

House Bill 2701
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

(B) all licensees at a racetrack during a race meeting [~~an executive official of a greyhound racetrack~~].

(79) "Executive director" means the executive secretary of the Texas Racing Commission.

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

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

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

(e) To pay the charges associated with the medication or drug testing, an association may use the money held by the association to pay outstanding tickets and pari-mutuel vouchers. If additional amounts are needed to pay the

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Same as House version.

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No equivalent provision.

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charges, the association shall pay those additional amounts. ~~[If the amount held exceeds the amount needed to pay the charges, the association shall pay the excess to the commission in accordance with Section 11.08 of this Act.]~~

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

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

Same as House version.

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

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

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SECTION 6. Section 5.03(b), Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended to read

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as follows:

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

No equivalent provision.

SECTION __. Section 6.06, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended by amending Subsection (h) and adding Subsections (j) and (k) to read as follows:

(h) A person may not own more than a five percent interest in more than three [~~two~~] racetracks licensed under this Act.

(j) Notwithstanding any other law, a person who owns an interest in two or more racetracks licensed under this Act and who also owns an interest in a license issued under Subtitle B, Title 3, Alcoholic Beverage Code, may own an interest in the premises of another holder of a license or permit under Title 3, Alcoholic Beverage

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Code, if the premises of that other license or permit holder are part of the premises of a racetrack licensed under this Act.

(k) The commission shall review the ownership and management of a license issued under this article every five years beginning on the fifth anniversary of the issuance of the license. In performing the review, the commission may require the license holder to provide any information that would be required to be provided in connection with an original license application under Article 5 of this Act or this article. The commission shall charge fees for the review in amounts sufficient to implement this subsection.

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

(c) On each racing day, the association shall pay[:
[~~(1)~~] the fee due the state to the comptroller[; and
[~~(2)~~ the 50 percent of the breakage due the state to the
commission].

Same as House version.

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

(a) An association shall distribute from the total amount deducted as provided by Sections 6.08(a) and 6.09(a) of this Act from each simulcast pari-mutuel pool and each

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simulcast cross-species pool the following shares:

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

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

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

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

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

(4) if the association is a greyhound association, an amount equal to one percent of a multiple two wagering pool or a multiple three wagering pool as the amount set

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aside for the Texas-bred program for greyhound races, to be distributed and used in accordance with rules of the commission adopted to promote greyhound breeding in this state; and

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

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

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

Same as House version.

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

(a) An association may not employ any person who has been a member of the commission, the executive secretary of the commission, or an employee employed

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by the commission in a position in the state employment classification plan of grade 12 or above, or any person related within the second degree by affinity or the third degree by consanguinity, as determined under Chapter 573, Government Code [~~Article 5996h, Revised Statutes~~], to such a member or employee, during the one-year [~~two-year~~] period immediately preceding the employment by the association.

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

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

(a-1) A person who claims to be entitled to money from a pari-mutuel voucher may before the first anniversary of the day the voucher was issued file with the association a claim for the money together with a substantial portion of the pari-mutuel voucher sufficient to identify the

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association, the serial number, the date issued, and the amount of the voucher.

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

Same as House version.

SECTION 13. This Act takes effect September 1, 2007.

Same as House version.