

By: Hinojosa

S.B. No. 1013

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Texas Racing Commission, the abolishment of the Equine Research Account Advisory Committee, and the authority of Texas AgriLife Research; providing an administrative penalty.

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

SECTION 1. Section 1.03, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended by amending Subdivisions (37) and (52) and adding Subdivision (80) to read as follows:

(37) "Handicapper" means a person who predicts the winner of a horse or greyhound race.

(52) "Performance" means the consecutive running of a specified number of greyhound races as determined by the commission [~~not more than 13 greyhound races~~].

(80) "Handicapper tournament" means a contest conducted by an association and offered to handicappers on a series of live or simulcast greyhound or horse races that have been approved by the commission at the request of the association and that may be offered for pari-mutuel wagering at the racetrack. The association may charge a tournament fee to each participating handicapper.

SECTION 2. Section 2.071, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2.071. CONFLICT OF INTEREST. (a) A person may not be

1 a member of the commission and may not be a commission employee  
2 employed in a "bona fide executive, administrative, or professional  
3 capacity," as that phrase is used for purposes of establishing an  
4 exemption to the overtime provisions of the federal Fair Labor  
5 Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

6 (1) the person is an ~~[An]~~ officer, employee, or paid  
7 consultant of a Texas trade association in the field of horse or  
8 greyhound racing or breeding; or

9 (2) the person's ~~[may not be a member of the commission~~  
10 ~~or an employee of the commission who is exempt from the state's~~  
11 ~~position classification plan or is compensated at or above the~~  
12 ~~amount prescribed by the General Appropriations Act for step 1,~~  
13 ~~salary group 17, of the position classification salary schedule.~~

14 ~~[(b) A person who is the]~~ spouse is ~~[of]~~ an officer,  
15 manager, or paid consultant of a Texas trade association in the  
16 field of horse or greyhound racing or breeding ~~[may not be a member~~  
17 ~~of the commission and may not be an employee of the commission who~~  
18 ~~is exempt from the state's position classification plan or is~~  
19 ~~compensated at or above the amount prescribed by the General~~  
20 ~~Appropriations Act for step 1, salary group 17, of the position~~  
21 ~~classification salary schedule].~~

22 (b) A person may not be a member of the commission or act as  
23 the general counsel to the commission if the person is required to  
24 register as a lobbyist under Chapter 305, Government Code, because  
25 of the person's activities for compensation on behalf of a  
26 profession related to the operation of the commission.

27 (c) In ~~[For the purposes of]~~ this section, "Texas trade

1 association" means [~~a Texas trade association is~~] a cooperative and  
2 voluntarily joined statewide [~~nonprofit~~] association of business  
3 or professional competitors in this state designed to assist its  
4 members and its industry or profession in dealing with mutual  
5 business or professional problems and in promoting their common  
6 interest.

7 SECTION 3. Article 2, Texas Racing Act (Article 179e,  
8 Vernon's Texas Civil Statutes), is amended by adding Section 2.25  
9 to read as follows:

10 Sec. 2.25. USE OF TECHNOLOGY. The commission shall  
11 implement a policy requiring the commission to use appropriate  
12 technological solutions to improve the commission's ability to  
13 perform its functions. The policy must ensure that the public is  
14 able to interact with the commission on the Internet.

15 SECTION 4. Article 2, Texas Racing Act (Article 179e,  
16 Vernon's Texas Civil Statutes), is amended by adding Section 2.26  
17 to read as follows:

18 Sec. 2.26. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE  
19 RESOLUTION PROCEDURES. (a) The commission shall develop and  
20 implement a policy to encourage the use of:

21 (1) negotiated rulemaking procedures under Chapter  
22 2008, Government Code, for the adoption of commission rules; and

23 (2) appropriate alternative dispute resolution  
24 procedures under Chapter 2009, Government Code, to assist in the  
25 resolution of internal and external disputes under the commission's  
26 jurisdiction.

27 (b) The commission's procedures relating to alternative

1 dispute resolution shall conform, to the extent possible, to any  
2 model guidelines issued by the State Office of Administrative  
3 Hearings for the use of alternative dispute resolution by state  
4 agencies.

5 (c) The commission shall designate a trained person to:

6 (1) coordinate the implementation of the policy  
7 adopted under Subsection (a) of this section;

8 (2) serve as a resource for any training needed to  
9 implement the procedures for negotiated rulemaking or alternative  
10 dispute resolution; and

11 (3) collect data concerning the effectiveness of those  
12 procedures, as implemented by the commission.

13 SECTION 5. Subsections (b) and (e), Section 3.07, Texas  
14 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are  
15 amended to read as follows:

16 (b) The commission shall make rules specifying the  
17 authority and the duties of each official, including the power of  
18 stewards or judges to impose penalties for unethical practices or  
19 violations of racing rules. A penalty imposed by the stewards or  
20 judges may include a fine of not more than \$5,000, a suspension for  
21 not more than one year, or both a fine and suspension. Before  
22 imposing a penalty under this subsection, the stewards and judges  
23 shall conduct a hearing that is consistent with constitutional due  
24 process. A hearing conducted by a steward or judge under this  
25 subsection is not subject to Chapter 2001, Government Code. A  
26 decision of a steward or judge is subject to review by the executive  
27 director, who may modify the penalty. A penalty modified by the

1 executive director under this section may include a fine not to  
2 exceed \$10,000, a suspension not to exceed two years, or both a fine  
3 and a suspension. A decision of a steward or judge that is not  
4 reviewed or modified by the executive director is a final decision.  
5 Any decision of a steward or judge may be appealed under Section  
6 3.08(a) of this Act regardless of whether the decision is modified  
7 by the executive director [~~If, in the opinion of the stewards or~~  
8 ~~judges, the allowable penalties are not sufficient, the stewards or~~  
9 ~~judges may refer the case to the commission for further action].~~

10 (e) To pay the charges associated with the medication or  
11 drug testing, an association may use the money held by the  
12 association to pay outstanding tickets and pari-mutuel vouchers.  
13 If additional amounts are needed to pay the charges, the  
14 association shall pay those additional amounts. [~~If the amount~~  
15 ~~held exceeds the amount needed to pay the charges, the association~~  
16 ~~shall pay the excess to the commission in accordance with Section~~  
17 ~~11.08 of this Act.]~~

18 SECTION 6. Section 3.09, Texas Racing Act (Article 179e,  
19 Vernon's Texas Civil Statutes), is amended by amending Subsection  
20 (b) and adding Subsections (c) and (d) to read as follows:

21 (b) The commission shall deposit the money it collects under  
22 this Act in the State Treasury to the credit of a special fund to be  
23 known as the Texas Racing Commission fund. The Texas Racing  
24 Commission fund may be appropriated only for the administration and  
25 enforcement of this Act. Any unappropriated money remaining in  
26 that special fund at the close of each fiscal biennium shall be  
27 transferred to the General Revenue Fund and may be appropriated for

1 any legal purpose.

2 (c) On the first business day of each state fiscal year, the  
3 legislature shall appropriate from the General Revenue Fund into  
4 the Texas Racing Commission fund one-quarter of the money  
5 appropriated to the commission for the state fiscal biennium for  
6 the administration and enforcement of this Act. Not later than the  
7 last day of the state fiscal year in which the general revenue funds  
8 are appropriated, the commission shall reimburse the General  
9 Revenue Fund from the Texas Racing Commission fund or from other  
10 funds available to the commission for the amount deposited in the  
11 Texas Racing Commission fund, including 2.75 percent interest per  
12 year on the amount, with all payments first attributable to the  
13 accrued interest.

14 (d) The legislature may also appropriate additional money  
15 from the General Revenue Fund for the administration and  
16 enforcement of this Act. Any amount of general revenue  
17 appropriated for the administration and enforcement of this Act in  
18 excess of the cumulative amount deposited in the Texas Racing  
19 Commission fund shall be reimbursed from the Texas Racing  
20 Commission fund not later than one year after the date on which the  
21 general revenue funds are appropriated, with 2.75 [12] percent  
22 interest per year [until August 31, 1993, and 6-3/4 percent  
23 interest thereafter] with all payments first attributable to  
24 interest. In times of fiscal emergency, the legislature may make a  
25 specific appropriation from general revenue that is not subject to  
26 the reimbursement requirements in this section.

27 SECTION 7. Subsections (a) and (c), Section 5.03, Texas

1 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are  
2 amended to read as follows:

3 (a) An applicant for any license or license renewal under  
4 this Act must, except as allowed under Section 7.10 of this Act,  
5 submit to the commission a complete set of fingerprints of the  
6 individual natural person applying for the license or license  
7 renewal or, if the applicant is not an individual natural person, a  
8 complete set of fingerprints of each officer or director and of each  
9 person owning an interest of at least five percent in the applicant.  
10 The Department of Public Safety may request any person owning any  
11 interest in an applicant for a racetrack license to submit a  
12 complete set of fingerprints.

13 (c) A peace officer of this or any other state, or any  
14 district office of the commission, shall take the fingerprints of  
15 an applicant for a license or license renewal on forms approved and  
16 furnished by the Department of Public Safety and shall immediately  
17 deliver them to the commission.

18 SECTION 8. Article 5, Texas Racing Act (Article 179e,  
19 Vernon's Texas Civil Statutes), is amended by adding Section 5.011  
20 to read as follows:

21 Sec. 5.011. INACTIVE FEES. (a) The commission may charge  
22 an annual fee for licensing and regulating a racetrack designated  
23 by the commission as inactive.

24 (b) The amount of the annual license fee for a racetrack  
25 designated by the commission as inactive must be at least 50 percent  
26 greater than the amount of the annual license fee for a racetrack  
27 holding a similar class of license designated by the commission as

1 active. The commission shall set the amount of the annual inactive  
2 license fees on a sliding scale that increases the amount based on  
3 the consecutive number of years the license has been designated by  
4 the commission as inactive.

5 (c) If the commission charges an annual license fee for a  
6 racetrack designated by the commission as inactive, the commission  
7 may use all or a portion of the money collected under this section  
8 to reduce the fees attributable to live racing that are paid by  
9 racetracks designated by the commission as active.

10 SECTION 9. The heading to Section 6.04, Texas Racing Act  
11 (Article 179e, Vernon's Texas Civil Statutes), is amended to read  
12 as follows:

13 Sec. 6.04. ISSUANCE OF LICENSE [~~+~~ BOND].

14 SECTION 10. Article 6, Texas Racing Act (Article 179e,  
15 Vernon's Texas Civil Statutes), is amended by adding Section 6.0601  
16 to read as follows:

17 Sec. 6.0601. LICENSE REVIEW AND RENEWAL; FEES. (a) The  
18 commission shall designate each racetrack license as either active  
19 or inactive. The commission shall designate a racetrack license as  
20 an active license if the license holder:

21 (1) holds live racing events at the racetrack; or  
22 (2) makes significant efforts to engage in the  
23 construction of a racetrack or other good faith efforts preparatory  
24 to conducting live racing.

25 (b) The commission by rule shall establish a renewal and  
26 review process for racetrack licenses issued under this article.

27 (c) The commission shall review each racetrack license



1 designated by the commission as active not less than once every 10  
2 years, except as otherwise provided by this section.

3 (d) The commission shall annually review a racetrack  
4 license designated by the commission as inactive.

5 (e) The commission by rule may adopt a system under which  
6 active racetrack licenses are renewed on various dates in a year or  
7 in various years. For the year in which the license renewal date is  
8 changed, license fees shall be prorated on a monthly basis so that  
9 each license holder pays only that portion of the license fee  
10 allocable to the number of months during which the license is valid.  
11 On renewal, the total license renewal fee is payable.

12 (f) The commission may require a license holder who is  
13 renewing a racetrack license or who is subject to commission review  
14 of the racetrack license to provide any information that would be  
15 required to be provided in connection with an original license  
16 application under this Act.

17 (g) In reviewing a racetrack license or in determining  
18 whether to renew a racetrack license, the commission shall  
19 consider:

20 (1) the license holder's financial stability and  
21 ability to conduct live racing events;

22 (2) the license holder's ability to construct and  
23 maintain a racetrack facility and to conduct live racing; and

24 (3) other necessary factors considered in the issuance  
25 of the original license.

26 (h) The commission may refuse to renew an inactive racetrack  
27 license if, after notice and a hearing, the commission determines

1 under Subsection (g) of this section that allowing the license  
2 holder to hold the racetrack license is not in the best interests of  
3 the racing industry or the public.

4 (i) The commission shall renew an active racetrack license  
5 after the commission completes the review of that license. The  
6 commission may revoke an active racetrack license under Section  
7 6.0602 of this Act if, after notice and a hearing, the commission  
8 finds that the license holder has violated this Act or a commission  
9 rule.

10 (j) The commission shall set and collect renewal and review  
11 fees in amounts reasonable and necessary to cover the costs of  
12 administering and enforcing this Act.

13 (k) The commission shall consult with members of the racing  
14 industry and other key stakeholders in developing the racetrack  
15 license renewal and review process under this section.

16 (l) The commission may change the designation of a racetrack  
17 license as appropriate.

18 SECTION 11. Article 6, Texas Racing Act (Article 179e,  
19 Vernon's Texas Civil Statutes), is amended by adding Section 6.0602  
20 to read as follows:

21 Sec. 6.0602. DISCIPLINARY ACTION. (a) The commission by  
22 rule shall establish procedures for disciplinary action against a  
23 racetrack license holder.

24 (b) If, after notice and hearing, the commission finds that  
25 a racetrack license holder or a person employed by the racetrack has  
26 violated this Act or a commission rule or if the commission finds  
27 during a review or renewal that the racetrack is ineligible for a

1 license under this article, the commission may:

2 (1) revoke, suspend, or refuse to renew the racetrack  
3 license;

4 (2) impose an administrative penalty as provided under  
5 Section 15.03 of this Act; or

6 (3) take any other action as provided by commission  
7 rule.

8 SECTION 12. Article 6, Texas Racing Act (Article 179e,  
9 Vernon's Texas Civil Statutes), is amended by adding Section 6.0605  
10 to read as follows:

11 Sec. 6.0605. OWNERSHIP TRANSFER. (a) The commission by  
12 rule shall develop a process for expeditiously processing requests  
13 to transfer ownership of a racetrack license to a racetrack owner  
14 who:

15 (1) holds an active racetrack license under this Act  
16 at the time a request is submitted; and

17 (2) is in compliance with the commission's rules and  
18 regulations.

19 (b) A transfer under this section requires a background  
20 check under Section 6.031 of this Act. If the commission has  
21 required and approved a completed personal, financial, and business  
22 background check of the applicant within 12 months of the  
23 application date, the commission may approve the transfer after  
24 requiring an update of the previously completed background check.

25 SECTION 13. Section 6.18, Texas Racing Act (Article 179e,  
26 Vernon's Texas Civil Statutes), is amended to read as follows:

27 Sec. 6.18. ANNUAL FEE FOR RACETRACK [~~TERM OF~~] LICENSE [+

1 ~~RESTRICTIONS ON RACETRACKS~~]. (a) ~~[A racetrack license issued~~  
2 ~~under this article is perpetual. The commission may suspend or~~  
3 ~~revoke a license as provided by this Act.~~

4 ~~[(b)]~~ The commission may prescribe a reasonable annual fee to  
5 be paid by each active racetrack license holder ~~[licensee]~~.

6 (b) The commission may prescribe an annual fee for each  
7 inactive racetrack license holder in an amount greater than the  
8 annual fee paid by an active racetrack license holder.

9 (c) The ~~[fee must be in an amount sufficient to provide that~~  
10 ~~the]~~ total amount of fees imposed under this section, together with  
11 the license fees prescribed under Section 5.01(b) of this Act, the  
12 inactive fees described under Section 5.011 of this Act, and the  
13 renewal and review fees prescribed under Section 6.0601(j) of this  
14 Act, must be ~~[is]~~ sufficient to pay the costs of administering and  
15 enforcing this Act.

16 SECTION 14. Section 7.01, Texas Racing Act (Article 179e,  
17 Vernon's Texas Civil Statutes), is amended to read as follows:

18 Sec. 7.01. LICENSE REQUIRED. (a) Except as provided by  
19 this section, a [A] person may not participate in racing with  
20 pari-mutuel wagering other than as a spectator or as a person  
21 placing a wager without first obtaining a license from the  
22 commission. A person may not engage in any occupation for which  
23 commission rules require a license under this Act without first  
24 obtaining a license from the commission.

25 (b) The commission by rule shall categorize the occupations  
26 of racetrack employees and determine the occupations that afford  
27 the employee an opportunity to influence racing with pari-mutuel

1 wagering. The rules must require the following employees to be  
2 licensed under this Act:

3 (1) an employee who works in an occupation determined  
4 by the commission to afford the employee an opportunity to  
5 influence racing with pari-mutuel wagering; or

6 (2) an employee who will likely have significant  
7 access to the backside of a racetrack or to restricted areas of the  
8 frontside of a racetrack.

9 (c) A racetrack licensed under this Act is responsible for  
10 ensuring that its employees comply with this Act and commission  
11 rules. The commission may impose disciplinary action against a  
12 licensed racetrack for violations of this Act and commission rules  
13 by its employees as provided by Section 6.0602 of this Act.

14 SECTION 15. Section 7.07, Texas Racing Act (Article 179e,  
15 Vernon's Texas Civil Statutes), is amended by amending Subsection  
16 (a) and adding Subsection (a-1) to read as follows:

17 (a) A license issued under this article is valid for a  
18 period set by the commission not to exceed 36 months following the  
19 date of its issuance. It is renewable on application, satisfactory  
20 results of a criminal history information record check, and payment  
21 of the fee in accordance with the rules of the commission.

22 (a-1) The commission shall obtain criminal history record  
23 information on each applicant renewing a license under this  
24 article. The commission shall ensure that criminal history record  
25 information is obtained on each license holder at least once every  
26 36 months.

27 SECTION 16. Section 11.01, Texas Racing Act (Article 179e,

1 Vernon's Texas Civil Statutes), is amended by amending Subsection  
2 (a) and adding Subsection (a-1) to read as follows:

3 (a) The commission shall adopt rules to regulate wagering on  
4 greyhound races and horse races under the system known as  
5 pari-mutuel wagering. Wagering may be conducted only by an  
6 association within its enclosure. A person may not accept, in  
7 person, by telephone, or over the Internet, a wager for a horse race  
8 or greyhound race conducted inside or outside this state from a  
9 person in this state unless the wager is authorized under this Act.

10 (a-1) The commission may commission as many investigators  
11 as the commission determines necessary to enforce this Act and the  
12 rules of the commission. Each investigator shall take the  
13 constitutional oath of office and file it with the commission. Each  
14 commissioned investigator has the powers of a peace officer.

15 SECTION 17. Subsections (a) and (c), Section 11.04, Texas  
16 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are  
17 amended to read as follows:

18 (a) Only a person inside the enclosure where both live and  
19 simulcast race meetings are authorized may wager on the result of a  
20 live or simulcast race presented by the association in accordance  
21 with commission rules. Except as provided by this section, a person  
22 may not place, in person, by telephone, or over the Internet, a  
23 wager for a horse race or greyhound race conducted inside or outside  
24 this state. The commission shall adopt rules to prohibit wagering  
25 by employees of the commission and to regulate wagering by persons  
26 licensed under this Act.

27 (c) The commission shall adopt rules prohibiting an

1 association from accepting a wager made on credit and shall adopt  
2 rules providing for the use of automatic banking machines within  
3 the enclosure. The commission shall limit the use of an automatic  
4 banking machine to[+]

5 [~~(1)~~] allow a person to have access to only the  
6 person's checking account at a bank or other financial  
7 institution[~~, and~~

8 [~~(2) deliver no more than \$200~~].

9 SECTION 18. Section 11.05, Texas Racing Act (Article 179e,  
10 Vernon's Texas Civil Statutes), is amended to read as follows:

11 Sec. 11.05. UNLAWFUL WAGERING. A person shall not wager on  
12 the result of a greyhound race or horse race in this state except as  
13 permitted by this Act. A person who is not an association under  
14 this Act may not accept from a Texas resident while the resident is  
15 in this state a wager on the result of a greyhound race or horse race  
16 conducted inside or outside this state.

17 SECTION 19. Subsection (a), Section 18.01, Texas Racing Act  
18 (Article 179e, Vernon's Texas Civil Statutes), is amended to read  
19 as follows:

20 (a) The Texas Racing Commission is subject to Chapter 325,  
21 Government Code (Texas Sunset Act). Unless continued in existence  
22 as provided by that chapter, and except as provided by Subsections  
23 (b) and (c) of this section, the commission is abolished and this  
24 Act expires September 1, 2015 [~~2009~~].

25 SECTION 20. Subdivision (2), Section 88.521, Education  
26 Code, is amended to read as follows:

27 (2) "Director" means the executive director of Texas

1 AgriLife Research, formerly known as the Texas Agricultural  
2 Experiment Station.

3 SECTION 21. Subsections (b), (f), and (g), Section 88.522,  
4 Education Code, are amended to read as follows:

5 (b) The director shall administer the account through  
6 established procedures of Texas AgriLife Research, formerly known  
7 as the Texas Agricultural Experiment Station.

8 (f) Not more than 10 percent of the account may be spent each  
9 year on the cost incurred in the operation or administration of the  
10 [~~advisory committee or~~] account.

11 (g) All money received by [~~the advisory committee or~~] the  
12 account under this chapter is subject to Subchapter F, Chapter 404,  
13 Government Code.

14 SECTION 22. Section 88.525, Education Code, is amended by  
15 adding Subsections (a-1) and (b-1) and amending Subsection (b) to  
16 read as follows:

17 (a-1) In awarding grants under this section, the director  
18 shall comply with the conflict of interest provisions of The Texas  
19 A&M University System.

20 (b) The [~~With the advice of the advisory committee, the~~]  
21 director shall develop annually a request for proposals for equine  
22 research grants. Each proposal received may [~~must~~] be evaluated by  
23 a peer review committee appointed by the director and subject  
24 matter experts as necessary to evaluate the proposal. The peer  
25 review committee shall consider the applicant's research capacity  
26 and the relevance and scientific merit of the proposal and make  
27 recommendations to the director.



1        (b-1) The director may award a grant to an applicant who  
2 proposes to commingle grant money awarded under this section with  
3 other sources of funding or proposes to conduct research that  
4 includes equine research.

5        SECTION 23. Subsection (a), Section 88.526, Education Code,  
6 is amended to read as follows:

7        (a) The director shall prepare an annual report on equine  
8 research funded under this subchapter. The director shall  
9 distribute the report to the Texas Racing Commission and ~~[the]~~  
10 members of the Texas horse racing industry ~~[advisory committee]~~.  
11 The director shall make copies of the report available to  
12 interested parties.

13        SECTION 24. Section 88.527, Education Code, is amended to  
14 read as follows:

15        Sec. 88.527. CONFERENCE. Texas AgriLife Research may ~~[The~~  
16 ~~Texas Agricultural Extension Service shall]~~ conduct an annual  
17 conference on equine research. Money from the equine research  
18 account shall be used to defray the costs of the conference. The  
19 conference must be designed to bring to the attention of the Texas  
20 horse racing industry the latest research results and technological  
21 developments in equine research. The director shall make the  
22 report created under Section 88.526 available at the conference.

23        SECTION 25. The following provisions of the Texas Racing  
24 Act (Article 179e, Vernon's Texas Civil Statutes) are repealed:

- 25            (1) Section 2.072;  
26            (2) Subsection (b), Section 6.04;  
27            (3) Subsection (k), Section 6.06; and

1           (4) Subsection (a), Section 7.02.

2           SECTION 26. The following provisions of the Education Code  
3 are repealed:

4           (1) Subdivision (1), Section 88.521;

5           (2) Section 88.523;

6           (3) Section 88.5231;

7           (4) Section 88.5232;

8           (5) Section 88.524;

9           (6) Section 88.5245; and

10          (7) Subsection (c), Section 88.525.

11          SECTION 27. (a) Not later than January 1, 2010, the Texas  
12 Racing Commission shall determine the expiration date of each  
13 license issued under the Texas Racing Act (Article 179e, Vernon's  
14 Texas Civil Statutes).

15          (b) Not later than September 1, 2010, the Texas Racing  
16 Commission shall complete a review of each inactive racetrack  
17 license as required by Section 6.0601, Texas Racing Act (Article  
18 179e, Vernon's Texas Civil Statutes), as added by this Act.

19          (c) The Texas Racing Commission may adjust license renewal  
20 and review fees pursuant to the commission's authority to adjust  
21 fees under Section 5.01, Texas Racing Act (Article 179e, Vernon's  
22 Texas Civil Statutes), and Section 6.0601, Texas Racing Act  
23 (Article 179e, Vernon's Texas Civil Statutes), as added by this  
24 Act, to recover any money lost by the change in law made by this Act  
25 to Subsection (e), Section 3.07, Texas Racing Act (Article 179e,  
26 Vernon's Texas Civil Statutes).

27          (d) As soon as practicable, the executive director of Texas

1 AgriLife Research shall submit a report to the Texas Racing  
2 Commission as required by Section 88.526, Education Code, as  
3 amended by this Act.

4 SECTION 28. (a) In this section:

5 (1) "Active racetrack license" means a racetrack  
6 license designated as active by the commission.

7 (2) "Commission" means the Texas Racing Commission.

8 (b) Notwithstanding Section 6.0601, Texas Racing Act  
9 (Article 179e, Vernon's Texas Civil Statutes), as added by this  
10 Act, the commission shall conduct an initial review of each active  
11 racetrack license not later than September 1, 2011, according to a  
12 schedule developed by the commission based on categories defined by  
13 the level of activity of the license holder.

14 (c) The commission shall first review each active racetrack  
15 license in the following order:

16 (1) each active racetrack license held by a person  
17 that owns or operates a racetrack but that does not conduct live  
18 races;

19 (2) each active racetrack license held by a person  
20 that owns or operates a racetrack and conducts live races; and

21 (3) each active racetrack license held by a person  
22 that does not conduct live racing but is making good faith efforts  
23 preparatory to conducting live racing.

24 SECTION 29. Notwithstanding Subsection (a), Section 18.01,  
25 Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), as  
26 amended by this Act, the Sunset Advisory Commission shall conduct a  
27 special-purpose review of the Texas Racing Commission as part of

1 the Sunset Advisory Commission's review of agencies for the 82nd  
2 Legislature. The Sunset Advisory Commission's report to the 82nd  
3 Legislature regarding the review of the Texas Racing Commission  
4 must include an evaluation of the Texas Racing Commission's efforts  
5 to implement the changes to the Texas Racing Act (Article 179e,  
6 Vernon's Texas Civil Statutes) enacted by this Act. The report may  
7 include any recommendations the Sunset Advisory Commission  
8 considers appropriate based on the review of the Texas Racing  
9 Commission.

10 SECTION 30. This Act takes effect September 1, 2009.