinity or the third
 2-67 degree by consanguinity, as determined under Chapter 573,
 2-68 Government Code [Article 5996h, Revised Statutes], to such a member
 2-69 or employee, during the one-year ~~[two-year]~~ period immediately

3-1 preceding the employment by the association.

3-2 SECTION 11. Section 11.07, Texas Racing Act (Article 179e,
3-3 Vernon's Texas Civil Statutes), is amended by amending Subsection
3-4 (a) and adding Subsection (a-1) to read as follows:

3-5 (a) A person who claims to be entitled to any part of a
3-6 distribution from a pari-mutuel pool [~~and who fails to claim the~~
3-7 ~~money due the person before the completion of the race meeting at~~
3-8 ~~which the pool was formed~~] may, not later than the first anniversary
3-9 of the [60th] day the ticket was purchased [after the closing day of
3-10 the meeting], file with the association a claim for the money
3-11 together with a substantial portion of the pari-mutuel ticket
3-12 sufficient to identify the association, race, and horse or
3-13 greyhound involved and sufficient to show the amount wagered and
3-14 the type of ticket.

3-15 (a-1) A person who claims to be entitled to money from a
3-16 pari-mutuel voucher may before the first anniversary of the day the
3-17 voucher was issued file with the association a claim for the money
3-18 together with a substantial portion of the pari-mutuel voucher
3-19 sufficient to identify the association, the serial number, the date
3-20 issued, and the amount of the voucher.

3-21 SECTION 12. Sections 6.19 and 11.08, Texas Racing Act
3-22 (Article 179e, Vernon's Texas Civil Statutes), are repealed.

3-23 SECTION 13. This Act takes effect September 1, 2007.

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