

By: Hinojosa

S.B. No. 1450

A BILL TO BE ENTITLED

AN ACT

relating to the abolishment of the Texas Racing Commission and the transfer of its powers and duties to the Texas Commission of Licensing and Regulation; providing penalties; authorizing fees.

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

ARTICLE 1. TRANSFER OF DUTIES TO TEXAS COMMISSION OF LICENSING AND REGULATION

SECTION 1.01. Section 1.03, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended by amending Subdivisions (3), (5), and (79) and adding Subdivisions (82), (83), and (84) to read as follows:

(3) "Commission" means the Texas ~~[Racing]~~ Commission of Licensing and Regulation.

(5) "Executive secretary" means the director ~~[executive secretary]~~ of the racing division ~~[Texas Racing Commission]~~.

(79) "Executive director" means the executive director ~~[secretary]~~ of the commission ~~[Texas Racing Commission]~~.

(82) "Department" means the Texas Department of Licensing and Regulation.

(83) "Director" means the director of the racing division.

(84) "Racing division" means the division of the department assigned to oversee horse and greyhound racing.

1 SECTION 1.02. The heading to Article 2, Texas Racing Act
2 (Article 179e, Vernon's Texas Civil Statutes), is amended to read
3 as follows:

4 [~~TEXAS~~] RACING DIVISION [~~COMMISSION~~]

5 SECTION 1.03. Sections 2.12, 2.13, 2.14, and 2.15, Texas
6 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
7 amended to read as follows:

8 Sec. 2.12. DIRECTOR [~~EXECUTIVE SECRETARY~~]; EMPLOYEES. (a)
9 The commission shall employ a director of the racing division [~~an~~
10 ~~executive secretary~~] and other employees as necessary to administer
11 this Act.

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

15 (b) The racing division [~~commission~~] may not employ or
16 continue to employ a person:

17 (1) who owns or controls a financial interest in a
18 licensee of the racing division [~~commission~~];

19 (2) who is employed by or serves as a paid consultant
20 to a licensee of the racing division [~~commission~~], an official
21 breed registry, or a Texas trade association [~~, as defined by~~
22 ~~Section 2.071(c) of this Act,~~] in the field of horse or greyhound
23 racing or breeding;

24 (3) who owns or leases a race animal that participates
25 in pari-mutuel racing in this state; or

26 (4) who accepts or is entitled to any part of the purse
27 or Texas-bred incentive award to be paid on a greyhound or a horse

1 in a race conducted in this state.

2 (c) The racing division [~~commission~~] may not employ or
3 continue to employ a person who is residentially domiciled with or
4 related within the first degree by affinity or consanguinity to a
5 person who is subject to a disqualification prescribed by
6 Subsection (b) of this section.

7 (d) The commission shall employ the director [~~executive~~
8 ~~secretary~~] and other employees to reflect the diversity of the
9 population of the state as regards race, color, handicap, sex,
10 religion, age, and national origin.

11 Sec. 2.13. DIRECTOR [~~EXECUTIVE SECRETARY~~]; DUTIES. The
12 director [~~executive secretary~~] shall keep the records of the racing
13 division [~~commission~~] and shall perform other duties as required by
14 the commission. The director [~~executive secretary~~] serves at the
15 pleasure of the commission on a full-time basis and may not hold
16 other employment.

17 Sec. 2.14. LEGAL REPRESENTATION. The attorney general
18 shall designate at least one member of the attorney general's staff
19 to counsel and advise the racing division [~~commission~~] and to
20 represent the racing division [~~commission~~] in legal proceedings.
21 The attorney general shall make available to the appropriate
22 prosecuting attorneys any information obtained regarding
23 violations of this Act.

24 Sec. 2.15. RECORDS. All records of the racing division
25 [~~commission~~] that are not made confidential by other law are open to
26 inspection by the public during regular office hours. All
27 applications for a license under this Act shall be maintained by the

1 department [~~commission~~] and shall be available for public
2 inspection during regular office hours. The contents of the
3 investigatory files of the department [~~commission~~], however, are
4 not public records and are confidential except in a criminal
5 proceeding, in a hearing conducted by the department [~~commission~~],
6 on court order, or with the consent of the party being investigated.

7 SECTION 1.04. Section 2.16(b), Texas Racing Act (Article
8 179e, Vernon's Texas Civil Statutes), is amended to read as
9 follows:

10 (b) An investigation report or other document submitted by
11 the Department of Public Safety to the racing division [~~commission~~]
12 becomes part of the investigative files of the racing division
13 [~~commission~~] and is subject to discovery by a person that is the
14 subject of the investigation report or other document submitted by
15 the Department of Public Safety to the racing division [~~commission~~]
16 that is part of the investigative files of the department
17 [~~commission~~].

18 SECTION 1.05. Sections 3.02(a), (b), (d), and (g), Texas
19 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
20 amended to read as follows:

21 (a) The commission shall regulate and the department shall
22 supervise every race meeting in this state involving wagering on
23 the result of greyhound or horse racing. All persons and things
24 relating to the operation of those meetings are subject to
25 regulation and supervision by the commission and department. The
26 commission shall adopt rules for conducting greyhound or horse
27 racing in this state involving wagering and shall adopt other rules

1 to administer this Act that are consistent with this Act. The
2 commission or department, as applicable, shall also make rules,
3 issue licenses, and take any other necessary action relating
4 exclusively to horse racing or to greyhound racing.

5 (b) The department [~~commission~~] may establish separate
6 sections to review or propose rules of the commission.

7 (d) The department [~~commission~~] shall post notice of a
8 meeting under Subsection (c) of this section at each racetrack
9 facility. The notice shall include an agenda of the meeting and a
10 summary of the proposed rule.

11 (g) The commission, in adopting rules, and the department,
12 in the supervision and conduct of racing, shall consider the effect
13 of a proposed commission or department action on the state's
14 agricultural, horse breeding, horse training, greyhound breeding,
15 and greyhound training industry.

16 SECTION 1.06. Sections 3.021(a) and (c), Texas Racing Act
17 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
18 as follows:

19 (a) Any provision in this Act to the contrary
20 notwithstanding, the department [~~commission~~] may license and
21 regulate all aspects of greyhound racing and horse racing in this
22 state, whether or not that racing involves pari-mutuel wagering.

23 (c) The department [~~commission~~] may charge an annual fee for
24 licensing and regulating a racetrack that does not offer
25 pari-mutuel wagering or a training facility in a reasonable amount
26 that may not exceed the actual cost of enforcing rules adopted for
27 the licensing and regulation of races and workouts at such a

1 facility.

2 SECTION 1.07. Sections 3.03 and 3.04, Texas Racing Act
3 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
4 as follows:

5 Sec. 3.03. POWER OF ENTRY. A member of the commission, an
6 authorized agent of the commission or department, a commissioned
7 officer of the Department of Public Safety, or a peace officer of
8 the local jurisdiction in which the association maintains a place
9 of business may enter any part of the racetrack facility or any
10 other place of business of an association at any time for the
11 purpose of enforcing and administering this Act.

12 Sec. 3.04. REQUIREMENT OF BOOKS AND RECORDS; FINANCIAL
13 STATEMENTS. The department [~~commission~~] shall require
14 associations, managers, totalisator licensees, and concessionaires
15 to keep books and records and to submit financial statements to the
16 department [~~commission~~]. The commission shall adopt reasonable
17 rules relating to those matters.

18 SECTION 1.08. Sections 3.07(a), (c), and (d), Texas Racing
19 Act (Article 179e, Vernon's Texas Civil Statutes), are amended to
20 read as follows:

21 (a) The department [~~commission~~] shall employ all of the
22 judges and all of the stewards for the supervision of a horse race
23 or greyhound race meeting. Each horse race or greyhound race
24 meeting shall be supervised by three stewards for horse racing or by
25 three judges for greyhound racing. The department [~~commission~~]
26 shall designate one of the stewards or judges as the presiding
27 steward or judge for each race meeting. The association, following

1 the completion of the race meeting, may submit written comments to
2 the department [~~commission~~] regarding the job performance of the
3 stewards and judges for the department's [~~commission's~~] review.
4 Comments received are not binding, in any way, on the department
5 [~~commission~~]. For each race meeting, the department [~~commission~~]
6 shall employ at least one state veterinarian. The commission may,
7 by rule, impose a fee on an association to offset the costs of
8 compensating the stewards, judges, and state veterinarians. The
9 amount of the fee for the compensation of stewards, judges, and
10 state veterinarians must be reasonable according to industry
11 standards for the compensation of those officials at other
12 racetracks and may not exceed the actual cost to the department
13 [~~commission~~] for compensating the officials. All other racetrack
14 officials shall be appointed by the association, with the approval
15 of the department [~~commission~~]. Compensation for those officials
16 not compensated by the department [~~commission~~] shall be determined
17 by the association.

18 (c) The department [~~commission~~] shall require each steward
19 or judge to take and pass both a written examination and a medical
20 examination annually. The commission by rule shall prescribe the
21 methods and procedures for taking the examinations and the
22 standards for passing. Failure to pass an examination is a ground
23 for refusal to issue an original or renewal license to a steward or
24 judge or for suspension or revocation of such a license.

25 (d) Medication or drug testing performed on a race animal
26 under this Act shall be conducted by the Texas Veterinary Medical
27 Diagnostic Laboratory or by a laboratory operated by or in

1 conjunction with or by a private or public agency selected by the
2 department [~~commission~~] after consultation with the Texas
3 Veterinary Medical Diagnostic Laboratory. Medication or drug
4 testing performed on a human under this Act shall be conducted by a
5 laboratory approved by the department [~~commission~~]. Charges for
6 services performed under this section shall be forwarded to the
7 department [~~commission~~] for approval as to the reasonableness of
8 the charges for the services. Charges may include but are not
9 limited to expenses incurred for travel, lodging, testing, and
10 processing of test results. The reasonable charges associated with
11 medication or drug testing conducted under this Act shall be paid by
12 the association that receives the services. The commission shall
13 adopt rules for the procedures for approving and paying laboratory
14 charges under this section. The department [~~commission~~] shall
15 determine whether the laboratory charges are reasonable in relation
16 to industry standards by periodically surveying the drug testing
17 charges of comparable laboratories in the United States. The
18 department [~~commission~~] shall forward a copy of the charges to the
19 association that receives the services for immediate payment.

20 SECTION 1.09. Section 3.08(a), Texas Racing Act (Article
21 179e, Vernon's Texas Civil Statutes), is amended to read as
22 follows:

23 (a) Except as provided by Subsection (b) of this section, a
24 final decision of the stewards or judges may be appealed to the
25 department [~~commission~~] in the manner provided for a contested case
26 under Chapter 2001, Government Code [~~the Administrative Procedure~~
27 ~~and Texas Register Act (Article 6252-13a, Vernon's Texas Civil~~

1 ~~Statutes~~)].

2 SECTION 1.10. Section 3.09(b), Texas Racing Act (Article
3 179e, Vernon's Texas Civil Statutes), is amended to read as
4 follows:

5 (b) The department [~~commission~~] shall deposit the money it
6 collects under this Act in the State Treasury to the credit of a
7 special fund to be known as the Texas racing [~~Racing Commission~~]
8 fund. The Texas racing [~~Racing Commission~~] fund may be
9 appropriated only for the administration and enforcement of this
10 Act. Any unappropriated money exceeding \$750,000 that remains in
11 the fund at the close of each fiscal biennium shall be transferred
12 to the General Revenue Fund and may be appropriated for any legal
13 purpose. The legislature may also appropriate money from the
14 General Revenue Fund for the administration and enforcement of this
15 Act. Any amount of general revenue appropriated for the
16 administration and enforcement of this Act in excess of the
17 cumulative amount deposited in the Texas racing [~~Racing Commission~~]
18 fund shall be reimbursed from the Texas racing [~~Racing Commission~~]
19 fund not later than one year after the date on which the general
20 revenue funds are appropriated, with 6-3/4 percent interest with
21 all payments first attributable to interest.

22 SECTION 1.11. Sections 3.10 and 3.11, Texas Racing Act
23 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
24 as follows:

25 Sec. 3.10. ANNUAL REPORT. The racing division [~~commission~~]
26 shall make a report to the governor, lieutenant governor, and
27 speaker of the house of representatives not later than January 31 of

1 each year. The report shall cover the operations of the racing
2 division [~~commission~~] and the condition of horse breeding and
3 racing and greyhound breeding and racing during the previous year.
4 The racing division [~~commission~~] shall also obtain from the
5 Department of Public Safety a comprehensive report of any organized
6 crime activities in this state which the Department of Public
7 Safety [~~department~~] may wish to report and information concerning
8 any and all illegal gambling which may be known to exist in the
9 state and shall include the report by the Department of Public
10 Safety [~~department~~] in its report and shall include any
11 recommendations it considers appropriate.

12 Sec. 3.11. COOPERATION WITH PEACE OFFICERS. The commission
13 and the racing division shall cooperate with all district
14 attorneys, criminal district attorneys, county attorneys, the
15 Department of Public Safety, the attorney general, and all peace
16 officers in enforcing this Act. Under its authority to conduct
17 criminal history information record checks under this Act or
18 Section 51.4012, Occupations Code [~~5.04 of this Act~~], the racing
19 division [~~commission~~] shall maintain and exchange pertinent
20 intelligence data with other states and agencies.

21 SECTION 1.12. Section 3.13(b), Texas Racing Act (Article
22 179e, Vernon's Texas Civil Statutes), is amended to read as
23 follows:

24 (b) The department [~~commission~~] may recognize an
25 organization that meets the requirements of Subsection (a) of this
26 section.

27 SECTION 1.13. Sections 3.16(b), (d), (e), (f), and (j),

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

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

9 (d) Except as otherwise provided, a person may appeal a
10 ruling of the stewards or judges to the department [~~commission~~].
11 The department [~~commission~~] may stay a suspension during the period
12 the matter is before the department [~~commission~~].

13 (e) The department [~~commission~~] may require urine samples
14 to be frozen for a period necessary to allow any follow-up testing
15 to detect and identify a prohibited substance. Any other specimen
16 shall be maintained for testing purposes in a manner required by
17 commission rule.

18 (f) If a test sample or specimen shows the presence of a
19 prohibited substance, the entire sample, including any split
20 portion remaining in the custody of the department [~~commission~~],
21 shall be maintained until final disposition of the matter.

22 (j) A person who violates a rule adopted under this section
23 may:

24 (1) have any license issued to the person by the racing
25 division [~~commission~~] revoked or suspended; or

26 (2) be barred for life or any other period from
27 applying for or receiving a license issued by the racing division

1 ~~[commission]~~ or entering any portion of a racetrack facility.

2 SECTION 1.14. Sections 3.17 through 3.21, Texas Racing Act
3 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
4 as follows:

5 Sec. 3.17. SECURITY FOR FEES AND CHARGES. The department
6 ~~[commission]~~ may require an association to post security in an
7 amount and form determined by the commission to adequately ensure
8 the payment of any fees or charges due to the state or the
9 department ~~[commission]~~ relating to pari-mutuel racing, including
10 charges for drug testing.

11 Sec. 3.18. CEASE AND DESIST ORDER. (a) The executive
12 director ~~[secretary]~~ may issue a cease and desist order if the
13 executive director ~~[secretary]~~ reasonably believes an association
14 or other licensee is engaging or is likely to engage in conduct that
15 violates this Act or a commission rule.

16 (b) On issuance of a cease and desist order, the executive
17 director ~~[secretary]~~ shall serve on the association or other
18 licensee by personal delivery or registered or certified mail,
19 return receipt requested, to the person's last known address, a
20 proposed cease and desist order. The proposed order must state the
21 specific acts or practices alleged to violate this Act or a
22 commission rule. The proposed order must state its effective date.
23 The effective date may not be before the 21st day after the date the
24 proposed order is mailed or delivered. If the person against whom
25 the proposed order is directed requests, in writing, a hearing
26 before the effective date of the proposed order, the order is
27 automatically stayed pending final adjudication of the order.

1 Unless the person against whom the proposed order is directed
2 requests, in writing, a hearing before the effective date of the
3 proposed order, the order takes effect and is final and
4 nonappealable as to that person.

5 (c) On receiving a request for a hearing, the executive
6 director [~~secretary~~] shall serve notice of the time and place of the
7 hearing by personal delivery or registered or certified mail,
8 return receipt requested. At a hearing, the department
9 [~~commission~~] has the burden of proof and must present evidence in
10 support of the order. Each person against whom the order is
11 directed may cross-examine and show cause why the order should not
12 be issued.

13 (d) After the hearing, the department [~~commission~~] shall
14 issue or decline to issue a cease and desist order. The proposed
15 order may be modified as necessary to conform to the findings at the
16 hearing. An order issued under this section is final for purposes
17 of enforcement and appeal and shall require the person to
18 immediately cease and desist from the conduct that violates this
19 Act or a commission rule.

20 (e) A person affected by a cease and desist order issued,
21 affirmed, or modified after a hearing may file a petition for
22 judicial review in a district court of Travis County under Chapter
23 2001, Government Code. A petition for judicial review does not stay
24 or vacate the order unless the court, after hearing, specifically
25 stays or vacates the order.

26 Sec. 3.19. EMERGENCY CEASE AND DESIST ORDER. (a) The
27 executive director [~~secretary~~] may issue an emergency cease and

1 desist order if the executive director [~~secretary~~] reasonably
2 believes an association or other licensee is engaged in a
3 continuing activity that violates this Act or a commission rule in a
4 manner that threatens immediate and irreparable public harm.

5 (b) After issuing an emergency cease and desist order, the
6 executive director [~~secretary~~] shall serve on the association or
7 other licensee by personal delivery or registered or certified
8 mail, return receipt requested, to the person's last known address,
9 an order stating the specific charges and requiring the person
10 immediately to cease and desist from the conduct that violates this
11 Act or a commission rule. The order must contain a notice that a
12 request for hearing may be filed under this section.

13 (c) An association or other licensee that is the subject of
14 an emergency cease and desist order may request a hearing. The
15 request must be filed with the executive director [~~secretary~~] not
16 later than the 10th day after the date the order was received or
17 delivered. A request for a hearing must be in writing and directed
18 to the executive director [~~secretary~~] and must state the grounds
19 for the request to set aside or modify the order. Unless a person
20 who is the subject of the emergency order requests a hearing in
21 writing before the 11th day after the date the order is received or
22 delivered, the emergency order is final and nonappealable as to
23 that person.

24 (d) On receiving a request for a hearing, the executive
25 director [~~secretary~~] shall serve notice of the time and place of the
26 hearing by personal delivery or registered or certified mail,
27 return receipt requested. The hearing must be held not later than

1 the 10th day after the date the executive director [~~secretary~~]
2 receives the request for a hearing unless the parties agree to a
3 later hearing date. At the hearing, the department [~~commission~~]
4 has the burden of proof and must present evidence in support of the
5 order. The person requesting the hearing may cross-examine
6 witnesses and show cause why the order should not be affirmed.
7 Section 2003.021(b), Government Code, does not apply to hearings
8 conducted under this section.

9 (e) An emergency cease and desist order continues in effect
10 unless the order is stayed by the executive director [~~secretary~~].
11 The executive director [~~secretary~~] may impose any condition before
12 granting a stay of the order.

13 (f) After the hearing, the executive director [~~secretary~~]
14 shall affirm, modify, or set aside in whole or part the emergency
15 cease and desist order. An order affirming or modifying the
16 emergency cease and desist order is final for purposes of
17 enforcement and appeal.

18 Sec. 3.20. VIOLATION OF FINAL CEASE AND DESIST ORDER. (a)
19 If the executive director [~~secretary~~] reasonably believes that a
20 person has violated a final and enforceable cease and desist order,
21 the executive director [~~secretary~~] may:

22 (1) initiate administrative penalty proceedings under
23 Article 15 of this Act;

24 (2) refer the matter to the attorney general for
25 enforcement by injunction and any other available remedy; or

26 (3) pursue any other action, including suspension of
27 the person's license, that the executive director [~~secretary~~]

1 considers appropriate.

2 (b) If the attorney general prevails in an action brought
3 under Subsection (a)(2) of this section, the attorney general is
4 entitled to recover reasonable attorney's fees.

5 Sec. 3.21. INJUNCTION. The department [~~commission~~] may
6 institute an action in its own name to enjoin the violation of this
7 Act. An action for an injunction is in addition to any other
8 action, proceeding, or remedy authorized by law.

9 SECTION 1.15. Section 3.22(b), Texas Racing Act (Article
10 179e, Vernon's Texas Civil Statutes), is amended to read as
11 follows:

12 (b) The executive director [~~secretary~~] may issue an order
13 prohibiting the association from making any transfer from a bank
14 account held by the association for the conduct of its business
15 under this Act, pending department [~~commission~~] review of the
16 records of the account, if the executive director [~~secretary~~]
17 reasonably believes that the association has failed to maintain the
18 proper amount of money in the horsemen's account. The executive
19 director [~~secretary~~] shall provide in the order a procedure for the
20 association to pay certain expenses necessary for the operation of
21 the racetrack, subject to the executive director's [~~secretary's~~]
22 approval. An order issued under this section may be made valid for
23 a period not to exceed 14 days.

24 SECTION 1.16. Sections 4.01, 4.05, 5.01, 5.02, 5.03, 5.04,
25 5.05, and 6.01, Texas Racing Act (Article 179e, Vernon's Texas
26 Civil Statutes), are amended to read as follows:

27 Sec. 4.01. BOOKS AND RECORDS. All books, records, and

1 financial statements required by the department [~~commission~~] under
2 Section 3.04 of this Act are open to inspection by the comptroller.
3 The comptroller by rule may specify the form and manner in which the
4 books, records, and statements are to be kept and reports are to be
5 filed that relate to the state's share of a pari-mutuel pool.

6 Sec. 4.05. COMPLIANCE. (a) If an association or
7 totalisator company does not comply with a rule adopted by the
8 comptroller under this article, refuses to allow access to or
9 inspection of any of its required books, records, or financial
10 statements, refuses to allow access to or inspection of the
11 totalisator system, or becomes delinquent for the state's portion
12 of the pari-mutuel pool or for any other tax collected by the
13 comptroller, the comptroller shall certify that fact to the
14 department [~~commission~~].

15 (b) With regard to the state's portion of the pari-mutuel
16 pool and any penalties related to the state's portion, the
17 comptroller, acting independently of the department [~~commission~~],
18 may take any collection or enforcement actions authorized under the
19 Tax Code against a delinquent or dilatory taxpayer. Administrative
20 appeals related to the state's portion of the pari-mutuel pool or
21 late reporting or deposit of the state's portion shall be to the
22 comptroller and then to the courts as under Title 2, Tax Code. All
23 other administrative appeals shall be to the commission and then to
24 the courts.

25 Sec. 5.01. FORM; CERTIFICATE; FEES. (a) The department
26 [~~commission~~] shall prescribe forms for applications for licenses
27 and shall provide each occupational licensee with a license

1 certificate or credentials.

2 (b) The department [~~commission~~] shall annually prescribe
3 reasonable license fees for each category of license issued under
4 this Act.

5 (c) The operation of a racetrack and the participation in
6 racing are privileges, not rights, granted only by the department
7 [~~commission~~] by license and subject to reasonable and necessary
8 conditions set by the department and commission.

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

13 Sec. 5.02. JUDICIAL REVIEW. (a) Judicial review of an
14 order of the department or commission is under the substantial
15 evidence rule.

16 (b) Venue for judicial review of an order of the department
17 or commission is in a district court in Travis County.

18 Sec. 5.03. FINGERPRINTS. (a) An applicant for any license
19 or license renewal under this Act must, except as allowed under
20 Section 7.10 of this Act, submit to the racetrack division
21 [~~commission~~] a complete set of fingerprints of the individual
22 natural person applying for the license or license renewal or, if
23 the applicant is not an individual natural person, a complete set of
24 fingerprints of each officer or director and of each person owning
25 an interest of at least five percent in the applicant. The
26 Department of Public Safety may request any person owning any
27 interest in an applicant for a racetrack license to submit a

1 complete set of fingerprints.

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

16 (c) A peace officer of this or any other state, or any
17 district office of the racing division [~~commission~~], shall take the
18 fingerprints of an applicant for a license or license renewal on
19 forms approved and furnished by the Department of Public Safety and
20 shall immediately deliver them to the racing division [~~commission~~].

21 Sec. 5.04. ACCESS TO CRIMINAL HISTORY RECORDS. In addition
22 to any other authorizations to obtain criminal history record
23 information provided by law, the department [~~(a) The commission~~]
24 is authorized to obtain any criminal history record information
25 that relates to each applicant for employment by the racing
26 division [~~commission~~] and to each applicant for a license issued by
27 the racing division [~~commission~~] and that is maintained by the

1 Department of Public Safety or the Federal Bureau of Investigation
2 Identification Division. The racine division [~~commission~~] may
3 refuse to recommend an applicant who fails to provide a complete set
4 of fingerprints.

5 Sec. 5.05. COST OF CRIMINAL HISTORY CHECK. (a) The
6 department or commission shall, in determining the amount of a
7 license fee, set the fee in an amount that will cover, at least, the
8 cost of conducting a criminal history check on the applicant for a
9 license.

10 (b) The racine division [~~commission~~] shall reimburse the
11 Department of Public Safety for the cost, if any, of conducting a
12 criminal history check under this article.

13 Sec. 6.01. LICENSE REQUIRED. A person may not conduct
14 wagering on a greyhound race or a horse race meeting without first
15 obtaining a racetrack license from the department [~~commission~~]. A
16 person who violates this section commits an offense.

17 SECTION 1.17. Sections 6.02(b), (c), (f), and (g), Texas
18 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
19 amended to read as follows:

20 (b) A class 1 racetrack is a racetrack on which live racing
21 is conducted for a number of days in a calendar year, the number of
22 days and the actual dates to be determined by the department
23 [~~commission~~] under Article 8 of this Act. A class 1 racetrack may
24 operate only in a county with a population of not less than 1.3
25 million, or in a county adjacent to a county with such a population.
26 Not more than three class 1 racetracks may be licensed and operated
27 in this state.

1 (c) A class 2 racetrack is a racetrack on which live racing
2 is conducted for a number of days to be determined by the department
3 [~~commission~~] under Article 8 of this Act. A class 2 racetrack is
4 entitled to conduct 60 days of live racing in a calendar year. An
5 association may request additional or fewer days of live racing. If
6 after receipt of a request from an association the department
7 [~~commission~~] determines additional or fewer days to be economically
8 feasible and in the best interest of the state and the racing
9 industry, the department [~~commission~~] shall grant the additional or
10 fewer days. The department [~~commission~~] may permit an association
11 that holds a class 2 racetrack license and that is located in a
12 national historic district to conduct horse races for more than 60
13 days in a calendar year.

14 (f) The number of race dates allowed under this section
15 relates only to live race dates. A racetrack may present simulcast
16 races on other dates as approved by the department [~~commission~~].

17 (g) A class 4 racetrack is a racetrack operated by a county
18 fair under Section 12.03 of this Act. An association that holds a
19 class 4 racetrack license may conduct live races for a number of
20 days not to exceed five days in a calendar year on dates selected by
21 the association and approved by the department [~~commission~~].

22 SECTION 1.18. Sections 6.03(a), (b), (e), and (h), Texas
23 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
24 amended to read as follows:

25 (a) The department [~~commission~~] shall require each
26 applicant for an original racetrack license to pay the required
27 application fee and to submit an application, on a form prescribed

1 by the department [~~commission~~], containing the following
2 information:

3 (1) if the applicant is an individual, the full name of
4 the applicant, the applicant's date of birth, a physical
5 description of the applicant, the applicant's current address and
6 telephone number, and a statement by the applicant disclosing any
7 arrest or conviction for a felony or for a misdemeanor, except a
8 misdemeanor under Subtitle C, Title 7, Transportation Code, [~~the~~
9 ~~Uniform Act Regulating Traffic on Highways (Article 6701d, Vernon's~~
10 ~~Texas Civil Statutes)~~] or a similar misdemeanor traffic offense;

11 (2) if the applicant is a corporation:

12 (A) the state in which it is incorporated, the
13 names and addresses of the corporation's agents for service of
14 process in this state, the names and addresses of its officers and
15 directors, the names and addresses of its stockholders, and, for
16 each individual named under this subdivision, the individual's date
17 of birth, current address and telephone number, and physical
18 description, and a statement disclosing any arrest or conviction
19 for a felony or for a misdemeanor, except a misdemeanor under
20 Subtitle C, Title 7, Transportation Code, [~~the Uniform Act~~
21 ~~Regulating Traffic on Highways (Article 6701d, Vernon's Texas Civil~~
22 ~~Statutes)~~] or a similar misdemeanor traffic offense; and

23 (B) identification of any other beneficial owner
24 of shares in the applicant that bear voting rights, absolute or
25 contingent, any other person that directly or indirectly exercises
26 any participation in the applicant, and any other ownership
27 interest in the applicant that the applicant making its best effort

1 is able to identify;

2 (3) if the applicant is an unincorporated business
3 association:

4 (A) the names and addresses of each of its
5 members and, for each individual named under this subdivision, the
6 individual's date of birth, current address and telephone number,
7 and physical description, and a statement disclosing any arrest or
8 conviction for a felony or for a misdemeanor, except a misdemeanor
9 under Subtitle C, Title 7, Transportation Code, [~~the Uniform Act~~
10 ~~Regulating Traffic on Highways (Article 6701d, Vernon's Texas Civil~~
11 ~~Statutes)~~] or a similar misdemeanor traffic offense; and

12 (B) identification of any other person that
13 exercises voting rights in the applicant or that directly or
14 indirectly exercises any participation in the applicant and any
15 other ownership interest in the applicant that the applicant making
16 its best effort is able to identify;

17 (4) the exact location at which a race meeting is to be
18 conducted;

19 (5) if the racing facility is in existence, whether it
20 is owned by the applicant and, if leased to the applicant, the name
21 and address of the owner and, if the owner is a corporation or
22 unincorporated business association, the names and addresses of its
23 officers and directors, its stockholders and members, if any, and
24 its agents for service of process in this state;

25 (6) if construction of the racing facility has not
26 been initiated, whether it is to be owned by the applicant and, if
27 it is to be leased to the applicant, the name and address of the

1 prospective owner and, if the owner is a corporation or
2 unincorporated business association, the names and addresses of its
3 officers and directors, the names and addresses of its
4 stockholders, the names and addresses of its members, if any, and
5 the names and addresses of its agents for service of process in this
6 state;

7 (7) identification of any other beneficial owner of
8 shares that bear voting rights, absolute or contingent, in the
9 owner or prospective owner of the racing facility, or any other
10 person that directly or indirectly exercises any participation in
11 the owner or prospective owner and all other ownership interest in
12 the owner or prospective owner that the applicant making its best
13 effort is able to identify;

14 (8) a detailed statement of the assets and liabilities
15 of the applicant;

16 (9) the kind of racing to be conducted and the dates
17 requested;

18 (10) proof of residency as required by Section 6.06 of
19 this Act;

20 (11) a copy of each management, concession, and
21 totalisator contract dealing with the proposed license at the
22 proposed location in which the applicant has an interest for
23 inspection and review by the department [~~commission~~]; the applicant
24 or licensee shall advise the department [~~commission~~] of any change
25 in any management, concession, or totalisator contract; all
26 management, concession, and totalisator contracts must have prior
27 approval of the department [~~commission~~]; the same fingerprint,

1 criminal records history, and other information required of license
2 applicants pursuant to Sections 5.03 and 5.04 and Subdivisions (1)
3 through (3) of this subsection shall be required of proposed
4 totalisator firms, concessionaires, and managers and management
5 firms; and

6 (12) any other information required by the department
7 [~~commission~~].

8 (b) When the department [~~commission~~] receives a plan for the
9 security of a racetrack facility, or a copy of a management,
10 concession, or totalisator contract for review under Subdivision
11 (11) of Subsection (a) of this section, the department [~~commission~~]
12 shall review the contract or security plan in an executive session.
13 Documents submitted to the department [~~commission~~] under this
14 section by an applicant are subject to discovery in a suit brought
15 under this Act but are not public records and are not subject to
16 Chapter 552, Government Code [~~424, Acts of the 63rd Legislature,~~
17 ~~Regular Session, 1973 (Article 6252-17a, Vernon's Texas Civil~~
18 ~~Statutes)~~]. In reviewing and approving contracts under this
19 subsection, the department [~~commission~~] shall attempt to ensure the
20 involvement of minority owned businesses whenever possible.

21 (e) The minimum application fee for a horse racing track is
22 \$15,000 for a class 1 racetrack, \$7,500 for a class 2 racetrack,
23 \$2,500 for a class 3 racetrack, and \$1,500 for a class 4 racetrack.
24 The minimum application fee for a greyhound racing track is
25 \$20,000. Using the minimum fees, the commission by rule shall
26 establish a schedule of application fees for the various types and
27 sizes of racing facilities. The department [~~commission~~] shall set

1 the application fees in amounts that are reasonable and necessary
2 to cover the costs of administering this Act.

3 (h) In considering an application for a horse racetrack
4 license under this section, the department [~~commission~~] shall give
5 additional weight to evidence concerning an applicant who has
6 experience operating a horse racetrack licensed under this Act.

7 SECTION 1.19. Section 6.031, Texas Racing Act (Article
8 179e, Vernon's Texas Civil Statutes), is amended to read as
9 follows:

10 Sec. 6.031. BACKGROUND CHECK. The department [~~commission~~]
11 shall require a complete personal, financial, and business
12 background check of the applicant or any person owning an interest
13 in or exercising control over an applicant for a racetrack license,
14 the partners, stockholders, concessionaires, management personnel,
15 management firms, and creditors and shall refuse to issue or renew a
16 license or approve a concession or management contract if, in the
17 sole discretion of the department [~~commission~~], the background
18 checks reveal anything which might be detrimental to the public
19 interest or the racing industry. The department [~~commission~~] may
20 not hold a hearing on the application, or any part of the
21 application, of an applicant for a racetrack license before the
22 completed background check of the applicant has been on file with
23 the department [~~commission~~] for at least 14 days.

24 SECTION 1.20. Section 6.032(a), Texas Racing Act (Article
25 179e, Vernon's Texas Civil Statutes), is amended to read as
26 follows:

27 (a) The department [~~commission~~] at any time may require a

1 holder of a racetrack license or an applicant for a racetrack
2 license to post security in an amount reasonably necessary, as
3 provided by commission rule, to adequately ensure the license
4 holder's or applicant's compliance with substantive requirements of
5 this Act and commission rules.

6 SECTION 1.21. Section 6.04, Texas Racing Act (Article 179e,
7 Vernon's Texas Civil Statutes), is amended to read as follows:

8 Sec. 6.04. ISSUANCE OF LICENSE. (a) The department
9 [~~commission~~] may issue a racetrack license to a qualified person if
10 it finds that the conduct of race meetings at the proposed track and
11 location will be in the public interest, complies with all zoning
12 laws, and complies with this Act and the rules adopted by the
13 commission and if the department [~~commission~~] finds by clear and
14 convincing evidence that the applicant will comply with all
15 criminal laws of this state. In determining whether to grant or
16 deny an application for any class of racetrack license, the
17 department [~~commission~~] may consider the following factors:

- 18 (1) the applicant's financial stability;
- 19 (2) the applicant's resources for supplementing the
20 purses for races for various breeds;
- 21 (3) the location of the proposed track;
- 22 (4) the effect of the proposed track on traffic flow;
- 23 (5) facilities for patrons and occupational
24 licensees;
- 25 (6) facilities for race animals;
- 26 (7) availability to the track of support services and
27 emergency services;

1 (8) the experience of the applicant's employees;

2 (9) the potential for conflict with other licensed
3 race meetings;

4 (10) the anticipated effect of the race meeting on the
5 greyhound or horse breeding industry in this state; and

6 (11) the anticipated effect of the race meeting on the
7 state and local economy from tourism, increased employment, and
8 other sources.

9 (b) [~~(a-1)~~] When all of the requirements of licensure for
10 the applicant described in this article have been satisfied, the
11 department [~~commission~~] shall notify the applicant that the
12 application is complete.

13 (c) [~~(a-2)~~] The department [~~commission~~] shall make a
14 determination with respect to a pending application not later than
15 the 120th day after the date on which the department [~~commission~~]
16 provided to the applicant the notice required under Subsection (b)
17 [~~(a-1)~~] of this section.

18 (d) [~~(c)~~] The department [~~commission~~] shall not issue
19 licenses for more than three greyhound racetracks in this state.
20 Those racetracks must be located in counties that border the Gulf of
21 Mexico.

22 (e) [~~(d)~~] In considering an application for a class 4
23 racetrack license, the department [~~commission~~] may waive or defer
24 compliance with the department's [~~commission's~~] standards
25 regarding the physical facilities or operations of a horse
26 racetrack. The department [~~commission~~] may not waive or defer
27 compliance with standards that relate to the testing of horses or

1 licensees for the presence of a prohibited drug, chemical, or other
2 substance. If the department [~~commission~~] defers compliance, the
3 department [~~commission~~] shall, when granting the application,
4 establish a schedule under which the licensee must comply with the
5 standards.

6 SECTION 1.22. Sections 6.06(e), (f), and (k), Texas Racing
7 Act (Article 179e, Vernon's Texas Civil Statutes), are amended to
8 read as follows:

9 (e) The department [~~commission~~] may condition the issuance
10 of a license under this article on the observance of commission
11 [~~its~~] rules. The commission may amend the rules at any time, and
12 the department may condition the continued holding of the license
13 on compliance with the rules as amended.

14 (f) The department [~~commission~~] may refuse to issue a
15 license or may suspend or revoke a license of a licensee under this
16 article who knowingly or intentionally allows access to an
17 enclosure where greyhound races or horse races are conducted to a
18 person who has engaged in bookmaking, touting, or illegal wagering,
19 whose income is from illegal activities or enterprises, or who has
20 been convicted of a violation of this Act.

21 (k) The department [~~commission~~] shall review the ownership
22 and management of an active license issued under this article every
23 five years beginning on the fifth anniversary of the issuance of the
24 license. In performing the review, the department [~~commission~~] may
25 require the license holder to provide any information that would be
26 required to be provided in connection with an original license
27 application under Article 5 of this Act or this article. The

1 department [~~commission~~] shall charge fees for the review in amounts
2 sufficient to implement this subsection.

3 SECTION 1.23. Sections 6.0601(a), (b), and (d), Texas
4 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
5 amended to read as follows:

6 (a) The department [~~commission~~] shall designate each
7 racetrack license as an active license or an inactive license. The
8 department [~~commission~~] may change the designation of a racetrack
9 license as appropriate.

10 (b) The department [~~commission~~] shall designate a racetrack
11 license as an active license if the license holder:

12 (1) holds live racing events at the racetrack; or

13 (2) makes good faith efforts to conduct live racing.

14 (d) Before the first anniversary of the date a new racetrack
15 license is issued, the department [~~commission~~] shall conduct an
16 evaluation of the license to determine whether the license is an
17 active or inactive license.

18 SECTION 1.24. Sections 6.0602(a), (b), and (d), Texas
19 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
20 amended to read as follows:

21 (a) The commission by rule shall establish an annual renewal
22 process for inactive licenses and the department may require the
23 license holder to provide any information required for an original
24 license application under this Act. An inactive license holder
25 must complete the annual renewal process established under this
26 section until the department [~~commission~~]:

27 (1) designates the license as an active license; or

1 (2) refuses to renew the license.

2 (b) In determining whether to renew an inactive license, the
3 department [~~commission~~] shall consider:

4 (1) the inactive license holder's:

5 (A) financial stability;

6 (B) ability to conduct live racing;

7 (C) ability to construct and maintain a racetrack
8 facility; and

9 (D) other good faith efforts to conduct live
10 racing; and

11 (2) other necessary factors considered in the issuance
12 of the original license.

13 (d) The department [~~commission~~] shall consult with members
14 of the racing industry and other key stakeholders in developing the
15 license renewal process under this section.

16 SECTION 1.25. Section 6.061(f), Texas Racing Act (Article
17 179e, Vernon's Texas Civil Statutes), is amended to read as
18 follows:

19 (f) The commission shall adopt rules relating to the
20 department's [~~commission's~~] review of an action taken under this
21 section by the executive director [~~secretary~~]. A review procedure
22 adopted under this subsection must be consistent with Chapter 2001,
23 Government Code.

24 SECTION 1.26. Section 6.062, Texas Racing Act (Article
25 179e, Vernon's Texas Civil Statutes), is amended to read as
26 follows:

27 Sec. 6.062. SUPERVISION OF CHANGES TO PREMISES. (a) The

1 department [~~commission~~] shall adopt a method of supervising and
2 approving the construction, renovation, or maintenance of any
3 building or improvement on the premises of a racetrack facility.

4 (b) The commission shall adopt rules relating to:

5 (1) the approval of plans and specifications;

6 (2) the contents of plans and specifications;

7 (3) the maintenance of records to ensure compliance
8 with approved plans and specifications;

9 (4) the content and filing of construction progress
10 reports by the racetrack facility to the department [~~commission~~];

11 (5) the inspection by the department [~~commission~~] or
12 others;

13 (6) the method for making a change or amendment to an
14 approved plan or specification; and

15 (7) any other method of supervision or oversight
16 necessary.

17 (c) If the department [~~commission~~] has grounds to believe
18 that an association has failed to comply with the requirements of
19 this section, a representative of the association shall appear
20 before the department [~~commission~~] to consider the issue of
21 compliance with the rules adopted under this section.

22 (d) Before a building or improvement may be used by the
23 association, the department [~~commission~~] shall determine whether
24 the construction, renovation, or maintenance of the building or
25 improvement was completed in accordance with the approved plans and
26 specifications and whether other requirements of the department or
27 commission were met.

1 (e) If the department [~~commission~~] determines that the
2 association failed to comply with a requirement of this section or
3 rule adopted under this section, the department [~~commission~~] shall
4 initiate an enforcement action against the association. In
5 addition to any other authorized enforcement action, the department
6 [~~commission~~] may rescind any live or simulcast race date of any
7 association that has failed to comply with the requirement of this
8 section.

9 SECTION 1.27. Sections 6.063(a), (b), (c), and (d), Texas
10 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
11 amended to read as follows:

12 (a) The executive director [~~commission~~] may summarily
13 suspend a racetrack license if the executive director [~~commission~~]
14 determines that a racetrack at which races or pari-mutuel wagering
15 are conducted under the license is being operated in a manner that
16 constitutes an immediate threat to the health, safety, or welfare
17 of the participants in racing or the patrons.

18 (b) After issuing a summary suspension order, the executive
19 director [~~secretary~~] shall serve on the association by personal
20 delivery or registered or certified mail, return receipt requested,
21 to the licensee's last known address, an order stating the specific
22 charges and requiring the licensee immediately to cease and desist
23 from all conduct permitted by the license. The order must contain a
24 notice that a request for hearing may be filed under this section.

25 (c) An association that is the subject of a summary
26 suspension order may request a hearing. The request must be filed
27 with the executive director [~~secretary~~] not later than the 10th day

1 after the date the order was received or delivered. A request for a
2 hearing must be in writing and directed to the executive director
3 [~~secretary~~] and must state the grounds for the request to set aside
4 or modify the order. Unless a licensee who is the subject of the
5 order requests a hearing in writing before the 11th day after the
6 date the order is received or delivered, the order is final and
7 nonappealable as to that licensee.

8 (d) On receiving a request for a hearing, the executive
9 director [~~secretary~~] shall serve notice of the time and place of the
10 hearing by personal delivery or registered or certified mail,
11 return receipt requested. The hearing must be held not later than
12 the 10th day after the date the executive director [~~secretary~~]
13 receives the request for a hearing unless the parties agree to a
14 later hearing date. At the hearing, the department [~~commission~~]
15 has the burden of proof and must present evidence in support of the
16 order. The licensee requesting the hearing may cross examine
17 witnesses and show cause why the order should not be affirmed.
18 Section 2003.021(b), Government Code, does not apply to hearings
19 conducted under this section.

20 SECTION 1.28. Sections 6.07(b) and (c), Texas Racing Act
21 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
22 as follows:

23 (b) The department [~~commission~~] may not approve a lease if:
24 (1) it appears that the lease is a subterfuge to evade
25 compliance with Section [~~6.05 or~~] 6.06 of this Act;
26 (2) the racetrack and surrounding structures do not
27 conform to the rules adopted under this Act; or

1 (3) the lessee, prospective lessee, or lessor is
2 disqualified from holding a racetrack license.

3 (c) Each lessor and lessee under this section must comply
4 with the disclosure requirements of Subdivision (1) of Subsection
5 (a) of Section 6.03 of this Act. The department [~~commission~~] may
6 not approve a lease if the lessor and lessee do not provide the
7 required information.

8 SECTION 1.29. Section 6.08(b)(4), Texas Racing Act (Article
9 179e, Vernon's Texas Civil Statutes), is amended to read as
10 follows:

11 (4) An association[~~, after January 1, 1999,~~] may pay a
12 portion of the revenue set aside under this subsection to an
13 organization recognized under Section 3.13 of this Act, as provided
14 by a contract approved by the department [~~commission~~].

15 SECTION 1.30. Section 6.08(i), Texas Racing Act (Article
16 179e, Vernon's Texas Civil Statutes), is amended to read as
17 follows:

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

1 SECTION 1.31. Sections 6.09(d) and (f), Texas Racing Act
2 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
3 as follows:

4 (d) Fifty percent of the breakage is to be paid to the
5 appropriate state greyhound breeding registry. Of that portion of
6 the breakage 25 percent of that breakage is to be used in stakes
7 races and 25 percent of that total breakage from a live pari-mutuel
8 pool or a simulcast pari-mutuel pool is to be paid to the department
9 [~~commission~~] for the use by the state greyhound breed registry,
10 subject to rules promulgated by the commission.

11 (f) The commission in adopting rules relating to money paid
12 to the department [~~commission~~] for use by the state greyhound breed
13 registry under Subsection (d) of this section shall require the
14 award of a grant in an amount equal to two percent of the amount paid
15 to the department [~~commission~~] for use by the state greyhound breed
16 registry to a person for the rehabilitation of greyhounds or to
17 locate homes for greyhounds.

18 SECTION 1.32. Sections 6.091(a), (c), (e), (f), and (g),
19 Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
20 amended to read as follows:

21 (a) An association shall distribute from the total amount
22 deducted as provided by Sections 6.08(a) and 6.09(a) of this Act
23 from each simulcast pari-mutuel pool and each simulcast
24 cross-species pool the following shares:

25 (1) an amount equal to one percent of each simulcast
26 pool as the amount set aside for the state;

27 (2) an amount equal to 1.25 percent of each simulcast

1 cross-species pool as the amount set aside for the state;

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

7 (4) if the association is a greyhound association, an
8 amount equal to one percent of a multiple two wagering pool or a
9 multiple three wagering pool as the amount set aside for the
10 Texas-bred program for greyhound races, to be distributed and used
11 in accordance with rules of the commission adopted to promote
12 greyhound breeding in this state; and

13 (5) the remainder as the amount set aside for purses,
14 expenses, the sending association, and the receiving location
15 pursuant to a contract approved by the department [~~commission~~]
16 between the sending association and the receiving location.

17 (c) A greyhound racetrack association that receives an
18 interstate cross-species simulcast signal shall distribute the
19 following amounts from the total amount deducted as provided by
20 Subsection (a) of this section from each pool wagered on the signal
21 at the facility:

22 (1) a fee of 1.5 percent to be paid to the racetrack
23 facility in this state sending the signal;

24 (2) a purse in the amount of 0.75 percent to be paid to
25 the official state breed registry for thoroughbred horses for use
26 as purses at racetracks in this state;

27 (3) a purse in the amount of 0.75 percent to be paid to

1 the official state breed registry for quarter horses for use as
2 purses at racetracks in this state; and

3 (4) a purse of 4.5 percent to be escrowed with the
4 department [~~commission~~] for purses in the manner set forth in
5 Subsection (e) of this section.

6 (e) The purse set aside under Subsection (c)(4) of this
7 section shall be deposited into an escrow account in the registry of
8 the department [~~commission~~]. Any horse racetrack association in
9 this state may apply to the department [~~commission~~] for receipt of
10 all or part of the escrowed purse account for use as purses. The
11 department [~~commission~~] shall determine to which horse racetracks
12 the escrowed purse account shall be allocated and in what
13 percentages, taking into consideration purse levels, racing
14 opportunities, and the financial status of the requesting
15 racetrack. [~~The first distribution of the escrowed purse account~~
16 ~~allocated to a racetrack under this section may not be made before~~
17 ~~October 1, 1998.~~]

18 (f) A [~~After October 15, 1998, a~~] horse racetrack
19 association that is located not more than 75 miles from a greyhound
20 racetrack facility that offers wagering on a cross-species
21 simulcast signal may apply to the department [~~commission~~] for an
22 additional allocation of up to 20 percent of the funds in the
23 escrowed purse account that is attributable to the wagering on a
24 cross-species simulcast signal at the greyhound racetrack
25 facility, if the horse racetrack facility sends the cross-species
26 simulcast signal to the greyhound racetrack. If the applying horse
27 racetrack can prove to the department's [~~commission's~~] satisfaction

1 that a decrease in the racetrack's handle has occurred that is
2 directly due to wagering on an interstate cross-species simulcast
3 signal at a greyhound racetrack facility that is located not more
4 than 75 miles from the applying racetrack, the department
5 [~~commission~~] shall allocate the amounts from the escrowed purse
6 account as the department [~~commission~~] considers appropriate to
7 compensate the racetrack for the decrease, but the amount allocated
8 may not exceed 20 percent of the funds in the escrowed purse account
9 that are attributable to the wagering on the interstate
10 cross-species simulcast signal at the greyhound racetrack
11 facility. Any amount allocated by the department [~~commission~~]
12 under this subsection may be used by the racetrack facility for any
13 purpose.

14 (g) If a racing association purchases an interstate
15 simulcast signal and the cost of the signal is more than five
16 percent of the pari-mutuel pool, the department [~~commission~~] shall
17 reimburse the racing association an amount equal to one-half of the
18 signal cost that is more than five percent of the pari-mutuel pool
19 from the escrowed purse account under Subsection (c)(4) of this
20 section.

21 SECTION 1.33. Sections 6.092(c), (d), and (e), Texas Racing
22 Act (Article 179e, Vernon's Texas Civil Statutes), are amended to
23 read as follows:

24 (c) An organization receiving funds generated by live or
25 simulcast pari-mutuel racing shall annually file with the
26 department [~~commission~~] a copy of an audit report prepared by an
27 independent certified public accountant. The audit shall include a

1 verification of any performance report sent to or required by the
2 department [~~commission~~].

3 (d) The department [~~commission~~] may review any records or
4 books of an organization that submits an independent audit to the
5 department [~~commission~~] as the department [~~commission~~] determines
6 necessary to confirm or further investigate the findings of an
7 audit or report.

8 (e) The commission by rule may suspend or withhold funds
9 from an organization that:

10 (1) it determines has failed to comply with the
11 requirements or performance measures adopted under Subsection (a)
12 of this section; or

13 (2) has, following an independent audit or other
14 report to the department [~~commission~~], material questions raised on
15 the use of funds by the organization.

16 SECTION 1.34. Sections 6.094(b), (c), (d), and (e), Texas
17 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
18 amended to read as follows:

19 (b) An association conducting the Breeders' Cup races may
20 apply to the reimbursement of Breeders' Cup costs amounts that
21 would otherwise be set aside by the association for the state under
22 Sections 6.091(a)(1) and 6.093 of this Act during the year in which
23 the association hosts the Breeders' Cup races, limited to an amount
24 equal to the lesser of the aggregate amount contributed to pay
25 Breeders' Cup costs by political subdivisions and development
26 organizations or \$2 million. Beginning on January 1 of the year for
27 which the association has been officially designated to host the

1 Breeders' Cup races, amounts that would otherwise be set aside by
2 the association for the state during that year under Sections
3 6.091(a)(1) and 6.093 of this Act shall be set aside, in accordance
4 with procedures prescribed by the comptroller, for deposit into the
5 Breeders' Cup Developmental Account. The Breeders' Cup
6 Developmental Account is an account in the general revenue fund.
7 The department [~~commission~~] shall administer the account. Money in
8 the account may be appropriated only to the department [~~commission~~]
9 and may be used only for the purposes specified in this section.
10 The account is exempt from the application of Section 403.095,
11 Government Code.

12 (c) The department [~~commission~~] shall make disbursements
13 from the Breeders' Cup Developmental Account to reimburse Breeders'
14 Cup costs actually incurred and paid by the association, after the
15 association files a request for reimbursement. Disbursements from
16 the account may not at any time exceed the aggregate amount actually
17 paid for Breeders' Cup costs by political subdivisions and
18 development organizations, as certified by the department
19 [~~commission~~] to the comptroller, or \$2 million, whichever is less.

20 (d) Not later than January 31 of the year following the year
21 in which the association hosts the Breeders' Cup races, the
22 association shall submit to the department [~~commission~~] a report
23 that shows:

24 (1) the total amount of Breeders' Cup costs incurred
25 and paid by the association;

26 (2) the total payments made by political subdivisions
27 and development organizations for Breeders' Cup costs; and

1 (3) any other information requested by the department
2 [~~commission~~].

3 (e) Following receipt of the report required by Subsection
4 (d) of this section, the department [~~commission~~] shall take any
5 steps it considers appropriate to verify the report. Not later than
6 March 31 of the year following the event, the department
7 [~~commission~~] shall transfer to the credit of the general revenue
8 fund any balance remaining in the Breeders' Cup Developmental
9 Account after reimbursement of any remaining Breeders' Cup costs
10 authorized under this section.

11 SECTION 1.35. Section 6.12(b), Texas Racing Act (Article
12 179e, Vernon's Texas Civil Statutes), is amended to read as
13 follows:

14 (b) In the event of the death of any person whose death
15 causes a violation of the licensing provisions of this Act, the
16 department [~~commission~~] may issue a temporary license for a period
17 not to exceed one year under rules adopted by the commission.

18 SECTION 1.36. Section 6.13, Texas Racing Act (Article 179e,
19 Vernon's Texas Civil Statutes), is amended to read as follows:

20 Sec. 6.13. FINANCIAL DISCLOSURE. (a) The commission by
21 rule shall require that each association holding a license for a
22 class 1 racetrack, class 2 racetrack, or greyhound racetrack must
23 annually file with the department [~~commission~~] a detailed financial
24 statement that:

25 (1) contains the names and addresses of all
26 stockholders, members and owners of any interest in the racetrack
27 facility;

1 (2) indicates compliance during the filing period with
2 Section 6.06 of this Act; and

3 (3) includes any other information required by the
4 department [~~commission~~].

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

12 SECTION 1.37. Sections 6.14(a), (b), and (d), Texas Racing
13 Act (Article 179e, Vernon's Texas Civil Statutes), are amended to
14 read as follows:

15 (a) An association may not conduct greyhound or horse racing
16 at any place other than the place designated in the license except
17 as provided by this section or by Section 6.15 of this Act. However,
18 if the racetrack or enclosure designated in the license becomes
19 unsuitable for racing because of fire, flood, or other catastrophe,
20 the affected association, with the prior approval of the department
21 [~~commission~~], may conduct a race meeting or any remaining portion
22 of a meeting temporarily at any other racetrack licensed by the
23 department [~~commission~~] to conduct the same type of racing as may be
24 conducted by the affected association if the licensee of the other
25 racetrack also consents to the usage.

26 (b) The department [~~commission~~] shall not issue more than
27 three racetrack licenses for greyhound racing.

1 (d) On request of an association, the department
2 [~~commission~~] shall amend a racetrack license to change the location
3 of the racetrack if the commission finds that:

4 (1) the conduct of race meetings at the proposed track
5 at the new location will be in the public interest;

6 (2) there was not a competing applicant for the
7 original license; and

8 (3) the association's desire to change location is not
9 the result of a subterfuge in the original licensing proceeding.

10 SECTION 1.38. Section 6.15, Texas Racing Act (Article 179e,
11 Vernon's Texas Civil Statutes), is amended to read as follows:

12 Sec. 6.15. RACING AT TEMPORARY LOCATION. After an
13 association has been granted a license to operate a racetrack and
14 before the completion of construction at the designated place for
15 which the license was issued, the department [~~commission~~] may, on
16 application by the association, issue a temporary license that
17 permits the association to conduct races at a location in the same
18 county for a period expiring two years after the date of issuance of
19 the temporary license or on the completion of the permanent
20 facility, whichever occurs first. The department [~~commission~~] may
21 set the conditions and standards for issuance of a temporary
22 license and allocation of appropriate race days. An applicant for a
23 temporary license must pay the application fees and must post the
24 bonds required of other licensees before the issuance of a
25 temporary license. After a temporary license has expired, no
26 individual, corporation, or association, nor any individual
27 belonging to a corporation or association which has been granted a

1 temporary license, may get an extension of the temporary license or
2 a new temporary license.

3 SECTION 1.39. Section 6.16(a), Texas Racing Act (Article
4 179e, Vernon's Texas Civil Statutes), is amended to read as
5 follows:

6 (a) An association may not employ any person who has been a
7 member of the commission, the executive director [~~secretary of the~~
8 ~~commission~~], or an employee employed by the racing division
9 [~~commission~~] in a position in the state employment classification
10 plan of grade 12 or above, or any person related within the second
11 degree by affinity or the third degree by consanguinity, as
12 determined under Chapter 573, Government Code, to such a member or
13 employee, during the one-year period immediately preceding the
14 employment by the association.

15 SECTION 1.40. Sections 7.01(a) and (c), Texas Racing Act
16 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
17 as follows:

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

25 (c) A racetrack licensed under this Act is responsible for
26 ensuring that its employees comply with this Act and commission
27 rules. The department or commission may impose disciplinary action

1 against a licensed racetrack for violations of this Act and
2 commission rules by its employees as provided by Section 6.0603 of
3 this Act.

4 SECTION 1.41. Section 7.02(e), Texas Racing Act (Article
5 179e, Vernon's Texas Civil Statutes), is amended to read as
6 follows:

7 (e) The department [~~commission~~] may not approve a
8 management contract to operate or manage a racetrack owned by a
9 governmental entity unless the racetrack license holder is an owner
10 of the entity that proposes to manage the racetrack.

11 SECTION 1.42. Section 7.03, Texas Racing Act (Article 179e,
12 Vernon's Texas Civil Statutes), is amended to read as follows:

13 Sec. 7.03. ISSUANCE. The department [~~commission~~] shall
14 issue a license to a qualified person on application and payment of
15 the license fee.

16 SECTION 1.43. Sections 8.01, 8.02, and 9.01, Texas Racing
17 Act (Article 179e, Vernon's Texas Civil Statutes), are amended to
18 read as follows:

19 Sec. 8.01. ALLOCATION. The department [~~commission~~] shall
20 allocate the live and simulcast racing days for the conduct of live
21 and simulcast racing at each racetrack licensed under this Act.
22 Each racetrack shall accord reasonable access to races for all
23 breeds of horses as determined by the racetrack through
24 negotiations with the representative state breed registry with the
25 final approval of the department [~~commission~~]. In granting
26 approval, the department [~~commission~~] shall consider the factors of
27 availability of competitive horses, economic feasibility, and

1 public interest. In allocating race dates under this section, the
2 department [~~commission~~] shall consider live race dates separately
3 from simulcast race dates. The department [~~commission~~] may prohibit
4 Sunday racing unless the prohibition would conflict with another
5 provision of this Act.

6 Sec. 8.02. CHARITY DAYS. (a) The department [~~commission~~]
7 shall grant additional racing days to each association during a
8 race meeting to be conducted as charity days. The department
9 [~~commission~~] shall grant at least two and not more than five
10 additional days to each class 1 racetrack and to each class 2
11 racetrack. Each class 1 and class 2 racetrack shall conduct charity
12 race days in accordance with this section.

13 (b) The commission shall adopt rules relating to the conduct
14 of charity days. The department [~~commission~~] shall insure that the
15 races held by an association on a charity day are comparable in all
16 respects, including the generation of revenue, to the races held by
17 that association on any other racing day.

18 Sec. 9.01. TEXAS-BRED HORSES. Subject to this Act or any
19 rule of the commission, the state horse breed registries shall make
20 reasonable rules to establish the qualifications of accredited
21 Texas-bred horses to promote, develop, and improve the breeding of
22 horses in this state. Rules adopted by a registry are subject to
23 department [~~commission~~] approval.

24 SECTION 1.44. Section 9.03(b), Texas Racing Act (Article
25 179e, Vernon's Texas Civil Statutes), is amended to read as
26 follows:

27 (b) To encourage the breeding of horses in this state, any

1 accredited Texas-bred horse finishing first, second, or third in
2 any race in this state except a restricted stakes race shall receive
3 a purse supplement. The appropriate state breed registry shall act
4 in an advisory capacity to the association and the department
5 [~~commission~~] for the purpose of administering the provisions of
6 this section.

7 SECTION 1.45. Sections 9.05 and 9.06, Texas Racing Act
8 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
9 as follows:

10 Sec. 9.05. TYPES OF RACING. When a horse racing association
11 conducts a race meeting for more than one breed of horse at one
12 racetrack, the number of races to be run by each breed on each day
13 shall be equitable as determined by the department [~~commission~~]
14 under Section 8.01 of this Act. The commission, by rule or by order,
15 may allow an exception if there are not enough horses of a breed
16 available to provide sufficient competition.

17 Sec. 9.06. STABLING. When a horse racing association
18 conducts a race meeting for more than one breed of horse at one
19 racetrack, on-track stalls shall be provided on an equitable basis
20 as determined by the department [~~commission~~] under Section 8.01 of
21 this Act.

22 SECTION 1.46. Sections 9A.001(e) and (f), Texas Racing Act
23 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
24 as follows:

25 (e) The department [~~commission~~] shall set the date of and
26 the location for each Texas Derby. Each Texas Derby must be held
27 annually at the class 1 racetrack determined by the department

1 ~~[commission]~~. The department ~~[commission]~~ shall determine the
2 location of each Texas Derby in consultation with:

- 3 (1) each class 1 racetrack;
- 4 (2) the official state breed registries; and
- 5 (3) the official horsemen's organization.

6 (f) The department ~~[commission]~~ may sell the right to name a
7 Texas Derby. The department ~~[commission]~~ shall deposit the
8 proceeds from the sale of the right to name a Texas Derby into the
9 Texas Derby escrow purse fund established under Section 9A.003 of
10 this article.

11 SECTION 1.47. Section 9A.002(a), Texas Racing Act (Article
12 179e, Vernon's Texas Civil Statutes), is amended to read as
13 follows:

14 (a) For each Texas Derby, the department ~~[commission]~~ shall
15 appoint a state veterinarian to conduct a prerace examination of
16 each horse entered in the race to determine whether the horse is
17 healthy and meets standards set by commission rule for racing.

18 SECTION 1.48. Sections 10.01 and 10.02, Texas Racing Act
19 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
20 as follows:

21 Sec. 10.01. NUMBER OF RACING DAYS. Any greyhound racing
22 licensee shall be entitled to have 300 evening and 150 matinee
23 performances in a calendar year. The department ~~[commission]~~ shall
24 grant at least five additional racing days during a race meeting to
25 be conducted as charity days. The commission shall adopt rules
26 relating to the conduct of charity days. The department
27 ~~[commission]~~ shall insure that the races held by an association on a

1 charity day are comparable in all respects, including the
2 generation of revenue, to the races held by that association on any
3 other racing day.

4 Sec. 10.02. SUBSTITUTE RACING DAYS OR ADDITIONAL RACES. If
5 for a reason beyond the licensee's control and not caused by the
6 licensee's fault or neglect it is impossible for the licensee to
7 hold or conduct a race or races on a day authorized by the
8 department [~~commission~~], the department [~~commission~~] in its
9 discretion and at the request of the licensee, as a substitute for
10 the race or races, may specify another day for the holding or
11 conducting of racing by the licensee or may add additional races to
12 already programmed events.

13 SECTION 1.49. Section 10.04(a), Texas Racing Act (Article
14 179e, Vernon's Texas Civil Statutes), is amended to read as
15 follows:

16 (a) Subject to this Act or any rule of the commission, the
17 state greyhound breed registry shall make reasonable rules to
18 establish the qualifications of accredited Texas-bred greyhounds
19 to promote, develop, and improve the breeding of greyhounds in this
20 state. Rules adopted by the registry are subject to department
21 [~~commission~~] approval.

22 SECTION 1.50. Section 11.01(a-1), Texas Racing Act (Article
23 179e, Vernon's Texas Civil Statutes), is amended to read as
24 follows:

25 (a-1) The department [~~commission~~] may commission as many
26 investigators as the department [~~commission~~] determines necessary
27 to enforce this Act and the rules of the commission. Each

1 investigator shall take the constitutional oath of office and file
2 it with the department [~~commission~~]. Each commissioned
3 investigator has the powers of a peace officer.

4 SECTION 1.51. Sections 11.011(b), (c), (f), and (m), Texas
5 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
6 amended to read as follows:

7 (b) With approval of the department [~~commission~~], wagers
8 accepted on a simulcast race by any out-of-state receiving location
9 may be included in the pari-mutuel pool for the race at the sending
10 racetrack association in this state.

11 (c) With approval of the department [~~commission~~], wagers
12 accepted by a licensed racetrack association in this state on a race
13 simulcast from out-of-state may be included in the pari-mutuel
14 pools for the race at the out-of-state sending racetrack.

15 (f) Nothing in this Act is to be construed to allow wagering
16 in Texas on simulcast races at any location other than a racetrack
17 licensed under this Act that has been granted live race dates by the
18 department [~~commission~~].

19 (m) The department [~~commission~~] shall not approve wagering
20 on an interstate simulcast race unless the receiving location
21 consents to wagering on interstate simulcast races at all other
22 receiving locations in this state.

23 SECTION 1.52. Section 11.02, Texas Racing Act (Article
24 179e, Vernon's Texas Civil Statutes), is amended to read as
25 follows:

26 Sec. 11.02. COMPUTATION OF WAGERING. The wagering may be
27 calculated only by state-of-the-art computational equipment that

1 is approved by the department [~~commission~~]. The department
2 [~~commission~~] may not require the use of a particular make of
3 equipment.

4 SECTION 1.53. Sections 11.04(a) and (e), Texas Racing Act
5 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
6 as follows:

7 (a) Only a person inside the enclosure where both live and
8 simulcast race meetings are authorized may wager on the result of a
9 live or simulcast race presented by the association in accordance
10 with commission rules. Except as provided by this section, a person
11 may not place, in person, by telephone, or over the Internet, a
12 wager for a horse race or greyhound race conducted inside or outside
13 this state. The commission shall adopt rules to prohibit wagering
14 by employees of the racing division [~~commission~~] and to regulate
15 wagering by persons licensed under this Act.

16 (e) An association that allows a machine in an enclosure as
17 provided by Subsection (c) shall collect a fee of \$1 for each
18 transaction under Subsection (c). The commission shall adopt rules
19 providing for collection, reporting, and auditing of the
20 transaction fee. The association shall forward the fee to the
21 department [~~commission~~]. The department [~~commission~~] shall
22 deposit the fee to the credit of the general revenue fund.

23 SECTION 1.54. Section 11.07(b), Texas Racing Act (Article
24 179e, Vernon's Texas Civil Statutes), is amended to read as
25 follows:

26 (b) If the claimant satisfactorily establishes a right to
27 distribution from the pool, the association shall pay the amount

1 due the claimant. If the association refuses to pay a claimant who
2 has established satisfactorily a right to distribution from the
3 pool, the claimant may appeal to the department [~~commission~~] under
4 procedures prescribed by commission rule.

5 SECTION 1.55. Section 13.01, Texas Racing Act (Article
6 179e, Vernon's Texas Civil Statutes), is amended to read as
7 follows:

8 Sec. 13.01. REGULATION BY COMMISSION. The commission shall
9 adopt rules providing for the exclusion or ejection from an
10 enclosure where greyhound races or horse races are conducted, or
11 from specified portions of an enclosure, of a person:

12 (1) who has engaged in bookmaking, touting, or illegal
13 wagering;

14 (2) whose income is from illegal activities or
15 enterprises;

16 (3) who has been convicted of a violation of this Act;

17 (4) who has been convicted of theft;

18 (5) who has been convicted under the penal law of
19 another jurisdiction for committing an act that would have
20 constituted a violation of any of the rules mentioned in this
21 section;

22 (6) who has committed a corrupt or fraudulent act in
23 connection with greyhound racing or horse racing or pari-mutuel
24 wagering or who has committed any act tending or intended to corrupt
25 greyhound racing or horse racing or pari-mutuel wagering in this
26 state or elsewhere;

27 (7) who is under suspension or ruled off a racetrack by

1 the department [~~commission~~] or a steward in this state or by a
2 corresponding authority in another state because of fraudulent or
3 corrupt practices or other acts detrimental to racing;

4 (8) who has submitted a forged pari-mutuel ticket or
5 has altered or forged a pari-mutuel ticket for cashing or who has
6 cashed or caused to be cashed an altered, raised, or forged
7 pari-mutuel ticket;

8 (9) who has been convicted of committing a lewd or
9 lascivious act or other crime involving moral turpitude;

10 (10) who is guilty of boisterous or disorderly conduct
11 while inside a racing enclosure;

12 (11) who is an agent or habitual associate of a person
13 excludable under this section; or

14 (12) who has been convicted of a felony.

15 SECTION 1.56. Sections 13.02(b) and (c), Texas Racing Act
16 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
17 as follows:

18 (b) Such an application constitutes a contested case under
19 Chapter 2001, Government Code [~~the Administrative Procedure and~~
20 ~~Texas Register Act (Article 6252-13a, Vernon's Texas Civil~~
21 ~~Statutes)]]. If, after a hearing as provided under that chapter
22 [~~Section 13 of that Act~~], the commission determines that the
23 exclusion or ejection was proper, it shall make and enter an order
24 to that effect in its minutes, and the person shall continue to be
25 excluded from each association.~~

26 (c) The person excluded or ejected may appeal an adverse
27 decision of the commission by filing a petition for judicial review

1 in the manner provided by Chapter 2001, Government Code [~~Section 19~~
2 ~~of the Administrative Procedure and Texas Register Act (Article~~
3 ~~6252-13a, Vernon's Texas Civil Statutes)~~]. Judicial review under
4 this subsection is subject to the substantial evidence rule. Venue
5 for the review is in a district court in Travis County.

6 SECTION 1.57. Section 14.01(c), Texas Racing Act (Article
7 179e, Vernon's Texas Civil Statutes), is amended to read as
8 follows:

9 (c) An offense under this section is a state jail felony if:

10 (1) the actor is a licensee under this Act or an
11 employee or member of the commission or the department and the actor
12 knowingly represents that a member or employee of the commission or
13 the department or a person licensed by the commission or department
14 is the source of the false information; or

15 (2) the false statement or information was contained
16 in racing selection information provided to the public.

17 SECTION 1.58. Section 14.04(a), Texas Racing Act (Article
18 179e, Vernon's Texas Civil Statutes), is amended to read as
19 follows:

20 (a) A person commits an offense if the person is a licensee
21 and the person knowingly or intentionally permits, facilitates, or
22 allows access, to an enclosure where races are conducted, to
23 another person who the person knows:

24 (1) has engaged in bookmaking, touting, or illegal
25 wagering;

26 (2) derives income from illegal activities or
27 enterprises;

1 (3) has been convicted of a violation of this Act; or
2 (4) is excluded by the department [~~commission~~] from
3 entering a racetrack facility.

4 SECTION 1.59. Section 14.05(a), Texas Racing Act (Article
5 179e, Vernon's Texas Civil Statutes), is amended to read as
6 follows:

7 (a) A person who is subject to this section commits an
8 offense if the person intentionally or knowingly wagers on the
9 result of a greyhound race or horse race conducted in this state
10 that:

11 (1) is held on an American Indian reservation or on
12 American Indian trust land located in this state; and

13 (2) is not held under the supervision of the
14 department [~~commission~~] under rules adopted under this Act.

15 SECTION 1.60. Section 14.06(c), Texas Racing Act (Article
16 179e, Vernon's Texas Civil Statutes), is amended to read as
17 follows:

18 (c) An offense under this section is a state jail felony
19 unless the statement was material in a commission or department
20 action relating to a racetrack license, in which event the offense
21 is a felony of the third degree.

22 SECTION 1.61. Section 14.12, Texas Racing Act (Article
23 179e, Vernon's Texas Civil Statutes), is amended to read as
24 follows:

25 Sec. 14.12. CRIMINAL CONFLICT OF INTEREST. A person who is
26 a member of the commission or the racing division commits an offense
27 if the person:

1 (1) accepts, directly or indirectly, employment or
2 remuneration from a racetrack facility, association, or other
3 licensee, including a facility, association, or licensee located or
4 residing in another state;

5 (2) wagers or causes a wager to be placed on the
6 outcome of a horse or greyhound race conducted in this state; or

7 (3) accepts or is entitled to any part of a purse to be
8 paid to an animal in a race conducted in this state.

9 SECTION 1.62. Section 14.17(b), Texas Racing Act (Article
10 179e, Vernon's Texas Civil Statutes), is amended to read as
11 follows:

12 (b) In this section, "lawful request" means a request from
13 the commission or the department, an authorized agent of the
14 commission or the department, the director or a commissioned
15 officer of the Department of Public Safety, a peace officer, or a
16 steward or judge at any time and any restricted location that:

17 (1) is on a racetrack facility; and

18 (2) is not a public place.

19 SECTION 1.63. Section 14.18(b), Texas Racing Act (Article
20 179e, Vernon's Texas Civil Statutes), is amended to read as
21 follows:

22 (b) A search may be conducted by a commissioned officer of
23 the Department of Public Safety or a peace officer, including a
24 peace officer employed by the department [~~commission~~], at any time
25 and at any location that is on a racetrack facility, except a
26 location:

27 (1) excluded by commission rule from searches under

1 this section; or

2 (2) provided by an association under commission rule
3 for private storage of personal items belonging to a licensee
4 entering a racetrack facility.

5 SECTION 1.64. Section 14.20, Texas Racing Act (Article
6 179e, Vernon's Texas Civil Statutes), is amended to read as
7 follows:

8 Sec. 14.20. COMMISSION AND DEPARTMENT AUTHORITY. This
9 article may not be construed to restrict the department's or
10 commission's administrative authority to enforce this Act or
11 commission rules to the fullest extent authorized by this Act or
12 other law.

13 SECTION 1.65. Section 16.01(a), Texas Racing Act (Article
14 179e, Vernon's Texas Civil Statutes), is amended to read as
15 follows:

16 (a) The department [~~commission~~] shall not issue a racetrack
17 license or accept an application for a license for a racetrack to be
18 located in a county until the commissioners court has certified to
19 the secretary of state that the qualified voters of the county have
20 approved the legalization of pari-mutuel wagering on horse races or
21 greyhound races in the county at an election held under this
22 article. [~~A local option election may not be held under this~~
23 ~~article before January 1, 1987.~~]

24 SECTION 1.66. Section 16.13(a), Texas Racing Act (Article
25 179e, Vernon's Texas Civil Statutes), is amended to read as
26 follows:

27 (a) Not later than the 30th day after the date the result of

1 the election is declared, any qualified voter of the county may
2 contest the election by filing a petition in the district court of
3 the county. Any person who is licensed or who has made application
4 to the department [~~commission~~] to be licensed in any capacity under
5 this Act may become a named party to the proceedings by pleading to
6 the petition on or before the time set for hearing and trial as
7 provided by Subsection (c) of this section or thereafter by
8 intervention on leave of court.

9 SECTION 1.67. Sections 18.06, 18.07, and 18.08, Texas
10 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are
11 amended to read as follows:

12 Sec. 18.06. RELEASE OF LIABILITY. A member of the
13 commission, an employee of the department [~~commission~~], a steward
14 or judge, an association, a horsemen's organization, or any other
15 person regulated under this Act is not liable to any individual,
16 corporation, business association, or other entity for a cause of
17 action that arises out of that person's performance or exercise of
18 discretion in the implementation or enforcement of this Act or a
19 rule adopted under this Act if the person has acted in good faith.

20 Sec. 18.07. PAST PERFORMANCE OF ASSOCIATION. In
21 considering a pleading of a racetrack association, the department
22 [~~commission~~] shall take into account the operating experience of
23 the racetrack association in Texas, which includes, but is not
24 limited to, the financial condition of the track, regulatory
25 compliance and conduct, and any other relevant matters concerning
26 the operation of a track.

27 Sec. 18.08. DISTANCE LEARNING. The department [~~commission~~]

1 may provide assistance to members of the racing industry who are
2 attempting to develop or implement adult, youth, or continuing
3 education programs that use distance learning.

4 SECTION 1.68. Sections 2.01, 2.02, 2.03, 2.04, 2.05, 2.06,
5 2.071, 2.073, 2.074, 2.08, 2.09, 2.10, 2.11, 2.19, 2.20, 2.21,
6 2.22, 2.23, 2.24, 2.25, and 18.01, Texas Racing Act (Article 179e,
7 Vernon's Texas Civil Statutes), are repealed.

8 ARTICLE 2. CONFORMING AMENDMENTS

9 SECTION 2.01. Section 87.002, Civil Practice and Remedies
10 Code, is amended to read as follows:

11 Sec. 87.002. APPLICABILITY OF CHAPTER. This chapter does
12 not apply to an activity regulated by the racing division of the
13 Texas Department of Licensing and Regulation [~~Texas Racing~~
14 ~~Commission~~].

15 SECTION 2.02. Section 104.001, Civil Practice and Remedies
16 Code, is amended to read as follows:

17 Sec. 104.001. STATE LIABILITY; PERSONS COVERED. In a cause
18 of action based on conduct described in Section 104.002, the state
19 shall indemnify the following persons, without regard to whether
20 the persons performed their services for compensation, for actual
21 damages, court costs, and attorney's fees adjudged against:

22 (1) an employee, a member of the governing board, or
23 any other officer of a state agency, institution, or department;

24 (2) a former employee, former member of the governing
25 board, or any other former officer of a state agency, institution,
26 or department who was an employee or officer when the act or
27 omission on which the damages are based occurred;

1 (3) a physician or psychiatrist licensed in this state
2 who was performing services under a contract with any state agency,
3 institution, or department or a racing official performing services
4 under a contract with the Texas Department of Licensing and
5 Regulation [~~Racing Commission~~] when the act or omission on which
6 the damages are based occurred;

7 (3-a) a phlebotomist licensed in this state who was
8 performing services under a contract with the Texas Department of
9 Criminal Justice when the act or omission on which the damages are
10 based occurred;

11 (4) a chaplain or spiritual advisor who was performing
12 services under contract with the Texas Department of Criminal
13 Justice[~~, the Texas Youth Commission,~~] or the Texas Juvenile
14 Justice Department [~~Probation Commission~~] when the act or omission
15 on which the damages are based occurred;

16 (5) a person serving on the governing board of a
17 foundation, corporation, or association at the request and on
18 behalf of an institution of higher education, as that term is
19 defined by Section 61.003(8), Education Code, not including a
20 public junior college;

21 (6) a state contractor who signed a waste manifest as
22 required by a state contract; or

23 (7) the estate of a person listed in this section.

24 SECTION 2.03. Article 2.12, Code of Criminal Procedure, is
25 amended to read as follows:

26 Art. 2.12. WHO ARE PEACE OFFICERS. The following are peace
27 officers:

1 (1) sheriffs, their deputies, and those reserve
2 deputies who hold a permanent peace officer license issued under
3 Chapter 1701, Occupations Code;

4 (2) constables, deputy constables, and those reserve
5 deputy constables who hold a permanent peace officer license issued
6 under Chapter 1701, Occupations Code;

7 (3) marshals or police officers of an incorporated
8 city, town, or village, and those reserve municipal police officers
9 who hold a permanent peace officer license issued under Chapter
10 1701, Occupations Code;

11 (4) rangers and officers commissioned by the Public
12 Safety Commission and the Director of the Department of Public
13 Safety;

14 (5) investigators of the district attorneys', criminal
15 district attorneys', and county attorneys' offices;

16 (6) law enforcement agents of the Texas Alcoholic
17 Beverage Commission;

18 (7) each member of an arson investigating unit
19 commissioned by a city, a county, or the state;

20 (8) officers commissioned under Section 37.081,
21 Education Code, or Subchapter E, Chapter 51, Education Code;

22 (9) officers commissioned by the General Services
23 Commission;

24 (10) law enforcement officers commissioned by the
25 Parks and Wildlife Commission;

26 (11) airport police officers commissioned by a city
27 with a population of more than 1.18 million located primarily in a

1 county with a population of 2 million or more that operates an
2 airport that serves commercial air carriers;

3 (12) airport security personnel commissioned as peace
4 officers by the governing body of any political subdivision of this
5 state, other than a city described by Subdivision (11), that
6 operates an airport that serves commercial air carriers;

7 (13) municipal park and recreational patrolmen and
8 security officers;

9 (14) security officers and investigators commissioned
10 as peace officers by the comptroller;

11 (15) officers commissioned by a water control and
12 improvement district under Section 49.216, Water Code;

13 (16) officers commissioned by a board of trustees
14 under Chapter 54, Transportation Code;

15 (17) investigators commissioned by the Texas Medical
16 Board;

17 (18) officers commissioned by:

18 (A) the board of managers of the Dallas County
19 Hospital District, the Tarrant County Hospital District, the Bexar
20 County Hospital District, or the El Paso County Hospital District
21 under Section 281.057, Health and Safety Code; and

22 (B) the board of directors of the Ector County
23 Hospital District under Section 1024.117, Special District Local
24 Laws Code;

25 (19) county park rangers commissioned under
26 Subchapter E, Chapter 351, Local Government Code;

27 (20) investigators employed by the racing division of

1 the Texas Department of Licensing and Regulation [~~Racing~~
2 ~~Commission~~];

3 (21) officers commissioned under Chapter 554,
4 Occupations Code;

5 (22) officers commissioned by the governing body of a
6 metropolitan rapid transit authority under Section 451.108,
7 Transportation Code, or by a regional transportation authority
8 under Section 452.110, Transportation Code;

9 (23) investigators commissioned by the attorney
10 general under Section 402.009, Government Code;

11 (24) security officers and investigators commissioned
12 as peace officers under Chapter 466, Government Code;

13 (25) an officer employed by the Department of State
14 Health Services under Section 431.2471, Health and Safety Code;

15 (26) officers appointed by an appellate court under
16 Subchapter F, Chapter 53, Government Code;

17 (27) officers commissioned by the state fire marshal
18 under Chapter 417, Government Code;

19 (28) an investigator commissioned by the commissioner
20 of insurance under Section 701.104, Insurance Code;

21 (29) apprehension specialists and inspectors general
22 commissioned by the Texas Juvenile Justice Department as officers
23 under Sections 242.102 and 243.052, Human Resources Code;

24 (30) officers appointed by the inspector general of
25 the Texas Department of Criminal Justice under Section 493.019,
26 Government Code;

27 (31) investigators commissioned by the Commission on

1 Law Enforcement Officer Standards and Education under Section
2 1701.160, Occupations Code;

3 (32) commission investigators commissioned by the
4 Texas Private Security Board under Section 1702.061(f),
5 Occupations Code;

6 (33) the fire marshal and any officers, inspectors, or
7 investigators commissioned by an emergency services district under
8 Chapter 775, Health and Safety Code;

9 (34) officers commissioned by the State Board of
10 Dental Examiners under Section 254.013, Occupations Code, subject
11 to the limitations imposed by that section;

12 (35) investigators commissioned by the Texas Juvenile
13 Justice Department as officers under Section 221.011, Human
14 Resources Code; and

15 (36) the fire marshal and any related officers,
16 inspectors, or investigators commissioned by a county under
17 Subchapter B, Chapter 352, Local Government Code.

18 SECTION 2.04. Sections 88.526(a) and (c), Education Code,
19 are amended to read as follows:

20 (a) The director shall prepare an annual report on equine
21 research funded under this subchapter. The director shall
22 distribute the report to the racing division of the Texas
23 Department of Licensing and Regulation [~~Racing Commission~~] and
24 members of the Texas horse racing industry. The director shall make
25 copies of the report available to interested parties.

26 (c) The director shall, at least annually, consult with the
27 racing division of the Texas Department of Licensing and Regulation

1 ~~[Racing Commission]~~ on the use of the account and the impact of
2 equine research funded by the account.

3 SECTION 2.05. Section 411.096, Government Code, is amended
4 to read as follows:

5 Sec. 411.096. ACCESS TO CRIMINAL HISTORY RECORD
6 INFORMATION: TEXAS DEPARTMENT OF LICENSING AND REGULATION ~~[RACING~~
7 ~~COMMISSION]~~. (a) The Texas Department of Licensing and Regulation
8 ~~[Racing Commission]~~ is entitled to obtain from the department
9 criminal history record information maintained by the department
10 that pertains to a person who is:

11 (1) appointed to the racing division of the department
12 ~~[commission]~~;

13 (2) an applicant for employment by the racing division
14 of the department ~~[commission]~~; or

15 (3) an applicant for a license under the Texas Racing
16 Act (Article 179e, Vernon's Texas Civil Statutes).

17 (b) Criminal history record information obtained by the
18 department ~~[commission]~~ under Subsection (a) may not be released or
19 disclosed to any person except in a criminal proceeding, in a
20 hearing conducted by the department ~~[commission]~~, on court order,
21 or with the consent of the applicant.

22 SECTION 2.06. Section 572.003(c), Government Code, is
23 amended to read as follows:

24 (c) The term means a member of:

25 (1) the Public Utility Commission of Texas;

26 (2) ~~[the Texas Department of Economic Development,~~

27 ~~(3)]~~ the Texas Commission on Environmental Quality;

- 1 (3) [~~(4)~~] the Texas Alcoholic Beverage Commission;
2 (4) [~~(5)~~] The Finance Commission of Texas;
3 (5) [~~(6)~~] the Texas Facilities Commission;
4 (6) [~~(7)~~] the Texas Board of Criminal Justice;
5 (7) [~~(8)~~] the board of trustees of the Employees
6 Retirement System of Texas;
7 (8) [~~(9)~~] the Texas Transportation Commission;
8 (9) [~~(10)~~] ~~the Texas Workers' Compensation Commission;~~
9 [~~(11)~~] the Texas Department of Insurance;
10 (10) [~~(12)~~] the Parks and Wildlife Commission;
11 (11) [~~(13)~~] the Public Safety Commission;
12 (12) [~~(14)~~] the Texas Ethics Commission;
13 (13) [~~(15)~~] the State Securities Board;
14 (14) [~~(16)~~] the Texas Water Development Board;
15 (15) [~~(17)~~] the governing board of a public senior
16 college or university as defined by Section 61.003, Education Code,
17 or of The University of Texas Southwestern Medical Center at
18 Dallas, The University of Texas Medical Branch at Galveston, The
19 University of Texas Health Science Center at Houston, The
20 University of Texas Health Science Center at San Antonio, The
21 University of Texas M. D. Anderson [~~System~~] Cancer Center, The
22 University of Texas Health Science Center at Tyler, University of
23 North Texas Health Science Center at Fort Worth, Texas Tech
24 University Health Sciences Center, Texas State Technical
25 College--Harlingen, Texas State Technical College--Marshall, Texas
26 State Technical College--Sweetwater, or Texas State Technical
27 College--Waco;

- 1 (16) [~~(18)~~] the Texas Higher Education Coordinating
2 Board;
- 3 (17) [~~(19)~~] the Texas Workforce Commission;
- 4 (18) [~~(21)~~] the board of trustees of the Teacher
5 Retirement System of Texas;
- 6 (19) [~~(22)~~] the Credit Union Commission;
- 7 (20) [~~(23)~~] the School Land Board;
- 8 (21) [~~(24)~~] the board of the Texas Department of
9 Housing and Community Affairs;
- 10 (22) [~~(25)~~] ~~the Texas Racing Commission;~~
11 [~~(26)~~] the State Board of Dental Examiners;
- 12 (23) [~~(27)~~] the Texas Medical [~~State~~] Board [~~of~~
13 ~~Medical Examiners~~];
- 14 (24) [~~(28)~~] the Board of Pardons and Paroles;
- 15 (25) [~~(29)~~] the Texas State Board of Pharmacy;
- 16 (26) [~~(30)~~] the Department of Information Resources
17 governing board;
- 18 (27) [~~(31)~~] the Texas Department of Motor Vehicles
19 [~~Vehicle Board~~];
- 20 (28) [~~(32)~~] the Texas Real Estate Commission;
- 21 (29) [~~(33)~~] the board of directors of the State Bar of
22 Texas;
- 23 (30) [~~(34)~~] the bond review board;
- 24 (31) [~~(35)~~] ~~the Texas Board of Health;~~
25 [~~(36)~~] ~~the Texas Board of Mental Health and Mental~~
26 ~~Retardation;~~
- 27 [~~(37)~~] ~~the Texas Board on Aging;~~

1 ~~[(38) the Texas Board of Human Services,~~
2 ~~[(39)]~~ the Texas Funeral Service Commission;
3 (32) ~~[(40)]~~ the board of directors of a river
4 authority created under the Texas Constitution or a statute of this
5 state; or

6 (33) ~~[(41)]~~ the Texas Lottery Commission.

7 SECTION 2.07. Section 2054.352(a), Government Code, is
8 amended to read as follows:

9 (a) The following licensing entities shall participate in
10 the system established under Section 2054.353:

- 11 (1) Texas Board of Chiropractic Examiners;
- 12 (2) Court Reporters Certification Board;
- 13 (3) State Board of Dental Examiners;
- 14 (4) Texas Funeral Service Commission;
- 15 (5) Texas Board of Professional Land Surveying;
- 16 (6) Texas Medical Board;
- 17 (7) Texas Board of Nursing;
- 18 (8) Texas Optometry Board;
- 19 (9) Department of Agriculture, for licenses issued
20 under Chapter 1951, Occupations Code;
- 21 (10) Texas State Board of Pharmacy;
- 22 (11) Executive Council of Physical Therapy and
23 Occupational Therapy Examiners;
- 24 (12) Texas State Board of Plumbing Examiners;
- 25 (13) Texas State Board of Podiatric Medical Examiners;
- 26 (14) Texas State Board of Examiners of Psychologists;
- 27 (15) State Board of Veterinary Medical Examiners;

- 1 (16) Texas Real Estate Commission;
- 2 (17) Texas Appraiser Licensing and Certification
- 3 Board;
- 4 (18) Texas Department of Licensing and Regulation;
- 5 (19) Texas State Board of Public Accountancy;
- 6 (20) State Board for Educator Certification;
- 7 (21) Texas Board of Professional Engineers;
- 8 (22) Department of State Health Services;
- 9 (23) Texas Board of Architectural Examiners;
- 10 (24) [~~Texas Racing Commission,~~
- 11 [~~(25)~~] Commission on Law Enforcement Officer
- 12 Standards and Education; and
- 13 (25) [~~(26)~~] Texas Private Security Board.

14 ARTICLE 3. TRANSITION AND EFFECTIVE DATE

15 SECTION 3.01. The change in law made by this Act to the

16 requirements for the issuance or renewal of a license issued under

17 the Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes)

18 applies only to the issuance or renewal of a certificate under that

19 Act that expires on or after January 1, 2014. A certificate that

20 expires before that date is governed by the law in effect on the

21 date the certificate expires, and the former law is continued in

22 effect for that purpose.

23 SECTION 3.02. The change in law made by this Act to the

24 procedures relating to disciplinary actions for persons licensed

25 under the Texas Racing Act (Article 179e, Vernon's Texas Civil

26 Statutes) applies only to a disciplinary action initiated on or

27 after January 1, 2014. A disciplinary action initiated before that

1 date is governed by the law in effect on the date the action is
2 initiated, and the former law is continued in effect for that
3 purpose.

4 SECTION 3.03. (a) On January 1, 2014:

5 (1) the Texas Racing Commission is abolished and all
6 powers and duties of the Texas Racing Commission under the Texas
7 Racing Act (Article 179e, Vernon's Texas Civil Statutes) and other
8 law are transferred to the Texas Commission of Licensing and
9 Regulation and the Texas Department of Licensing and Regulation;

10 (2) all obligations, rights, contracts, bonds,
11 appropriations, records, and property of the Texas Racing
12 Commission are transferred to the Texas Department of Licensing and
13 Regulation;

14 (3) a rule, policy, procedure, or decision of the
15 Texas Racing Commission continues in effect as a rule, policy,
16 procedure, or decision of the Texas Commission of Licensing and
17 Regulation or the Texas Department of Licensing and Regulation, in
18 accordance with Subdivision (1) of this subsection, until
19 superseded by a later act of the Texas Commission of Licensing and
20 Regulation or the Texas Department of Licensing and Regulation; and

21 (4) except as otherwise provided by this Act, a
22 reference in law to the Texas Racing Commission means the Texas
23 Commission of Licensing and Regulation.

24 (b) Not later than October 1, 2013, the Texas Racing
25 Commission, the Texas Commission of Licensing and Regulation, and
26 the Texas Department of Licensing and Regulation shall adopt a
27 comprehensive transition plan for the transfer described by

1 Subsection (a) of this section.

2 (c) Not later than November 1, 2013, the Texas Racing
3 Commission shall meet with the Texas Department of Licensing and
4 Regulation to provide for the transfer of essential personnel to
5 the Texas Department of Licensing and Regulation.

6 (d) The Texas Racing Commission shall continue, as
7 necessary, to perform the duties and functions being transferred to
8 the Texas Commission of Licensing and Regulation or the Texas
9 Department of Licensing and Regulation until the transfer of agency
10 duties and functions is complete.

11 (e) Subsections (b), (c), and (d) of this section take
12 effect September 1, 2013.

13 SECTION 3.04. (a) The Texas Racing Commission and the Texas
14 Commission of Licensing and Regulation shall enter into or revise a
15 joint memorandum of understanding to coordinate the Texas Racing
16 Commission's and the Texas Department of Licensing and Regulation's
17 information systems to allow for the sharing of information so that
18 each entity may effectively and efficiently perform the functions
19 and duties assigned to it. Neither the Texas Racing Commission nor
20 the Texas Department of Licensing and Regulation may impose or
21 collect a fee or charge in connection with the sharing of
22 information under the joint memorandum of understanding entered
23 into or revised under this section.

24 (b) The Texas Racing Commission and the Texas Department of
25 Licensing and Regulation shall implement the joint memorandum of
26 understanding using existing personnel and resources.

27 (c) Otherwise confidential information shared under the

1 memorandum of understanding remains subject to the same
2 confidentiality requirements and legal restrictions on access to
3 the information that are imposed by law on the entity that
4 originally obtained or collected the information.

5 (d) Information may be shared under the memorandum of
6 understanding without the consent of the person who is the subject
7 of the information.

8 (e) The memorandum of understanding required by Subsection
9 (a) of this section must be entered into or revised at the first
10 official meeting of the Texas Commission of Licensing and
11 Regulation occurring after the effective date of this section.

12 (f) This section takes effect September 1, 2013.

13 SECTION 3.05. (a) In addition to the memorandum of
14 understanding required by Section 3.04 of this article, the Texas
15 Racing Commission and the Texas Commission of Licensing and
16 Regulation may enter into or revise one or more other joint
17 memoranda of understanding necessary to effect the transfer of the
18 powers and duties of the Texas Racing Commission to the Texas
19 Commission of Licensing and Regulation and the Texas Department of
20 Licensing and Regulation under this Act. A memorandum of
21 understanding may include an agreement for the provision of office
22 space, utilities, and other facility services, and support
23 services, and the transfer of information technology as necessary
24 or appropriate to effect the transfer of the powers and duties of
25 the Texas Racing Commission to the Texas Commission of Licensing
26 and Regulation and the Texas Department of Licensing and
27 Regulation.

1 (b) Sections 3.04(b), (c), and (d) of this article apply to
2 a memorandum of understanding entered into or revised under
3 Subsection (a) of this section.

4 (c) This section takes effect September 1, 2013.

5 SECTION 3.06. Except as otherwise provided by this Act,
6 this Act takes effect January 1, 2014.