

1-1 By: Hinojosa S.B. No. 1013
1-2 (In the Senate - Filed March 6, 2009; March 13, 2009, read
1-3 first time and referred to Committee on Government Organization;
1-4 May 1, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 1; May 1, 2009, sent
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1013 By: Hegar

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the continuation and functions of the Texas Racing
1-11 Commission, the abolishment of the Equine Research Account Advisory
1-12 Committee, and the authority of Texas AgriLife Research; providing
1-13 an administrative penalty.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Section 1.03, Texas Racing Act (Article 179e,
1-16 Vernon's Texas Civil Statutes), is amended by amending Subdivisions
1-17 (37) and (52) and adding Subdivision (80) to read as follows:

1-18 (37) "Handicapper" means a person who predicts the
1-19 winner of a horse or greyhound race.

1-20 (52) "Performance" means the consecutive running of a
1-21 specified number of greyhound races as determined by the commission
1-22 [not more than 13 greyhound races].

1-23 (80) "Handicapper tournament" means a contest
1-24 conducted by an association and offered to handicappers on a series
1-25 of live or simulcast greyhound or horse races that have been
1-26 approved by the commission at the request of the association and
1-27 that may be offered for pari-mutuel wagering at the racetrack. The
1-28 association may charge a tournament fee to each participating
1-29 handicapper.

1-30 SECTION 2. Section 2.071, Texas Racing Act (Article 179e,
1-31 Vernon's Texas Civil Statutes), is amended to read as follows:

1-32 Sec. 2.071. CONFLICT OF INTEREST. (a) A person may not be
1-33 a member of the commission and may not be a commission employee
1-34 employed in a "bona fide executive, administrative, or professional
1-35 capacity," as that phrase is used for purposes of establishing an
1-36 exemption to the overtime provisions of the federal Fair Labor
1-37 Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

1-38 (1) the person is an [An] officer, employee, or paid
1-39 consultant of a Texas trade association in the field of horse or
1-40 greyhound racing or breeding; or

1-41 (2) the person's [may not be a member of the commission
1-42 or an employee of the commission who is exempt from the state's
1-43 position classification plan or is compensated at or above the
1-44 amount prescribed by the General Appropriations Act for step 1,
1-45 salary group 17, of the position classification salary schedule.

1-46 [(b) A person who is the] spouse is [of] an officer,
1-47 manager, or paid consultant of a Texas trade association in the
1-48 field of horse or greyhound racing or breeding [may not be a member
1-49 of the commission and may not be an employee of the commission who
1-50 is exempt from the state's position classification plan or is
1-51 compensated at or above the amount prescribed by the General
1-52 Appropriations Act for step 1, salary group 17, of the position
1-53 classification salary schedule].

1-54 (b) A person may not be a member of the commission or act as
1-55 the general counsel to the commission if the person is required to
1-56 register as a lobbyist under Chapter 305, Government Code, because
1-57 of the person's activities for compensation on behalf of a
1-58 profession related to the operation of the commission.

1-59 (c) In [For the purposes of] this section, "Texas trade
1-60 association" means [a Texas trade association is] a cooperative and
1-61 voluntarily joined statewide [nonprofit] association of business
1-62 or professional competitors in this state designed to assist its
1-63 members and its industry or profession in dealing with mutual

2-1 business or professional problems and in promoting their common
2-2 interest.

2-3 SECTION 3. Article 2, Texas Racing Act (Article 179e,
2-4 Vernon's Texas Civil Statutes), is amended by adding Section 2.25
2-5 to read as follows:

2-6 Sec. 2.25. USE OF TECHNOLOGY. The commission shall
2-7 implement a policy requiring the commission to use appropriate
2-8 technological solutions to improve the commission's ability to
2-9 perform its functions. The policy must ensure that the public is
2-10 able to interact with the commission on the Internet.

2-11 SECTION 4. Article 2, Texas Racing Act (Article 179e,
2-12 Vernon's Texas Civil Statutes), is amended by adding Section 2.26
2-13 to read as follows:

2-14 Sec. 2.26. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE
2-15 RESOLUTION PROCEDURES. (a) The commission shall develop and
2-16 implement a policy to encourage the use of:

2-17 (1) negotiated rulemaking procedures under Chapter
2-18 2008, Government Code, for the adoption of commission rules; and

2-19 (2) appropriate alternative dispute resolution
2-20 procedures under Chapter 2009, Government Code, to assist in the
2-21 resolution of internal and external disputes under the commission's
2-22 jurisdiction.

2-23 (b) The commission's procedures relating to alternative
2-24 dispute resolution shall conform, to the extent possible, to any
2-25 model guidelines issued by the State Office of Administrative
2-26 Hearings for the use of alternative dispute resolution by state
2-27 agencies.

2-28 (c) The commission shall designate a trained person to:

2-29 (1) coordinate the implementation of the policy
2-30 adopted under Subsection (a) of this section;

2-31 (2) serve as a resource for any training needed to
2-32 implement the procedures for negotiated rulemaking or alternative
2-33 dispute resolution; and

2-34 (3) collect data concerning the effectiveness of those
2-35 procedures, as implemented by the commission.

2-36 SECTION 5. Subsections (b) and (e), Section 3.07, Texas
2-37 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
2-38 amended to read as follows:

2-39 (b) The commission shall make rules specifying the
2-40 authority and the duties of each official, including the power of
2-41 stewards or judges to impose penalties for unethical practices or
2-42 violations of racing rules. A penalty imposed by the stewards or
2-43 judges may include a fine of not more than \$5,000, a suspension for
2-44 not more than one year, or both a fine and suspension. Before
2-45 imposing a penalty under this subsection, the stewards and judges
2-46 shall conduct a hearing that is consistent with constitutional due
2-47 process. A hearing conducted by a steward or judge under this
2-48 subsection is not subject to Chapter 2001, Government Code. A
2-49 decision of a steward or judge is subject to review by the executive
2-50 director, who may modify the penalty. A penalty modified by the
2-51 executive director under this section may include a fine not to
2-52 exceed \$10,000, a suspension not to exceed two years, or both a fine
2-53 and a suspension. A decision of a steward or judge that is not
2-54 reviewed or modified by the executive director is a final decision.
2-55 Any decision of a steward or judge may be appealed under Section
2-56 3.08(a) of this Act regardless of whether the decision is modified
2-57 by the executive director [~~If, in the opinion of the stewards or~~
2-58 judges, the allowable penalties are not sufficient, the stewards or
2-59 judges may refer the case to the commission for further action].

2-60 (e) To pay the charges associated with the medication or
2-61 drug testing, an association may use the money held by the
2-62 association to pay outstanding tickets and pari-mutuel vouchers.
2-63 If additional amounts are needed to pay the charges, the
2-64 association shall pay those additional amounts. [~~If the amount~~
2-65 held exceeds the amount needed to pay the charges, the association
2-66 shall pay the excess to the commission in accordance with Section
2-67 11.08 of this Act.]

2-68 SECTION 6. Section 3.09, Texas Racing Act (Article 179e,
2-69 Vernon's Texas Civil Statutes), is amended by amending Subsection

3-1 (b) and adding Subsections (c) and (d) to read as follows:

3-2 (b) The commission shall deposit the money it collects under
 3-3 this Act in the State Treasury to the credit of a special fund to be
 3-4 known as the Texas Racing Commission fund. The Texas Racing
 3-5 Commission fund may be appropriated only for the administration and
 3-6 enforcement of this Act. Any unappropriated money remaining in
 3-7 that special fund at the close of each fiscal biennium shall be
 3-8 transferred to the General Revenue Fund and may be appropriated for
 3-9 any legal purpose.

3-10 (c) On the first business day of each state fiscal year, the
 3-11 legislature shall appropriate from the General Revenue Fund into
 3-12 the Texas Racing Commission fund one-quarter of the money
 3-13 appropriated to the commission for the state fiscal biennium for
 3-14 the administration and enforcement of this Act. Not later than the
 3-15 last day of the state fiscal year in which the general revenue funds
 3-16 are appropriated, the commission shall reimburse the General
 3-17 Revenue Fund from the Texas Racing Commission fund or from other
 3-18 funds available to the commission for the amount deposited in the
 3-19 Texas Racing Commission fund, including 2.75 percent interest per
 3-20 year on the amount, with all payments first attributable to the
 3-21 accrued interest.

3-22 (d) The legislature may also appropriate additional money
 3-23 from the General Revenue Fund for the administration and
 3-24 enforcement of this Act. Any amount of general revenue
 3-25 appropriated for the administration and enforcement of this Act in
 3-26 excess of the cumulative amount deposited in the Texas Racing
 3-27 Commission fund shall be reimbursed from the Texas Racing
 3-28 Commission fund not later than one year after the date on which the
 3-29 general revenue funds are appropriated, with 2.75 [~~12~~] percent
 3-30 interest per year [~~until August 31, 1993, and 6-3/4 percent~~
 3-31 ~~interest thereafter~~] with all payments first attributable to
 3-32 interest. In times of fiscal emergency, the legislature may make a
 3-33 specific appropriation from general revenue that is not subject to
 3-34 the reimbursement requirements in this section.

3-35 SECTION 7. Subsections (a) and (c), Section 5.03, Texas
 3-36 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
 3-37 amended to read as follows:

3-38 (a) An applicant for any license or license renewal under
 3-39 this Act must, except as allowed under Section 7.10 of this Act,
 3-40 submit to the commission a complete set of fingerprints of the
 3-41 individual natural person applying for the license or license
 3-42 renewal or, if the applicant is not an individual natural person, a
 3-43 complete set of fingerprints of each officer or director and of each
 3-44 person owning an interest of at least five percent in the applicant.
 3-45 The Department of Public Safety may request any person owning any
 3-46 interest in an applicant for a racetrack license to submit a
 3-47 complete set of fingerprints.

3-48 (c) A peace officer of this or any other state, or any
 3-49 district office of the commission, shall take the fingerprints of
 3-50 an applicant for a license or license renewal on forms approved and
 3-51 furnished by the Department of Public Safety and shall immediately
 3-52 deliver them to the commission.

3-53 SECTION 8. Article 5, Texas Racing Act (Article 179e,
 3-54 Vernon's Texas Civil Statutes), is amended by adding Section 5.011
 3-55 to read as follows:

3-56 Sec. 5.011. INACTIVE FEES. (a) The commission may charge
 3-57 an annual fee for licensing and regulating a racetrack designated
 3-58 by the commission as inactive.

3-59 (b) The amount of the annual license fee for a racetrack
 3-60 designated by the commission as inactive must be at least 50 percent
 3-61 greater than the amount of the annual license fee for a racetrack
 3-62 holding a similar class of license designated by the commission as
 3-63 active. The commission shall set the amount of the annual inactive
 3-64 license fees on a sliding scale that increases the amount based on
 3-65 the consecutive number of years the license has been designated by
 3-66 the commission as inactive.

3-67 (c) If the commission charges an annual license fee for a
 3-68 racetrack designated by the commission as inactive, the commission
 3-69 may use all or a portion of the money collected under this section

4-1 to reduce the fees attributable to live racing that are paid by
 4-2 racetracks designated by the commission as active.

4-3 SECTION 9. The heading to Section 6.04, Texas Racing Act
 4-4 (Article 179e, Vernon's Texas Civil Statutes), is amended to read
 4-5 as follows:

4-6 Sec. 6.04. ISSUANCE OF LICENSE [~~+~~ BOND].

4-7 SECTION 10. Article 6, Texas Racing Act (Article 179e,
 4-8 Vernon's Texas Civil Statutes), is amended by adding Section 6.0601
 4-9 to read as follows:

4-10 Sec. 6.0601. LICENSE REVIEW AND RENEWAL; FEES. (a) The
 4-11 commission shall designate each racetrack license as either active
 4-12 or inactive. The commission shall designate a racetrack license as
 4-13 an active license if the license holder:

4-14 (1) holds live racing events at the racetrack; or

4-15 (2) makes significant efforts to engage in the
 4-16 construction of a racetrack or other good faith efforts preparatory
 4-17 to conducting live racing.

4-18 (b) The commission by rule shall establish a renewal and
 4-19 review process for racetrack licenses issued under this article.

4-20 (c) The commission shall review each racetrack license
 4-21 designated by the commission as active not less than once every 10
 4-22 years, except as otherwise provided by this section.

4-23 (d) The commission shall annually review a racetrack
 4-24 license designated by the commission as inactive.

4-25 (e) The commission by rule may adopt a system under which
 4-26 active racetrack licenses are renewed on various dates in a year or
 4-27 in various years. For the year in which the license renewal date is
 4-28 changed, license fees shall be prorated on a monthly basis so that
 4-29 each license holder pays only that portion of the license fee
 4-30 allocable to the number of months during which the license is valid.
 4-31 On renewal, the total license renewal fee is payable.

4-32 (f) The commission may require a license holder who is
 4-33 renewing a racetrack license or who is subject to commission review
 4-34 of the racetrack license to provide any information that would be
 4-35 required to be provided in connection with an original license
 4-36 application under this Act.

4-37 (g) In reviewing a racetrack license or in determining
 4-38 whether to renew a racetrack license, the commission shall
 4-39 consider:

4-40 (1) the license holder's financial stability and
 4-41 ability to conduct live racing events;

4-42 (2) the license holder's ability to construct and
 4-43 maintain a racetrack facility and to conduct live racing; and

4-44 (3) other necessary factors considered in the issuance
 4-45 of the original license.

4-46 (h) The commission may refuse to renew an inactive racetrack
 4-47 license if, after notice and a hearing, the commission determines
 4-48 under Subsection (g) of this section that allowing the license
 4-49 holder to hold the racetrack license is not in the best interests of
 4-50 the racing industry or the public.

4-51 (i) The commission shall renew an active racetrack license
 4-52 after the commission completes the review of that license. The
 4-53 commission may revoke an active racetrack license under Section
 4-54 6.0602 of this Act if, after notice and a hearing, the commission
 4-55 finds that the license holder has violated this Act or a commission
 4-56 rule.

4-57 (j) The commission shall set and collect renewal and review
 4-58 fees in amounts reasonable and necessary to cover the costs of
 4-59 administering and enforcing this Act.

4-60 (k) The commission shall consult with members of the racing
 4-61 industry and other key stakeholders in developing the racetrack
 4-62 license renewal and review process under this section.

4-63 (l) The commission may change the designation of a racetrack
 4-64 license as appropriate.

4-65 SECTION 11. Article 6, Texas Racing Act (Article 179e,
 4-66 Vernon's Texas Civil Statutes), is amended by adding Section 6.0602
 4-67 to read as follows:

4-68 Sec. 6.0602. DISCIPLINARY ACTION. (a) The commission by
 4-69 rule shall establish procedures for disciplinary action against a

5-1 racetrack license holder.
 5-2 (b) If, after notice and hearing, the commission finds that
 5-3 a racetrack license holder or a person employed by the racetrack has
 5-4 violated this Act or a commission rule or if the commission finds
 5-5 during a review or renewal that the racetrack is ineligible for a
 5-6 license under this article, the commission may:
 5-7 (1) revoke, suspend, or refuse to renew the racetrack
 5-8 license;
 5-9 (2) impose an administrative penalty as provided under
 5-10 Section 15.03 of this Act; or
 5-11 (3) take any other action as provided by commission
 5-12 rule.
 5-13 SECTION 12. Article 6, Texas Racing Act (Article 179e,
 5-14 Vernon's Texas Civil Statutes), is amended by adding Section 6.0605
 5-15 to read as follows:
 5-16 Sec. 6.0605. OWNERSHIP TRANSFER. (a) The commission by
 5-17 rule shall develop a process for expeditiously processing requests
 5-18 to transfer ownership of a racetrack license to a racetrack owner
 5-19 who:
 5-20 (1) holds an active racetrack license under this Act
 5-21 at the time a request is submitted; and
 5-22 (2) is in compliance with the commission's rules and
 5-23 regulations.
 5-24 (b) A transfer under this section requires a background
 5-25 check under Section 6.031 of this Act. If the commission has
 5-26 required and approved a completed personal, financial, and business
 5-27 background check of the applicant within 12 months of the
 5-28 application date, the commission may approve the transfer after
 5-29 requiring an update of the previously completed background check.
 5-30 SECTION 13. Section 6.18, Texas Racing Act (Article 179e,
 5-31 Vernon's Texas Civil Statutes), is amended to read as follows:
 5-32 Sec. 6.18. ANNUAL FEE FOR RACETRACK [~~TERM OF~~] LICENSE[~~+~~
 5-33 ~~RESTRICTIONS ON RACETRACKS~~]. (a) [~~A racetrack license issued~~
 5-34 ~~under this article is perpetual. The commission may suspend or~~
 5-35 ~~revoke a license as provided by this Act.~~
 5-36 [~~(b)~~] The commission may prescribe a reasonable annual fee to
 5-37 be paid by each active racetrack license holder [~~licensee~~].
 5-38 (b) The commission may prescribe an annual fee for each
 5-39 inactive racetrack license holder in an amount greater than the
 5-40 annual fee paid by an active racetrack license holder.
 5-41 (c) The [~~fee must be in an amount sufficient to provide that~~
 5-42 ~~the~~] total amount of fees imposed under this section, together with
 5-43 the license fees prescribed under Section 5.01(b) of this Act, the
 5-44 inactive fees described under Section 5.011 of this Act, and the
 5-45 renewal and review fees prescribed under Section 6.0601(j) of this
 5-46 Act, must be [is] sufficient to pay the costs of administering and
 5-47 enforcing this Act.
 5-48 SECTION 14. Section 7.01, Texas Racing Act (Article 179e,
 5-49 Vernon's Texas Civil Statutes), is amended to read as follows:
 5-50 Sec. 7.01. LICENSE REQUIRED. (a) Except as provided by
 5-51 this section, a [A] person may not participate in racing with
 5-52 pari-mutuel wagering other than as a spectator or as a person
 5-53 placing a wager without first obtaining a license from the
 5-54 commission. A person may not engage in any occupation for which
 5-55 commission rules require a license under this Act without first
 5-56 obtaining a license from the commission.
 5-57 (b) The commission by rule shall categorize the occupations
 5-58 of racetrack employees and determine the occupations that afford
 5-59 the employee an opportunity to influence racing with pari-mutuel
 5-60 wagering. The rules must require the following employees to be
 5-61 licensed under this Act:
 5-62 (1) an employee who works in an occupation determined
 5-63 by the commission to afford the employee an opportunity to
 5-64 influence racing with pari-mutuel wagering; or
 5-65 (2) an employee who will likely have significant
 5-66 access to the backside of a racetrack or to restricted areas of the
 5-67 frontside of a racetrack.
 5-68 (c) A racetrack licensed under this Act is responsible for
 5-69 ensuring that its employees comply with this Act and commission

6-1 rules. The commission may impose disciplinary action against a
 6-2 licensed racetrack for violations of this Act and commission rules
 6-3 by its employees as provided by Section 6.0602 of this Act.

6-4 SECTION 15. Section 7.07, Texas Racing Act (Article 179e,
 6-5 Vernon's Texas Civil Statutes), is amended by amending Subsection
 6-6 (a) and adding Subsection (a-1) to read as follows:

6-7 (a) A license issued under this article is valid for a
 6-8 period set by the commission not to exceed 36 months following the
 6-9 date of its issuance. It is renewable on application, satisfactory
 6-10 results of a criminal history information record check, and payment
 6-11 of the fee in accordance with the rules of the commission.

6-12 (a-1) The commission shall obtain criminal history record
 6-13 information on each applicant renewing a license under this
 6-14 article. The commission shall ensure that criminal history record
 6-15 information is obtained on each license holder at least once every
 6-16 36 months.

6-17 SECTION 16. Section 11.01, Texas Racing Act (Article 179e,
 6-18 Vernon's Texas Civil Statutes), is amended by amending Subsection
 6-19 (a) and adding Subsection (a-1) to read as follows:

6-20 (a) The commission shall adopt rules to regulate wagering on
 6-21 greyhound races and horse races under the system known as
 6-22 pari-mutuel wagering. Wagering may be conducted only by an
 6-23 association within its enclosure. A person may not accept, in
 6-24 person, by telephone, or over the Internet, a wager for a horse race
 6-25 or greyhound race conducted inside or outside this state from a
 6-26 person in this state unless the wager is authorized under this Act.

6-27 (a-1) The commission may commission as many investigators
 6-28 as the commission determines necessary to enforce this Act and the
 6-29 rules of the commission. Each investigator shall take the
 6-30 constitutional oath of office and file it with the commission. Each
 6-31 commissioned investigator has the powers of a peace officer.

6-32 SECTION 17. Subsections (a) and (c), Section 11.04, Texas
 6-33 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
 6-34 amended to read as follows:

6-35 (a) Only a person inside the enclosure where both live and
 6-36 simulcast race meetings are authorized may wager on the result of a
 6-37 live or simulcast race presented by the association in accordance
 6-38 with commission rules. Except as provided by this section, a person
 6-39 may not place, in person, by telephone, or over the Internet, a
 6-40 wager for a horse race or greyhound race conducted inside or outside
 6-41 this state. The commission shall adopt rules to prohibit
 6-42 wagering by employees of the commission and to regulate wagering by
 6-43 persons licensed under this Act.

6-44 (c) The commission shall adopt rules prohibiting an
 6-45 association from accepting a wager made on credit and shall adopt
 6-46 rules providing for the use of automatic banking machines within
 6-47 the enclosure. The commission shall limit the use of an automatic
 6-48 banking machine to [+

6-49 ~~(1)]~~ allow a person to have access to only the
 6-50 person's checking account at a bank or other financial
 6-51 institution[~~, and~~

6-52 ~~(2) deliver no more than \$200].~~

6-53 SECTION 18. Section 11.05, Texas Racing Act (Article 179e,
 6-54 Vernon's Texas Civil Statutes), is amended to read as follows:

6-55 Sec. 11.05. UNLAWFUL WAGERING. A person shall not wager on
 6-56 the result of a greyhound race or horse race in this state except as
 6-57 permitted by this Act. A person who is not an association under
 6-58 this Act may not accept from a Texas resident while the resident is
 6-59 in this state a wager on the result of a greyhound race or horse race
 6-60 conducted inside or outside this state.

6-61 SECTION 19. Subsection (a), Section 18.01, Texas Racing Act
 6-62 (Article 179e, Vernon's Texas Civil Statutes), is amended to read
 6-63 as follows:

6-64 (a) The Texas Racing Commission is subject to Chapter 325,
 6-65 Government Code (Texas Sunset Act). Unless continued in existence
 6-66 as provided by that chapter, and except as provided by Subsections
 6-67 (b) and (c) of this section, the commission is abolished and this
 6-68 Act expires September 1, 2015 [2009].

6-69 SECTION 20. Subdivision (2), Section 88.521, Education

7-1 Code, is amended to read as follows:

7-2 (2) "Director" means the executive director of Texas
 7-3 AgriLife Research, formerly known as the Texas Agricultural
 7-4 Experiment Station.

7-5 SECTION 21. Subsections (b), (f), and (g), Section 88.522,
 7-6 Education Code, are amended to read as follows:

7-7 (b) The director shall administer the account through
 7-8 established procedures of Texas AgriLife Research, formerly known
 7-9 as the Texas Agricultural Experiment Station.

7-10 (f) Not more than 10 percent of the account may be spent each
 7-11 year on the cost incurred in the operation or administration of the
 7-12 [~~advisory committee or~~] account.

7-13 (g) All money received by [~~the advisory committee or~~] the
 7-14 account under this chapter is subject to Subchapter F, Chapter 404,
 7-15 Government Code.

7-16 SECTION 22. Section 88.525, Education Code, is amended by
 7-17 adding Subsections (a-1) and (b-1) and amending Subsection (b) to
 7-18 read as follows:

7-19 (a-1) In awarding grants under this section, the director
 7-20 shall comply with the conflict of interest provisions of The Texas
 7-21 A&M University System.

7-22 (b) The [~~With the advice of the advisory committee, the~~]
 7-23 director shall develop annually a request for proposals for equine
 7-24 research grants. Each proposal received may [~~must~~] be evaluated by
 7-25 a peer review committee appointed by the director and subject
 7-26 matter experts as necessary to evaluate the proposal. The peer
 7-27 review committee shall consider the applicant's research capacity
 7-28 and the relevance and scientific merit of the proposal and make
 7-29 recommendations to the director.

7-30 (b-1) The director may award a grant to an applicant who
 7-31 proposes to commingle grant money awarded under this section with
 7-32 other sources of funding or proposes to conduct research that
 7-33 includes equine research.

7-34 SECTION 23. Subsection (a), Section 88.526, Education Code,
 7-35 is amended to read as follows:

7-36 (a) The director shall prepare an annual report on equine
 7-37 research funded under this subchapter. The director shall
 7-38 distribute the report to the Texas Racing Commission and [~~the~~]
 7-39 members of the Texas horse racing industry [~~advisory committee~~].
 7-40 The director shall make copies of the report available to
 7-41 interested parties.

7-42 SECTION 24. Section 88.527, Education Code, is amended to
 7-43 read as follows:

7-44 Sec. 88.527. CONFERENCE. Texas AgriLife Research may [~~The~~
 7-45 ~~Texas Agricultural Extension Service shall~~] conduct an annual
 7-46 conference on equine research. Money from the equine research
 7-47 account shall be used to defray the costs of the conference. The
 7-48 conference must be designed to bring to the attention of the Texas
 7-49 horse racing industry the latest research results and technological
 7-50 developments in equine research. The director shall make the
 7-51 report created under Section 88.526 available at the conference.

7-52 SECTION 25. The following provisions of the Texas Racing
 7-53 Act (Article 179e, Vernon's Texas Civil Statutes) are repealed:

- 7-54 (1) Section 2.072;
- 7-55 (2) Subsection (b), Section 6.04;
- 7-56 (3) Subsection (k), Section 6.06; and
- 7-57 (4) Subsection (a), Section 7.02.

7-58 SECTION 26. The following provisions of the Education Code
 7-59 are repealed:

- 7-60 (1) Subdivision (1), Section 88.521;
- 7-61 (2) Section 88.523;
- 7-62 (3) Section 88.5231;
- 7-63 (4) Section 88.5232;
- 7-64 (5) Section 88.524;
- 7-65 (6) Section 88.5245; and
- 7-66 (7) Subsection (c), Section 88.525.

7-67 SECTION 27. (a) Not later than January 1, 2010, the Texas
 7-68 Racing Commission shall determine the expiration date of each
 7-69 license issued under the Texas Racing Act (Article 179e, Vernon's

8-1 Texas Civil Statutes).

8-2 (b) Not later than September 1, 2010, the Texas Racing
8-3 Commission shall complete a review of each inactive racetrack
8-4 license as required by Section 6.0601, Texas Racing Act (Article
8-5 179e, Vernon's Texas Civil Statutes), as added by this Act.

8-6 (c) The Texas Racing Commission may adjust license renewal
8-7 and review fees pursuant to the commission's authority to adjust
8-8 fees under Section 5.01, Texas Racing Act (Article 179e, Vernon's
8-9 Texas Civil Statutes), and Section 6.0601, Texas Racing Act
8-10 (Article 179e, Vernon's Texas Civil Statutes), as added by this
8-11 Act, to recover any money lost by the change in law made by this Act
8-12 to Subsection (e), Section 3.07, Texas Racing Act (Article 179e,
8-13 Vernon's Texas Civil Statutes).

8-14 (d) As soon as practicable, the executive director of Texas
8-15 AgriLife Research shall submit a report to the Texas Racing
8-16 Commission as required by Section 88.526, Education Code, as
8-17 amended by this Act.

8-18 SECTION 28. (a) In this section:

8-19 (1) "Active racetrack license" means a racetrack
8-20 license designated as active by the commission.

8-21 (2) "Commission" means the Texas Racing Commission.

8-22 (b) Notwithstanding Section 6.0601, Texas Racing Act
8-23 (Article 179e, Vernon's Texas Civil Statutes), as added by this
8-24 Act, the commission shall conduct an initial review of each active
8-25 racetrack license not later than September 1, 2011, according to a
8-26 schedule developed by the commission based on categories defined by
8-27 the level of activity of the license holder.

8-28 (c) The commission shall first review each active racetrack
8-29 license in the following order:

8-30 (1) each active racetrack license held by a person
8-31 that owns or operates a racetrack but that does not conduct live
8-32 races;

8-33 (2) each active racetrack license held by a person
8-34 that owns or operates a racetrack and conducts live races; and

8-35 (3) each active racetrack license held by a person
8-36 that does not conduct live racing but is making good faith efforts
8-37 preparatory to conducting live racing.

8-38 SECTION 29. Notwithstanding Subsection (a), Section 18.01,
8-39 Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), as
8-40 amended by this Act, the Sunset Advisory Commission shall conduct a
8-41 special-purpose review of the Texas Racing Commission as part of
8-42 the Sunset Advisory Commission's review of agencies for the 82nd
8-43 Legislature. The Sunset Advisory Commission's report to the 82nd
8-44 Legislature regarding the review of the Texas Racing Commission
8-45 must include an evaluation of the Texas Racing Commission's efforts
8-46 to implement the changes to the Texas Racing Act (Article 179e,
8-47 Vernon's Texas Civil Statutes) enacted by this Act. The report may
8-48 include any recommendations the Sunset Advisory Commission
8-49 considers appropriate based on the review of the Texas Racing
8-50 Commission.

8-51 SECTION 30. This Act takes effect September 1, 2009.

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