

By: Hinojosa

S.B. No. 1494

A BILL TO BE ENTITLED

AN ACT

relating to the licensing and regulation of horse and greyhound racing; providing penalties; authorizing a fee.

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

SECTION 1. Chapter 321, Government Code, is amended by adding Section 321.024 to read as follows:

Sec. 321.024. AUDIT OF TEXAS RACING COMMISSION. (a) The State Auditor shall conduct the following audits of the Texas Racing Commission:

(1) a financial audit under Section 321.0131;

(2) a compliance audit under Section 321.0132;

(3) an economy and efficiency audit under Section 321.0133; and

(4) an effectiveness audit under Section 321.0134.

(b) In conducting the audits required by this section, the State Auditor shall require the Texas Racing Commission to provide explanations for all expenditures made by the commission for the state fiscal biennium ending August 31, 2013. The State Auditor shall electronically submit a report containing the results of the audit to each person listed in Sections 321.014(c)(1), (2), (3), and (6) not later than October 1, 2014.

(c) This section expires January 1, 2015.

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

1           Sec. 1.02. PURPOSE. The purpose of this Act is to provide  
2 for the promotion, development, and ~~[strict]~~ regulation of horse  
3 racing and greyhound racing and the control of pari-mutuel wagering  
4 in connection with that racing.

5           SECTION 3. Section 2.071(b), Texas Racing Act (Article  
6 179e, Vernon's Texas Civil Statutes), is amended to read as  
7 follows:

8           (b) A person may not be a member of the commission ~~[or act as~~  
9 ~~the general counsel to the commission]~~ if the person is required to  
10 register as a lobbyist under Chapter 305, Government Code, because  
11 of the person's activities for compensation on behalf of a  
12 profession related to the operation of the commission.

13           SECTION 4. Section 2.11, Texas Racing Act (Article 179e,  
14 Vernon's Texas Civil Statutes), is amended by adding Subsection (e)  
15 to read as follows:

16           (e) The commission in executive session shall review an  
17 association's management, concession, or totalisator contract and  
18 a security plan for a racetrack facility.

19           SECTION 5. Section 2.12, Texas Racing Act (Article 179e,  
20 Vernon's Texas Civil Statutes), is amended by adding Subsection (e)  
21 to read as follows:

22           (e) The commission may not employ or continue to employ a  
23 person:

24           (1) who is licensed by any state as an attorney and  
25 whose primary employment responsibility is to provide legal advice  
26 or counsel to commission members or employees; or

27           (2) whose primary employment responsibility is to

1 manage information technology services or maintain information  
2 databases used by the commission or its employees in the  
3 administration or enforcement of this Act.

4 SECTION 6. Section 2.14, Texas Racing Act (Article 179e,  
5 Vernon's Texas Civil Statutes), is amended to read as follows:

6 Sec. 2.14. LEGAL REPRESENTATION. (a) The attorney general  
7 shall designate at least one member of the attorney general's staff  
8 to counsel and advise the commission and its employees on all issues  
9 associated with the administration and enforcement of this Act and  
10 to represent the commission in all legal matters, including  
11 administrative proceedings conducted by the State Office of  
12 Administrative Hearings or racing stewards or judges. The attorney  
13 general shall make available to the appropriate prosecuting  
14 attorneys any information obtained regarding violations of this  
15 Act.

16 (b) The attorney general may require the commission, in an  
17 interagency agreement, to agree to pay the actual costs incurred by  
18 the attorney general in providing legal services authorized under  
19 this section.

20 SECTION 7. Article 2, Texas Racing Act (Article 179e,  
21 Vernon's Texas Civil Statutes), is amended by adding Section 2.141  
22 to read as follows:

23 Sec. 2.141. INFORMATION TECHNOLOGY SERVICES. (a) The  
24 Department of Information Resources shall provide the commission  
25 and commission employees all services relating to information  
26 technology that are necessary for the administration and  
27 enforcement of this Act. To the extent practicable, the department

1 shall continue using information technology systems and databases  
2 developed for and in use by the commission until the systems and  
3 databases are outdated.

4 (b) The Department of Information Resources may require the  
5 commission, in an interagency agreement, to agree to pay the actual  
6 costs incurred by the department in providing information  
7 technology services authorized under this section.

8 SECTION 8. Section 2.15, Texas Racing Act (Article 179e,  
9 Vernon's Texas Civil Statutes), is amended to read as follows:

10 Sec. 2.15. RECORDS. (a) All records of the commission that  
11 are not made confidential by other law are open to inspection by the  
12 public during regular office hours.

13 (b) All applications for a license under this Act shall be  
14 maintained by the commission and shall be available for public  
15 inspection during regular office hours.

16 (c) The contents of the investigatory files of the  
17 commission~~[, however,]~~ are not public records, are not subject to a  
18 request under Chapter 552, Government Code, and are confidential  
19 except in a criminal proceeding, in a hearing conducted by the  
20 commission, on court order, or with the consent of the party being  
21 investigated.

22 (d) An association's management, concession, or totalisator  
23 contract or a security plan for a racetrack facility that is  
24 submitted to the commission is not a public record and is not  
25 subject to Chapter 552, Government Code.

26 SECTION 9. Section 3.02, Texas Racing Act (Article 179e,  
27 Vernon's Texas Civil Statutes), is amended by amending Subsections

1 (a) and (c) and adding Subsection (h) to read as follows:

2 (a) The commission shall regulate and supervise every race  
3 meeting in this state involving wagering on the result of greyhound  
4 or horse racing. All persons and things relating to the operation  
5 of those meetings are subject to regulation and supervision by the  
6 commission. The commission shall adopt rules for conducting  
7 greyhound or horse racing in this state involving wagering and  
8 shall adopt other rules to administer this Act that are consistent  
9 with this Act. The commission shall also make rules[~~,—issue~~  
10 ~~licenses,~~] and take any other necessary action relating exclusively  
11 to horse racing or to greyhound racing.

12 (c) The commission or a section of the commission shall hold  
13 a meeting on any proposed rule before the commission publishes the  
14 proposed rule in the Texas Register. Before holding a meeting  
15 required by this subsection, the commission shall ensure the text  
16 of the proposed rule and a request for comments on the rule are  
17 provided to the license holders most likely to be affected by the  
18 proposed rule. At a meeting held under this subsection, the  
19 commission shall consider all comments received and determine  
20 whether the proposed rule is likely to promote or develop the  
21 pari-mutuel racing industry in this state. The commission may not  
22 adopt a rule that the commission determines is solely regulatory  
23 and serves no pari-mutuel promotional or developmental purpose.

24 (h) In administering and enforcing this Act, the commission  
25 shall ensure the rules and regulatory processes of the commission  
26 promote and develop the pari-mutuel racing industry in this state.

27 SECTION 10. Sections 3.07(a) and (b), Texas Racing Act

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

3 (a) ~~[The commission shall employ all of the judges and all~~  
4 ~~of the stewards for the supervision of a horse race or greyhound~~  
5 ~~race meeting.]~~ Each horse race or greyhound race meeting shall be  
6 supervised by three stewards for horse racing or by three judges for  
7 greyhound racing. The commission shall employ a ~~[designate one of~~  
8 ~~the stewards or judges as the]~~ presiding steward or judge for each  
9 race meeting. The association, following the completion of the  
10 race meeting, may submit written comments to the commission  
11 regarding the job performance of the stewards and judges for the  
12 commission's review. Comments received are not binding, in any  
13 way, on the commission. For each race meeting, the commission shall  
14 employ ~~[at least]~~ one state veterinarian. ~~[The commission may, by~~  
15 ~~rule, impose a fee on an association to offset the costs of~~  
16 ~~compensating the stewards, judges, and state veterinarians. The~~  
17 ~~amount of the fee for the compensation of stewards, judges, and~~  
18 ~~state veterinarians must be reasonable according to industry~~  
19 ~~standards for the compensation of those officials at other~~  
20 ~~racetracks and may not exceed the actual cost to the commission for~~  
21 ~~compensating the officials.]~~ All other racetrack officials shall  
22 be appointed by the association, with the approval of the  
23 commission. Compensation for those officials not compensated by  
24 the commission shall be determined by the association.

25 (b) The commission shall make rules specifying the  
26 authority and the duties of each official, including the power of  
27 stewards or judges to impose penalties for unethical practices or

1 violations of racing rules. Except as otherwise provided by this  
2 subsection, a [A] penalty imposed by the stewards or judges may  
3 include a fine of not more than \$5,000, a suspension for not more  
4 than one year, or both a fine and suspension. For a violation of a  
5 rule adopted under Section 3.16 of this Act involving the  
6 possession or use of a substance that is a stimulant or depressant  
7 drug with a significant pharmacologic potential to affect  
8 performance and no generally accepted use in the veterinary care of  
9 a race animal, the racing stewards or judges may bar a person for  
10 life or a shorter period determined by the commission from applying  
11 for or receiving a license issued by the commission or from entering  
12 any part of the premises of a racetrack facility. Before imposing a  
13 penalty under this subsection, the stewards and judges shall  
14 conduct a hearing that is consistent with constitutional due  
15 process. A hearing conducted by a steward or judge under this  
16 subsection is not subject to Chapter 2001, Government Code. [~~A~~  
17 ~~decision of a steward or judge is subject to review by the executive~~  
18 ~~director, who may modify the penalty. A penalty modified by the~~  
19 ~~executive director under this section may include a fine not to~~  
20 ~~exceed \$10,000, a suspension not to exceed two years, or both a fine~~  
21 ~~and a suspension. A decision of a steward or judge that is not~~  
22 ~~reviewed or modified by the executive director is a final decision.~~  
23 ~~Any decision of a steward or judge may be appealed under Section~~  
24 ~~3.08(a) of this Act regardless of whether the decision is modified~~  
25 ~~by the executive director.]~~

26 SECTION 11. Section 3.16, Texas Racing Act (Article 179e,  
27 Vernon's Texas Civil Statutes), is amended by adding Subsection (k)

1 to read as follows:

2 (k) The commission by rule may adopt, for use by racing  
3 stewards or judges or the commission in assessing penalties for  
4 violations of rules adopted under this section, a classification  
5 for prohibited substances, including drugs and chemicals, and a  
6 schedule for recommended disciplinary action to be imposed for the  
7 possession or use of a prohibited substance. The classification  
8 and schedule must be based on the pharmacology of the substance, the  
9 ability of the substance to influence the outcome of a race  
10 regardless of whether the substance has a legitimate therapeutic  
11 use in the veterinary care of a race animal, and other evidence that  
12 the substance may be used improperly. In adopting rules under this  
13 section, the commission shall require the revocation of a license  
14 and the permanent exclusion under Section 13.01 of this Act for a  
15 violation of a rule by the possession or use of a substance that is a  
16 stimulant or depressant, has a significant pharmacologic potential  
17 to affect performance, and has no generally accepted use in the  
18 veterinary care of a race animal.

19 SECTION 12. Sections 5.01(a), (b), and (d), Texas Racing  
20 Act (Article 179e, Vernon's Texas Civil Statutes), are amended to  
21 read as follows:

22 (a) The commission shall prescribe forms for applications  
23 for occupational licenses and shall provide each occupational  
24 licensee with a license certificate or credentials.

25 (b) The commission shall annually prescribe reasonable  
26 license fees for each category of occupational license issued under  
27 this Act.



1 (d) The commission by rule may charge an annual license fee  
2 for a racetrack license. The amount of the fee may not exceed:

3 (1) for a class 1 horse racetrack license, \$150,000;

4 (2) for a class 2 horse racetrack license, \$100,000;

5 (3) for a class 3 horse racetrack license, \$75,000;

6 (4) for a class 4 horse racetrack license, \$20,000;

7 and

8 (5) for a greyhound racetrack license, \$100,000 ~~[shall~~

9 ~~set fees in amounts reasonable and necessary to cover the~~  
10 ~~commission's costs of regulating, overseeing, and licensing live~~  
11 ~~and simulcast racing at racetracks].~~

12 SECTION 13. Sections 5.03(a) and (b), Texas Racing Act  
13 (Article 179e, Vernon's Texas Civil Statutes), are amended to read  
14 as follows:

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

25 (b) If a complete set of fingerprints is required by the  
26 commission, the commission shall, not later than the 10th business  
27 day after the date the commission receives the prints, forward the

1 prints to the Department of Public Safety or the Federal Bureau of  
2 Investigation. If the prints are forwarded to the Department of  
3 Public Safety, the department shall classify the prints and check  
4 them against its fingerprint files and shall report to the  
5 commission its findings concerning the criminal record of the  
6 applicant or the lack of such a record. [~~A racetrack license may  
7 not be issued until the report is made to the commission.~~] A  
8 temporary occupational license may be issued before a report is  
9 made to the commission.

10 SECTION 14. Section 5.04(a), Texas Racing Act (Article  
11 179e, Vernon's Texas Civil Statutes), is amended to read as  
12 follows:

13 (a) The commission is authorized to obtain any criminal  
14 history record information that relates to each applicant for  
15 employment by the commission and to each applicant for an  
16 occupational [~~a~~] license issued by the commission and that is  
17 maintained by the Department of Public Safety or the Federal Bureau  
18 of Investigation Identification Division. The commission may  
19 refuse to issue an occupational license to a person [~~recommend an  
20 applicant~~] who fails to provide a complete set of fingerprints.

21 SECTION 15. Section 5.05(a), Texas Racing Act (Article  
22 179e, Vernon's Texas Civil Statutes), is amended to read as  
23 follows:

24 (a) The commission shall, in determining the amount of an  
25 occupational [~~a~~] license fee, set the fee in an amount that will  
26 cover, at least, the cost of conducting a criminal history check on  
27 the applicant for the [~~a~~] license.

1 SECTION 16. Section 6.01, Texas Racing Act (Article 179e,  
2 Vernon's Texas Civil Statutes), is amended to read as follows:

3 Sec. 6.01. LICENSE REQUIRED. A person may not conduct  
4 wagering on a greyhound race or a horse race meeting unless the  
5 person holds [~~without first obtaining~~] a racetrack license issued  
6 by [~~from~~] the commission. A person who violates this section  
7 commits an offense.

8 SECTION 17. Section 6.032(a), Texas Racing Act (Article  
9 179e, Vernon's Texas Civil Statutes), is amended to read as  
10 follows:

11 (a) The commission at any time may require a holder of a  
12 racetrack license [~~or an applicant for a racetrack license~~] to post  
13 security in an amount reasonably necessary, as provided by  
14 commission rule, to adequately ensure the license holder's [~~or~~  
15 ~~applicant's~~] compliance with substantive requirements of this Act  
16 and commission rules.

17 SECTION 18. Sections 6.06(a), (b), (e), (f), and (k), Texas  
18 Racing Act (Article 179e, Vernon's Texas Civil Statutes), are  
19 amended to read as follows:

20 (a) To preserve and protect the public health, welfare, and  
21 safety, the commission shall adopt rules relating to [~~license~~  
22 ~~applications,~~] the financial responsibility, moral character, and  
23 ability of racetrack licensees [~~applicants~~], and all matters  
24 relating to the planning, construction, and operation of  
25 racetracks. The commission may [~~refuse to issue a racetrack~~  
26 ~~license or may~~] revoke or suspend a racetrack license if, after  
27 notice and hearing, it has reasonable grounds to believe and finds

1 that:

2 (1) the licensee [~~applicant~~] has been convicted in a  
3 court of competent jurisdiction of a violation of this Act or any  
4 rule adopted by the commission or that the licensee [~~applicant~~] has  
5 aided, abetted, or conspired with any person to commit such a  
6 violation;

7 (2) the licensee [~~applicant~~] has been convicted of a  
8 felony or of any crime involving moral turpitude, including  
9 convictions for which the punishment received was a suspended  
10 sentence, probation, or a nonadjudicated conviction, that is  
11 reasonably related to the licensee's [~~applicant's~~] present fitness  
12 to hold a license under this Act;

13 (3) the licensee [~~applicant~~] has violated or has  
14 caused to be violated this Act or a rule of the commission in a  
15 manner that involves moral turpitude, as distinguished from a  
16 technical violation of this Act or of a rule;

17 (4) the licensee [~~applicant~~] is unqualified, by  
18 experience or otherwise, to perform the duties required of a  
19 licensee under this Act;

20 (5) the licensee [~~applicant~~] failed to answer or  
21 falsely or incorrectly answered a question in the original license  
22 [~~an~~] application;

23 (6) the licensee [~~applicant~~] fails to disclose the  
24 true ownership or interest in a greyhound or horse as required by  
25 the rules of the commission;

26 (7) the licensee [~~applicant~~] is indebted to the state  
27 for any fees or for the payment of a penalty imposed by this Act or

1 by a rule of the commission;

2 (8) the licensee [~~applicant~~] is not of good moral  
3 character or the [~~applicant's~~] reputation of the licensee as a  
4 peaceable, law-abiding citizen in the community where the licensee  
5 [~~applicant~~] resides is bad;

6 (9) the licensee [~~applicant~~] has not yet attained the  
7 minimum age necessary to purchase alcoholic beverages in this  
8 state;

9 (10) the licensee [~~applicant~~] is in the habit of using  
10 alcoholic beverages to an excess or uses a controlled substance as  
11 defined in Chapter 481, Health and Safety Code, or a dangerous drug  
12 as defined in Chapter 483, Health and Safety Code, or is mentally  
13 incapacitated;

14 (11) the licensee [~~applicant~~] may be excluded from a  
15 track enclosure under this Act;

16 (12) [~~the applicant has not been a United States~~  
17 ~~citizen residing in this state for the period of 10 consecutive~~  
18 ~~years immediately preceding the filing of the application;~~

19 [~~(13)~~] the licensee [~~applicant~~] has improperly used a  
20 license certificate, credential, or identification card issued  
21 under this Act;

22 (13) [~~(14)~~] the licensee [~~applicant~~] is residentially  
23 domiciled with a person whose license has been revoked for cause  
24 within the preceding 12-month period;

25 (14) [~~12 months immediately preceding the date of the~~  
26 ~~present application;~~

27 [~~(15) the applicant has failed or refused to furnish a~~

1 ~~true copy of the application to the commission's district office in~~  
2 ~~the district in which the premises for which the permit is sought~~  
3 ~~are located,~~

4           ~~(16)~~ the licensee ~~[applicant]~~ is engaged or has  
5 engaged in activities or practices that the commission finds are  
6 detrimental to the best interests of the public and the sport of  
7 greyhound racing or horse racing; or

8           (15) ~~(17)~~ the licensee ~~[applicant]~~ fails to fully  
9 disclose the true owners of all interests, beneficial or otherwise,  
10 in the licensee ~~[a proposed racetrack facility]~~.

11           (b) Subsection (a) of this section applies to a licensee  
12 that is a corporation, partnership, limited partnership, or any  
13 other organization or group ~~[whose application is comprised of more~~  
14 ~~than one person]~~ if any provision in Subsection (a) of this section  
15 applies to a shareholder, partner, limited partner, director, or  
16 officer of the licensee ~~[is disqualified under Subsection (a) of~~  
17 ~~this section]~~.

18           (e) The commission may condition ~~[the issuance of a license~~  
19 ~~under this article on the observance of its rules. The commission~~  
20 ~~may amend the rules at any time and may condition]~~ the continued  
21 holding of a racetrack ~~[the]~~ license on compliance with the  
22 commission's rules as amended.

23           (f) The commission may ~~[refuse to issue a license or may]~~  
24 suspend or revoke a license of a licensee under this article if the  
25 licensee ~~[who]~~ knowingly or intentionally allows access to an  
26 enclosure where greyhound races or horse races are conducted to a  
27 person who has engaged in bookmaking, touting, or illegal wagering,

1 whose income is from illegal activities or enterprises, or who has  
2 been convicted of a violation of this Act.

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

12 SECTION 19. Section 6.13(b), Texas Racing Act (Article  
13 179e, Vernon's Texas Civil Statutes), is amended to read as  
14 follows:

15 (b) Each transaction that involves an acquisition or a  
16 transfer of an ownership [~~a pecuniary~~] interest of five percent or  
17 more in the association must receive [~~prior~~] approval from the  
18 commission. For a transaction requiring approval under this  
19 subsection, the commission may require the association to submit to  
20 the commission only the following information:

21 (1) the name, address, and fingerprints of an  
22 individual new owner; or

23 (2) the name, address, and fingerprints of each person  
24 who holds an ownership interest in the entity of 25 percent or more,  
25 for a new owner entity [~~A transaction that changes the ownership of~~  
26 ~~the association requires submission of updated information of the~~  
27 ~~type required to be disclosed under Subsection (a) of Section 6.03~~

1 ~~of this Act and payment of a fee to recover the costs of the criminal~~  
2 ~~background check].~~

3 SECTION 20. Section 7.03, Texas Racing Act (Article 179e,  
4 Vernon's Texas Civil Statutes), is amended to read as follows:

5 Sec. 7.03. ISSUANCE. The commission shall issue an  
6 occupational [~~a~~] license to a qualified person on application and  
7 payment of the license fee.

8 SECTION 21. Section 7.05(a), Texas Racing Act (Article  
9 179e, Vernon's Texas Civil Statutes), is amended to read as  
10 follows:

11 (a) The commission shall adopt by rule a fee schedule for  
12 occupational licenses issued under this article.

13 SECTION 22. Sections 7.07(a) and (b), Texas Racing Act  
14 (Article 179e, Vernon's Texas Civil Statutes), are amended to read  
15 as follows:

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

22 (b) The commission by rule may adopt a system under which  
23 occupational licenses expire on various dates during the year. For  
24 the year in which the license expiration date is changed, license  
25 fees shall be prorated on a monthly basis so that each licensee pays  
26 only that portion of the license fee that is allocable to the number  
27 of months during which the license is valid. On renewal of the



1 license on the new expiration date, the total license renewal fee is  
2 payable.

3 SECTION 23. Section 11.01(a), Texas Racing Act (Article  
4 179e, Vernon's Texas Civil Statutes), is amended to read as  
5 follows:

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

13 SECTION 24. Section 11.04(a), Texas Racing Act (Article  
14 179e, Vernon's Texas Civil Statutes), is amended to read as  
15 follows:

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

26 SECTION 25. Section 11.05, Texas Racing Act (Article 179e,  
27 Vernon's Texas Civil Statutes), is amended to read as follows:

1           Sec. 11.05. UNLAWFUL WAGERING. (a) A person commits an  
2 offense if the person places a [shall not] wager on the result of a  
3 live or simulcast greyhound race or horse race in a manner other  
4 than [in this state except] as permitted by this Act while the  
5 person is in this state. An offense under this subsection is a  
6 Class B misdemeanor.

7           (b) A person commits an offense if the person is not an  
8 association licensed by the commission and the person accepts [who  
9 is not an association under this Act may not accept from a Texas  
10 resident while the resident is in this state] a wager on the result  
11 of a live or simulcast greyhound race or horse race conducted inside  
12 or outside this state. An offense under this subsection is a Class  
13 A misdemeanor, except that the offense is a felony of the third  
14 degree if the actor accepts a wager by telephone or over the  
15 Internet.

16           SECTION 26. Section 13.01, Texas Racing Act (Article 179e,  
17 Vernon's Texas Civil Statutes), is amended to read as follows:

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

22                   (1) who has engaged in bookmaking, touting, or illegal  
23 wagering;

24                   (2) whose income is from illegal activities or  
25 enterprises;

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

27                   (4) who has been convicted of theft;

1           (5) who has been convicted under the penal law of  
2 another jurisdiction for committing an act that would have  
3 constituted a violation of any of the rules mentioned in this  
4 section;

5           (6) who has committed a corrupt or fraudulent act in  
6 connection with greyhound racing or horse racing or pari-mutuel  
7 wagering or who has committed any act tending or intended to corrupt  
8 greyhound racing or horse racing or pari-mutuel wagering in this  
9 state or elsewhere;

10           (7) who is under suspension or ruled off a racetrack by  
11 the commission or a steward in this state or by a corresponding  
12 authority in another state because of fraudulent or corrupt  
13 practices or other acts detrimental to racing;

14           (8) who has submitted a forged pari-mutuel ticket or  
15 has altered or forged a pari-mutuel ticket for cashing or who has  
16 cashed or caused to be cashed an altered, raised, or forged  
17 pari-mutuel ticket;

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

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

22           (11) who is an agent or habitual associate of a person  
23 excludable under this section; [~~or~~]

24           (12) who has been convicted of a felony; or

25           (13) who the commission has found to be the trainer of  
26 a race animal that the trainer knowingly allowed to participate in a  
27 race with pari-mutuel wagering while the animal had in its system a

1 stimulant or depressant drug that has a significant pharmacologic  
2 potential to affect performance and has no generally accepted use  
3 in the veterinary care of the animal.

4 SECTION 27. Section 14.10, Texas Racing Act (Article 179e,  
5 Vernon's Texas Civil Statutes), is amended by adding Subsection (e)  
6 to read as follows:

7 (e) A person commits an offense if the person is the trainer  
8 of a race animal and the person knowingly allows the animal to  
9 participate in a race with pari-mutuel wagering while the animal  
10 has in its system a prohibited substance. Except as otherwise  
11 provided by this subsection, an offense under this subsection is a  
12 Class A misdemeanor. An offense under this subsection is a felony  
13 of the third degree if the prohibited substance found in the race  
14 animal's system is a stimulant or depressant drug that has a  
15 significant pharmacologic potential to affect performance and has  
16 no generally accepted use in the veterinary care of the animal.

17 SECTION 28. Section 14.15(c), Texas Racing Act (Article  
18 179e, Vernon's Texas Civil Statutes), is amended to read as  
19 follows:

20 (c) Except as otherwise provided by this subsection, an [An]  
21 offense under Subsection (a) of this section is a Class A  
22 misdemeanor, except that the offense is:

23 (1) a state jail felony if [~~unless~~] the actor is  
24 [~~was~~] required by this Act to obtain a racetrack license; and

25 (2) a felony of the third degree if the actor accepts a  
26 wager from a person in this state by telephone or over the Internet  
27 [~~in which event it is a state jail felony~~].

1           SECTION 29. Sections 6.03, 6.031, 6.04, 6.06(c), (d), and  
2 (i), 6.0602(e), 6.07(c), and 6.18, Texas Racing Act (Article 179e,  
3 Vernon's Texas Civil Statutes), are repealed.

4           SECTION 30. The change in law made by this Act applies only  
5 to an offense committed on or after the effective date of this Act.  
6 An offense committed before the effective date of this Act is  
7 governed by the law in effect on the date the offense was committed,  
8 and the former law is continued in effect for that purpose. For  
9 purposes of this section, an offense was committed before the  
10 effective date of this Act if any element of the offense occurred  
11 before that date.

12           SECTION 31. This Act takes effect September 1, 2013.