

By: Kolkhorst

S.B. No. 1969

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the nonsubstantive revision of the Texas Racing Act,
3 including conforming amendments.

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

5 ARTICLE 1. NONSUBSTANTIVE REVISION OF THE TEXAS RACING ACT

6 SECTION 1.01. Title 13, Occupations Code, is amended by
7 adding Subtitle A-1 to read as follows:

8 SUBTITLE A-1. TEXAS RACING ACT

9 CHAPTER 2021. GENERAL PROVISIONS

10 CHAPTER 2022. TEXAS RACING COMMISSION

11 CHAPTER 2023. COMMISSION AND RACE MEETING OFFICIAL POWERS

12 AND DUTIES

13 CHAPTER 2024. POWERS AND DUTIES OF COMPTROLLER

14 CHAPTER 2025. LICENSING

15 CHAPTER 2026. RACETRACK OPERATION AND PREMISES

16 CHAPTER 2027. WAGERING

17 CHAPTER 2028. PARI-MUTUEL POOLS, PURSES, AND FEES

18 CHAPTER 2029. ALLOCATION OF RACING DAYS

19 CHAPTER 2030. TEXAS-BRED HORSES AND GREYHOUNDS

20 CHAPTER 2031. TEXAS DERBIES

21 CHAPTER 2032. LIVESTOCK SHOWS, EXHIBITS, AND FAIRS

22 CHAPTER 2033. CRIMINAL AND ADMINISTRATIVE PENALTIES;

23 DISCIPLINARY POWERS

24 CHAPTER 2034. UNLAWFUL INFLUENCE ON RACING

1 CHAPTER 2035. LOCAL OPTION ELECTION TO LEGALIZE
2 PARI-MUTUEL WAGERING
3 SUBTITLE A-1. TEXAS RACING ACT
4 CHAPTER 2021. GENERAL PROVISIONS
5 Sec. 2021.001. SHORT TITLE
6 Sec. 2021.002. PURPOSE
7 Sec. 2021.003. GENERAL DEFINITIONS
8 Sec. 2021.004. DEFINITIONS USED IN ADMINISTERING THIS
9 SUBTITLE
10 Sec. 2021.005. PRECEDENCE OF SUIT UNDER TITLE
11 Sec. 2021.006. RELEASE OF CIVIL LIABILITY
12 Sec. 2021.007. FEE OR PAYMENT IN LIEU OF OTHER STATE
13 TAXES AND FEES
14 Sec. 2021.008. SUNSET PROVISION
15 CHAPTER 2021. GENERAL PROVISIONS
16 Sec. 2021.001. SHORT TITLE. This subtitle may be cited as
17 the Texas Racing Act. (V.A.C.S. Art. 179e, Sec. 1.01.)
18 Sec. 2021.002. PURPOSE. The purpose of this subtitle is to
19 provide for the strict regulation of horse racing and greyhound
20 racing and the control of pari-mutuel wagering in connection with
21 that racing. (V.A.C.S. Art. 179e, Sec. 1.02.)
22 Sec. 2021.003. GENERAL DEFINITIONS. In this subtitle:
23 (1) "Accredited Texas-bred horse" means a Texas-bred
24 horse that meets the accreditation requirements of the state horse
25 breed registry for that breed of horse.
26 (2) "Active license" means a racetrack license
27 designated by the commission as active.

1 (3) "Appaloosa horse" means a horse that is registered
2 by the Appaloosa Horse Club.

3 (4) "Applicant" means a person with a legal,
4 equitable, or beneficial interest in a license application.

5 (5) "Arabian horse" means a horse that is registered
6 by the Arabian Horse Association or by the Canadian Arabian Horse
7 Registry.

8 (6) "Breakage" means the odd cents by which the amount
9 payable on each dollar wagered exceeds a multiple of 10 cents,
10 except in a minus pool, in which the breakage must be in multiples
11 of five cents.

12 (7) "Child" means an individual younger than 16 years
13 of age.

14 (8) "Commission" means the Texas Racing Commission.

15 (9) "Concessionaire" means a person licensed by the
16 commission to sell refreshments or souvenirs at a racetrack.

17 (10) "Contraband" means:

18 (A) an item the possession of which is unlawful
19 under this subtitle, a commission rule, or other law;

20 (B) an item that might reasonably have the effect
21 of unnaturally depressing, stimulating, or exciting an animal
22 during a race in a manner contrary to this subtitle or a commission
23 rule, including a prohibited device or prohibited substance; or

24 (C) a document, including a credential or forged
25 ticket, possessed or used by an individual in violation of this
26 subtitle or a commission rule.

27 (11) "Credential" means any document indicating

1 authority or permission under this subtitle, including a license,
2 certificate, and identification card.

3 (12) "Cross-species simulcast signal" means a
4 simulcast signal of a horse race at a greyhound racetrack or a
5 simulcast signal of a greyhound race at a horse racetrack.

6 (13) "Enclosure" means all areas of a racetrack
7 association's grounds, including the parking area, to which
8 admission is ordinarily obtained only on payment of an admission
9 fee or presentation of an official credential.

10 (14) "Executive director" means the executive
11 director of the commission.

12 (15) "Greyhound" means a purebred greyhound dog
13 registered by the National Greyhound Association.

14 (16) "Greyhound racing" means any race in which two or
15 more greyhounds engage in a contest of speed or endurance or pursue
16 a mechanical lure.

17 (17) "Greyhound racing day" means a day on which a
18 racetrack association conducts greyhound racing. "One racing day"
19 means a period beginning at noon and ending at 2 a.m. the next
20 calendar day, other than a day on which a matinee performance is
21 conducted.

22 (18) "Horse race meeting" means the conducting of
23 horse races on a day or during a period of consecutive or
24 nonconsecutive days.

25 (19) "Horse racing day" means the 24-hour period
26 ending at 12 midnight.

27 (20) "Horsemen's organization" means an organization

1 recognized by the commission that:

2 (A) represents horse owners and trainers in
3 negotiating and contracting with racetrack associations on
4 subjects relating to racing; and

5 (B) represents and advocates the interests of
6 horse owners and trainers before administrative, legislative, and
7 judicial forums.

8 (21) "Inactive license" means a racetrack license
9 designated by the commission as inactive.

10 (22) "Judge" means a racing official with general
11 authority and supervision over:

12 (A) the conduct of a greyhound race meeting; and

13 (B) all license holders at a racetrack during a
14 greyhound race meeting.

15 (23) "Live pari-mutuel pool" means the total amount of
16 money wagered by patrons on the result of a particular live race or
17 combination of live races within the enclosure of the racetrack
18 association where the race is being run.

19 (24) "Maiden" means a horse that has never won a race
20 at a race meeting authorized by the commission or by another racing
21 jurisdiction.

22 (25) "Matinee performance" means any performance
23 starting between 10 a.m. and 5 p.m. on a day other than Sunday.

24 (26) "Minor" means an individual younger than 21 years
25 of age.

26 (27) "Multiple wagering" means wagering on two or more
27 animals in one race or on one or more animals in more than one race.

1 "Multiple two wagering" means wagering on two animals in one or more
2 races. "Multiple three wagering" means wagering on three or more
3 animals in one or more races.

4 (28) "National historic district" means a district
5 included in or eligible for inclusion in the National Register of
6 Historic Places under 54 U.S.C. Section 302101 et seq.

7 (29) "Nonprofit corporation" means a nonprofit
8 corporation governed by Chapter 22, Business Organizations Code,
9 that:

10 (A) does not distribute any of its income to its
11 members, officers, or governing body, other than as reasonable
12 compensation for services;

13 (B) has a governing body or officers elected by a
14 vote of members or by a vote of delegates elected by the members;
15 and

16 (C) has obtained an exemption under Section 501
17 of the Internal Revenue Code of 1986.

18 (30) "Outstanding ticket" means a pari-mutuel ticket
19 not presented for payment before the end of the horse racing day or
20 greyhound racing day for which the ticket was purchased.

21 (31) "Paint horse" means a horse that is registered by
22 the American Paint Horse Association.

23 (32) "Pari-mutuel pool" means the total amount of
24 money wagered by patrons on the result of a particular race or
25 combination of races, divided into separate mutuel pools for win,
26 place, show, or combinations.

27 (33) "Pari-mutuel voucher" means a bearer instrument,

1 issued by a pari-mutuel wagering machine, that represents money
2 owned by a wagering patron and held by a racetrack association,
3 including winnings from a pari-mutuel wager.

4 (34) "Pari-mutuel wagering" means the form of wagering
5 on the outcome of horse racing or greyhound racing in which persons
6 who wager purchase tickets of various denominations on an animal or
7 animals and all wagers for each race are pooled and held by the
8 racetrack association for distribution of the total amount, less
9 the deductions authorized by this subtitle, to holders of tickets
10 on the winning animals.

11 (35) "Performance" means the consecutive running of a
12 specified number of greyhound races as determined by the
13 commission.

14 (36) "Person" includes any individual or entity
15 capable of holding a legal or beneficial interest in property.

16 (37) "Prohibited device" means:

17 (A) a spur or an electrical or other device
18 prohibited by a commission rule regulating the unlawful influence
19 of a race; or

20 (B) a device specifically designed, made, or
21 adapted to influence or affect the outcome of a race in a manner
22 contrary to this subtitle or a commission rule.

23 (38) "Prohibited substance" means a drug, chemical, or
24 other substance that:

25 (A) in use or in intended use, is reasonably
26 capable of influencing or affecting the outcome of a race in a
27 manner contrary to this subtitle or a commission rule; and

1 (B) is prohibited by a commission rule regulating
2 the unlawful influence of a race.

3 (39) "Quarter horse" means a horse that is registered
4 by the American Quarter Horse Association.

5 (40) "Race" includes a live audio and visual signal of
6 a race.

7 (41) "Racetrack" means a facility licensed under this
8 subtitle for the conduct of pari-mutuel wagering on horse racing or
9 greyhound racing.

10 (42) "Racetrack association" means a person licensed
11 under this subtitle to conduct a horse race meeting or a greyhound
12 race meeting with pari-mutuel wagering.

13 (43) "Receiving location" means a racetrack
14 association in this state that has been allocated live and
15 simulcast race dates or a facility not located in this state that is
16 authorized to conduct wagering under the law of the jurisdiction in
17 which it is located.

18 (44) "Regular wagering" means wagering on a single
19 horse or greyhound in a single race. The term includes wagering on
20 the win pool, the place pool, or the show pool.

21 (45) "Sending track" means any licensed track for
22 horse or greyhound racing in this state or another state from which
23 a race is transmitted.

24 (46) "Simulcast" means the telecast or other
25 transmission of live audio and visual signals of a race,
26 transmitted from a sending track to a receiving location, for the
27 purpose of wagering conducted on the race at the receiving

1 location.

2 (47) "Simulcast pari-mutuel pool" means the total
3 amount of money wagered by patrons at a racetrack in this state on
4 the result of a particular simulcast race or combination of
5 simulcast races.

6 (48) "State horse breed registry" means a designated
7 association administering accredited Texas-bred horse requirements
8 for a specific breed of horses.

9 (49) "Steward" means a racing official with general
10 authority and supervision over:

11 (A) the conduct of a horse race meeting; and

12 (B) all license holders at a racetrack during a
13 horse race meeting.

14 (50) "Texas-bred horse" means a horse qualified under
15 commission rules that is:

16 (A) sired by a stallion standing in Texas at the
17 time of conception and foaled by a mare in Texas;

18 (B) foaled by a mare bred outside Texas and
19 brought into Texas to foal at any time in the mare's lifetime if the
20 mare is bred back to a stallion standing in Texas; or

21 (C) a Thoroughbred or Arabian horse foaled in
22 Texas by an accredited Texas-bred mare if the mare was bred outside
23 Texas and returned to Texas on or before August 15 of the calendar
24 year of conception.

25 (51) "Thoroughbred horse" means a horse that is
26 registered by the Jockey Club.

27 (52) "Thoroughbred racing" means the form of horse

1 racing in which Thoroughbred horses mounted by jockeys engage in a
2 race.

3 (53) "Touting" means an offense described by Section
4 2033.013 or a similar offense under the laws of another state.

5 (54) "Trainer" means a person who is licensed by the
6 commission to train horses or greyhounds.

7 (55) "Veterinarian" means a person licensed under
8 Chapter 801. (V.A.C.S. Art. 179e, Secs. 1.03(1), (2), (3), (6),
9 (7), (8), (9), (11), (13), (15), (17), (18), (19), (20), (21), (22),
10 (24), (25), (26), (35), (36), (42), (43), (45), (46), (47), (48),
11 (50), (51), (52), (53), (54), (57), (59), (60), (61), (62), (63),
12 (64), (65), (66), (68), (69), (70), (71), (72), (73), (74), (75),
13 (76), (77), (78), (79), (80), (81).)

14 Sec. 2021.004. DEFINITIONS USED IN ADMINISTERING SUBTITLE.
15 For the purpose of administering this subtitle:

16 (1) "Authorized agent" means a person appointed by an
17 owner of a horse to represent the owner. The term is limited to a
18 person who is appointed by a written instrument that the commission
19 acknowledges and approves.

20 (2) "Clerk of scales" means a racetrack official who
21 is responsible for weighing a jockey before and after a race.

22 (3) "Handicapper" means a person who predicts the
23 winner of a horse race.

24 (4) "Horseshoe inspector" means a racetrack official
25 who inspects the shoes of the horses entered in a race.

26 (5) "Jockey" or "apprentice jockey" means a
27 professional rider licensed by the commission to ride in horse

1 races.

2 (6) "Jockey room custodian" means a person who
3 maintains the premises of a room in which jockeys prepare for a
4 race.

5 (7) "Official starter" means a racetrack official who
6 is in charge of the start of a race.

7 (8) "Paddock judge" means a racetrack official who
8 supervises animals entered in a race while the animals are
9 assembled before the beginning of a race in an enclosure on the
10 grounds of a racetrack.

11 (9) "Patrol judge" means a racetrack official who is
12 stationed at a set point along the racetrack to monitor the running
13 of a race.

14 (10) "Quarter horse racing" means the form of horse
15 racing in which quarter horses mounted by jockeys engage in a race.

16 (11) "Stable foreman" means the person in charge of
17 the building in which horses are lodged and fed.

18 (12) "Timer" means a racetrack official who times the
19 running of a race. (V.A.C.S. Art. 179e, Secs. 1.03(10), (27), (28),
20 (30), (31), (32), (34), (37), (38), (39), (40), (41); New.)

21 Sec. 2021.005. PRECEDENCE OF SUIT UNDER TITLE. A court
22 shall accelerate the disposition of an action brought under this
23 subtitle. (V.A.C.S. Art. 179e, Secs. 16.16, 18.04.)

24 Sec. 2021.006. RELEASE OF CIVIL LIABILITY. A commission
25 member, a commission employee, a steward or judge, a racetrack
26 association, a horsemen's organization, or any other person
27 regulated under this subtitle is not liable for a cause of action

1 that arises out of that person's performance or exercise of
2 discretion in the implementation or enforcement of this subtitle or
3 a rule adopted under this subtitle if the person has acted in good
4 faith. (V.A.C.S. Art. 179e, Sec. 18.06.)

5 Sec. 2021.007. FEE OR PAYMENT IN LIEU OF OTHER STATE TAXES
6 AND FEES. (a) A fee or payment collected by this state under this
7 subtitle is in lieu of any other fee, payment, or tax imposed by
8 this state.

9 (b) This section does not preclude the application of:

10 (1) the sales tax or an increase in the sales tax to
11 the sale or purchase of a taxable item by a person licensed under
12 this subtitle; or

13 (2) the franchise tax to a person licensed under this
14 subtitle. (V.A.C.S. Art. 179e, Sec. 18.05.)

15 Sec. 2021.008. SUNSET PROVISION. (a) The commission is
16 subject to Chapter 325, Government Code (Texas Sunset Act). Unless
17 continued in existence as provided by that chapter, and except as
18 provided by Subsections (b) and (c), the commission is abolished
19 and this subtitle expires September 1, 2023.

20 (b) If, at the time the commission would be abolished under
21 Subsection (a), a racetrack association has outstanding long-term
22 liabilities:

23 (1) the racetrack association may continue to operate
24 for a period not to exceed one year after those liabilities are
25 satisfied; and

26 (2) the commission and this subtitle are continued in
27 effect for the purpose of regulating that racetrack association

1 under this subtitle.

2 (c) If the commission and this subtitle are continued in
3 effect under Subsection (b), the commission is abolished and this
4 subtitle expires on the first day of the state fiscal year following
5 the state fiscal year in which the commission certifies to the
6 secretary of state that no racetrack associations are operating
7 under the terms of Subsection (b).

8 (d) A racetrack association that continues to operate under
9 Subsection (b) may not incur any new liability without commission
10 approval. At the beginning of that period, the commission shall:

11 (1) review the outstanding liabilities of the
12 racetrack association; and

13 (2) set a specific date by which the racetrack
14 association must retire its outstanding liabilities.

15 (e) Notwithstanding any contrary contract provision, a
16 racetrack association may prepay any debt incurred by the racetrack
17 association in conducting racing under this subtitle. (V.A.C.S.
18 Art. 179e, Sec. 18.01.)

19 CHAPTER 2022. TEXAS RACING COMMISSION

20 SUBCHAPTER A. COMPOSITION AND OPERATION

21 Sec. 2022.001. COMMISSION MEMBERSHIP

22 Sec. 2022.002. TERM OF OFFICE

23 Sec. 2022.003. FINANCIAL STATEMENT REQUIRED

24 Sec. 2022.004. RESTRICTIONS ON COMMISSION APPOINTMENT,

25 MEMBERSHIP, AND EMPLOYMENT

26 Sec. 2022.005. GROUNDS FOR REMOVAL

27 Sec. 2022.006. MEMBER TRAINING

- 1 Sec. 2022.007. MEMBER PER DIEM AND REIMBURSEMENT FOR
- 2 EXPENSES
- 3 Sec. 2022.008. PRESIDING OFFICER
- 4 Sec. 2022.009. COMMISSION MEETINGS; RECORD OF
- 5 COMMISSION VOTES
- 6 Sec. 2022.010. COMMISSION OFFICES
- 7 Sec. 2022.011. MONEY PAID TO COMMISSION
- 8 Sec. 2022.012. LEGAL REPRESENTATION
- 9 Sec. 2022.013. NEGOTIATED RULEMAKING AND ALTERNATIVE
- 10 DISPUTE RESOLUTION PROCEDURES
- 11 Sec. 2022.014. PUBLIC PARTICIPATION
- 12 SUBCHAPTER B. COMMISSION STAFF
- 13 Sec. 2022.051. EXECUTIVE DIRECTOR; DUTIES
- 14 Sec. 2022.052. EMPLOYEES; RESTRICTIONS ON EMPLOYMENT
- 15 Sec. 2022.053. COMMISSION INVESTIGATORS
- 16 Sec. 2022.054. CAREER LADDER; PERFORMANCE EVALUATIONS
- 17 Sec. 2022.055. EQUAL EMPLOYMENT OPPORTUNITY POLICY
- 18 Sec. 2022.056. DIVISION OF RESPONSIBILITY
- 19 Sec. 2022.057. BACKGROUND CHECKS AND QUALIFICATION
- 20 CRITERIA
- 21 Sec. 2022.058. PROHIBITION ON EMPLOYMENT OF FORMER
- 22 COMMISSION MEMBERS OR EMPLOYEES BY
- 23 RACETRACK ASSOCIATION; CRIMINAL PENALTY
- 24 SUBCHAPTER C. RECORDS AND INFORMATION
- 25 Sec. 2022.101. PUBLIC INTEREST INFORMATION
- 26 Sec. 2022.102. INFORMATION RELATING TO COMPLAINT
- 27 PROCEDURES

1 Sec. 2022.103. COMMISSION INVESTIGATIVE FILES

2 CONFIDENTIAL

3 Sec. 2022.104. INTERAGENCY SHARING OF RECORDS

4 Sec. 2022.105. BOOKS AND RECORDS; INSPECTION

5 Sec. 2022.106. PUBLIC INSPECTION OF RECORDS

6 CHAPTER 2022. TEXAS RACING COMMISSION

7 SUBCHAPTER A. COMPOSITION AND OPERATION

8 Sec. 2022.001. COMMISSION MEMBERSHIP. (a) The commission
9 consists of:

10 (1) seven members appointed by the governor with the
11 advice and consent of the senate; and

12 (2) two ex officio members who have the right to vote.

13 (b) The ex officio members are:

14 (1) the chair of the Public Safety Commission, or a
15 member of the Public Safety Commission designated by the chair; and

16 (2) the comptroller or the comptroller's designee.

17 (c) Of the appointed commission members:

18 (1) five members must be representatives of the
19 general public and have general knowledge of business or
20 agribusiness;

21 (2) one additional member must have special knowledge
22 or experience related to horse racing; and

23 (3) one additional member must have special knowledge
24 or experience related to greyhound racing.

25 (d) At least one of the members appointed under Subsection
26 (c)(1) may be a veterinarian. Holding a veterinarian's license
27 satisfies the requirement that the person have general knowledge of

1 business or agribusiness.

2 (e) Appointments to the commission shall be made without
3 regard to the race, color, disability, sex, religion, age, or
4 national origin of the appointees.

5 (f) In making appointments to the commission, the governor
6 shall attempt to reflect the minority groups found in the state's
7 general populace. (V.A.C.S. Art. 179e, Secs. 2.02, 2.05(a) (part).)

8 Sec. 2022.002. TERM OF OFFICE. (a) Appointed commission
9 members hold office for staggered terms of six years with the terms
10 of two or three members expiring February 1 of each odd-numbered
11 year.

12 (b) An ex officio member holds office on the commission for
13 the time the member holds the member's other office. (V.A.C.S. Art.
14 179e, Secs. 2.03(a) (part), (b).)

15 Sec. 2022.003. FINANCIAL STATEMENT REQUIRED. (a) Each
16 appointed commission member and the executive director is an
17 "appointed officer of a major state agency" for purposes of Chapter
18 [572](#), Government Code.

19 (b) An appointed commission member shall file a detailed
20 financial statement with the secretary of state of the type
21 required by the Texas Department of Banking in the application for a
22 state bank charter. The financial statement is public information
23 under Chapter [552](#), Government Code. (V.A.C.S. Art. 179e, Sec.
24 2.06.)

25 Sec. 2022.004. RESTRICTIONS ON COMMISSION APPOINTMENT,
26 MEMBERSHIP, AND EMPLOYMENT. (a) In this section, "Texas trade
27 association" means a cooperative and voluntarily joined statewide

1 association of business or professional competitors in this state
2 designed to assist its members and its industry or profession in
3 dealing with mutual business or professional problems and in
4 promoting their common interest.

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

11 (1) the person is an officer, employee, or paid
12 consultant of a Texas trade association in the field of horse or
13 greyhound racing or breeding; or

14 (2) the person's spouse is an officer, manager, or paid
15 consultant of a Texas trade association in the field of horse or
16 greyhound racing or breeding.

17 (c) A person may not be a commission member or act as the
18 general counsel to the commission if the person is required to
19 register as a lobbyist under Chapter 305, Government Code, because
20 of the person's activities for compensation on behalf of a
21 profession related to the operation of the commission.

22 (d) An appointed member is not eligible to serve on the
23 commission unless that member has been a resident of this state for
24 at least 10 consecutive years immediately before appointment.

25 (e) A person is not eligible for appointment as a commission
26 member if:

27 (1) the person or the person's spouse:

1 (A) is licensed by the commission, except as a
2 commissioner;

3 (B) is employed by the commission or participates
4 in the management of a business entity or other organization
5 regulated by the commission or receiving funds from or through the
6 commission;

7 (C) owns or controls, directly or indirectly,
8 more than a 10 percent interest in a business entity or other
9 organization regulated by the commission or receiving funds from or
10 through the commission; or

11 (D) uses or receives a substantial amount of
12 tangible goods, services, or funds from or through the commission,
13 other than compensation or reimbursement authorized by law for
14 commission membership, attendance, or expenses; or

15 (2) the person:

16 (A) owns any financial interest in a racetrack or
17 its operation or is related within the second degree by affinity or
18 the third degree by consanguinity, as determined under Subchapter
19 B, Chapter 573, Government Code, to a person who owns any financial
20 interest in a racetrack or its operation; or

21 (B) has been convicted of a felony or of any crime
22 involving moral turpitude. (V.A.C.S. Art. 179e, Secs. 2.04, 2.05(a)
23 (part), (b), (d), 2.071.)

24 Sec. 2022.005. GROUNDS FOR REMOVAL. (a) It is a ground for
25 removal from the commission if a member:

26 (1) does not have at the time of appointment the
27 qualifications required by Sections 2022.001, 2022.004, and

1 2022.057;

2 (2) does not maintain during service on the commission
3 the qualifications required by Sections 2022.001, 2022.004, and
4 2022.057;

5 (3) violates a prohibition established by Section
6 2022.004;

7 (4) cannot, because of illness or disability,
8 discharge the member's duties for a substantial part of the member's
9 term; or

10 (5) is absent from more than half of the regularly
11 scheduled commission meetings that the member is eligible to attend
12 during a calendar year.

13 (b) The validity of an action of the commission is not
14 affected by the fact that it is taken when a ground for removal of a
15 commission member exists.

16 (c) If the executive director has knowledge that a potential
17 ground for removal exists, the executive director shall notify the
18 presiding officer of the commission of the potential ground. The
19 presiding officer shall then notify the governor and the attorney
20 general that a potential ground for removal exists. If the
21 potential ground for removal involves the presiding officer, the
22 executive director shall notify the next highest officer of the
23 commission, who shall notify the governor and the attorney general
24 that a potential ground for removal exists. (V.A.C.S. Art. 179e,
25 Sec. 2.073.)

26 Sec. 2022.006. MEMBER TRAINING. (a) To be eligible to
27 take office as a commission member, a person appointed to the

1 commission must complete at least one course of a training program
2 that complies with this section.

3 (b) The training program must provide information to the
4 person regarding:

5 (1) the enabling legislation that created the
6 commission;

7 (2) the programs operated by the commission;

8 (3) the role and functions of the commission;

9 (4) commission rules, with an emphasis on the rules
10 that relate to disciplinary and investigatory authority;

11 (5) the current budget for the commission;

12 (6) the results of the most recent formal audit of the
13 commission;

14 (7) the requirements of:

15 (A) Chapter 551, Government Code;

16 (B) Chapter 552, Government Code; and

17 (C) Chapter 2001, Government Code;

18 (8) the requirements of the conflict of interest laws
19 and other laws relating to public officials; and

20 (9) any applicable ethics policies adopted by the
21 commission or the Texas Ethics Commission.

22 (c) A person appointed to the commission is entitled to
23 reimbursement for travel expenses incurred in attending the
24 training program, as provided by the General Appropriations Act and
25 as if the person were a commission member. (V.A.C.S. Art. 179e, Sec.
26 2.074.)

27 Sec. 2022.007. MEMBER PER DIEM AND REIMBURSEMENT FOR

1 EXPENSES. (a) An appointed commission member is entitled to:

2 (1) a per diem in an amount prescribed by legislative
3 appropriation for each day spent in performing the duties of the
4 office; and

5 (2) reimbursement for actual and necessary expenses
6 incurred in performing the duties of the office.

7 (b) Reimbursement for expenses under this section is
8 subject to any applicable limitation in the General Appropriations
9 Act.

10 (c) An ex officio commission member is entitled to
11 reimbursement for expenses from the member's agency as provided by
12 law for expenses incurred in the performance of the member's other
13 official duties. (V.A.C.S. Art. 179e, Sec. 2.08.)

14 Sec. 2022.008. PRESIDING OFFICER. The governor shall
15 designate a public member of the commission as the presiding
16 officer of the commission to serve in that capacity at the pleasure
17 of the governor. (V.A.C.S. Art. 179e, Sec. 2.10.)

18 Sec. 2022.009. COMMISSION MEETINGS; RECORD OF COMMISSION
19 VOTES. (a) The commission shall hold at least six regular
20 meetings each year on dates fixed by the commission.

21 (b) The commission shall adopt rules providing for the
22 holding of special meetings.

23 (c) The commission shall keep at the commission's general
24 office a public record of every vote. (V.A.C.S. Art. 179e, Secs.
25 2.11(a), (c).)

26 Sec. 2022.010. COMMISSION OFFICES. The commission shall
27 maintain a general office of the commission in Austin and may also

1 establish branch offices. (V.A.C.S. Art. 179e, Sec. 2.09.)

2 Sec. 2022.011. MONEY PAID TO COMMISSION. All money paid to
3 the commission under this subtitle is subject to Subchapter F,
4 Chapter 404, Government Code. (V.A.C.S. Art. 179e, Sec. 2.18.)

5 Sec. 2022.012. LEGAL REPRESENTATION. The attorney general
6 shall:

7 (1) designate at least one member of the attorney
8 general's staff to counsel and advise the commission and to
9 represent the commission in legal proceedings; and

10 (2) make available to the appropriate prosecuting
11 attorneys any information obtained regarding violations of this
12 subtitle. (V.A.C.S. Art. 179e, Sec. 2.14.)

13 Sec. 2022.013. NEGOTIATED RULEMAKING AND ALTERNATIVE
14 DISPUTE RESOLUTION PROCEDURES. (a) The commission shall develop
15 and implement a policy to encourage the use of:

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

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

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

27 (c) The commission shall:

1 (1) coordinate the implementation of the policy
2 adopted under Subsection (a);

3 (2) provide training as needed to implement the
4 procedures for negotiated rulemaking or alternative dispute
5 resolution; and

6 (3) collect data concerning the effectiveness of those
7 procedures. (V.A.C.S. Art. 179e, Sec. 2.25.)

8 Sec. 2022.014. PUBLIC PARTICIPATION. (a) The commission
9 by rule shall develop and implement policies that provide the
10 public with a reasonable opportunity to appear before the
11 commission and to speak on any issue under the jurisdiction of the
12 commission.

13 (b) The executive director shall prepare and maintain a
14 written plan that describes how a person who does not speak English
15 can be provided reasonable access to the commission's programs and
16 services. (V.A.C.S. Art. 179e, Secs. 2.11(d), 2.22 (part).)

17 SUBCHAPTER B. COMMISSION STAFF

18 Sec. 2022.051. EXECUTIVE DIRECTOR; DUTIES. (a) The
19 commission shall employ an executive director. The executive
20 director serves at the pleasure of the commission on a full-time
21 basis and may not hold other employment.

22 (b) The executive director shall:

23 (1) keep the records of the commission; and

24 (2) perform other duties required by the commission.

25 (c) The executive director or the executive director's
26 designee shall provide to commission members and employees, as
27 often as necessary, information regarding their qualification for

1 office or employment under this subtitle and their responsibilities
2 under applicable laws relating to standards of conduct for state
3 officers or employees. (V.A.C.S. Art. 179e, Secs. 2.12(a) (part),
4 2.13, 2.20.)

5 Sec. 2022.052. EMPLOYEES; RESTRICTIONS ON EMPLOYMENT.

6 (a) The commission shall hire employees as necessary to administer
7 this subtitle.

8 (b) The commission shall employ the executive director and
9 other employees to reflect the diversity of the state's population
10 with regard to race, color, disability, sex, religion, age, and
11 national origin.

12 (c) The commission may not employ or continue to employ a
13 person who:

14 (1) owns or controls a financial interest in a
15 commission license holder;

16 (2) is employed by or serves as a paid consultant to a
17 commission license holder, an official state breed registry, or a
18 Texas trade association, as defined by Section 2022.004(a), in the
19 field of horse or greyhound racing or breeding;

20 (3) owns or leases a race animal that participates in
21 pari-mutuel racing in this state;

22 (4) accepts or is entitled to any part of the purse or
23 Texas-bred incentive award to be paid on a horse or a greyhound in a
24 race conducted in this state; or

25 (5) resides with or is related within the first degree
26 by affinity or consanguinity to a person subject to a
27 disqualification prescribed by this subsection. (V.A.C.S. Art.

1 179e, Secs. 2.12(a) (part), (b), (c), (d).)

2 Sec. 2022.053. COMMISSION INVESTIGATORS. (a) The
3 commission may commission as many investigators as the commission
4 determines necessary to enforce this subtitle and commission rules.

5 (b) An investigator commissioned under this section shall
6 take the constitutional oath of office and file it with the
7 commission.

8 (c) An investigator commissioned under this section has the
9 powers of a peace officer. (V.A.C.S. Art. 179e, Sec. 11.01(a-1).)

10 Sec. 2022.054. CAREER LADDER; PERFORMANCE EVALUATIONS.

11 (a) The executive director or the executive director's designee
12 shall develop an intra-agency career ladder program that addresses
13 opportunities for mobility and advancement for employees within the
14 commission. The program shall require intra-agency posting of all
15 positions concurrently with any public posting.

16 (b) The executive director or the executive director's
17 designee shall develop a system of annual performance evaluations
18 based on documented employee performance. All merit pay for
19 commission employees must be based on the system established under
20 this subsection. (V.A.C.S. Art. 179e, Secs. 2.19(a), (b).)

21 Sec. 2022.055. EQUAL EMPLOYMENT OPPORTUNITY POLICY.

22 (a) The executive director or the executive director's designee
23 shall prepare and maintain a written policy statement to assure
24 implementation of a program of equal employment opportunity under
25 which all personnel transactions are made without regard to race,
26 color, disability, sex, religion, age, or national origin.

27 (b) The policy statement must include:

1 (1) personnel policies, including policies relating
2 to recruitment, evaluation, selection, appointment, training, and
3 promotion of personnel that comply with the requirements of Chapter
4 21, Labor Code;

5 (2) a comprehensive analysis of the commission
6 workforce that meets federal and state laws, rules, regulations,
7 and instructions directly promulgated from those laws, rules, and
8 regulations;

9 (3) procedures by which a determination can be made
10 about the extent of underuse in the commission workforce of all
11 persons for whom federal or state laws, rules, regulations, and
12 instructions directly promulgated from those laws, rules, and
13 regulations encourage a more equitable balance; and

14 (4) reasonable methods to appropriately address those
15 areas of underuse.

16 (c) The policy statement must:

17 (1) cover an annual period and be updated annually;

18 (2) be reviewed by the Texas Workforce Commission for
19 compliance with Subsection (b)(1); and

20 (3) be filed with the governor's office. (V.A.C.S.
21 Art. 179e, Secs. 2.19(c), (d).)

22 Sec. 2022.056. DIVISION OF RESPONSIBILITY. The commission
23 by rule shall develop and implement policies that clearly separate
24 the policymaking responsibilities of the commission and the
25 management responsibilities of the executive director and the
26 commission staff. (V.A.C.S. Art. 179e, Sec. 2.21.)

27 Sec. 2022.057. BACKGROUND CHECKS AND QUALIFICATION

1 CRITERIA. Each person appointed to or employed by the commission is
2 subject to all background checks and qualification criteria
3 required to hold a racetrack license or other license under this
4 subtitle. (V.A.C.S. Art. 179e, Sec. 2.05(c).)

5 Sec. 2022.058. PROHIBITION ON EMPLOYMENT OF FORMER
6 COMMISSION MEMBERS OR EMPLOYEES BY RACETRACK ASSOCIATION; CRIMINAL
7 PENALTY. (a) A racetrack association may not employ a person who
8 has been a commission member, the executive director, or a
9 commission employee in a position in the state employment
10 classification plan of grade 12 or above, or a person related within
11 the second degree by affinity or the third degree by consanguinity,
12 as determined under Chapter 573, Government Code, to such a member
13 or employee, during the one-year period immediately preceding the
14 employment by the racetrack association.

15 (b) A person may not seek or accept employment with a
16 racetrack association if the racetrack association would violate
17 this section by employing the person.

18 (c) A racetrack association or person who violates this
19 section commits an offense. (V.A.C.S. Art. 179e, Sec. 6.16.)

20 SUBCHAPTER C. RECORDS AND INFORMATION

21 Sec. 2022.101. PUBLIC INTEREST INFORMATION. (a) The
22 commission shall prepare information of public interest describing
23 the functions of the commission and the procedures by which
24 complaints are filed with and resolved by the commission.

25 (b) The commission shall make the information described by
26 Subsection (a) available to the public and appropriate state
27 agencies. (V.A.C.S. Art. 179e, Sec. 2.23(a).)

1 Sec. 2022.102. INFORMATION RELATING TO COMPLAINT
2 PROCEDURES. (a) The commission by rule shall establish methods by
3 which racetrack patrons are notified of the name, mailing address,
4 and telephone number of the commission for the purpose of directing
5 complaints to the commission. The commission may provide the
6 notification:

7 (1) on every race performance program provided by each
8 racetrack association; or

9 (2) on signs prominently displayed in the common
10 public areas on the premises of each racetrack.

11 (b) The commission shall keep information about each
12 complaint filed with the commission. The information must include:

13 (1) the date the complaint is received;

14 (2) the name of the complainant;

15 (3) the subject matter of the complaint;

16 (4) a record of all persons contacted in relation to
17 the complaint;

18 (5) a summary of the results of the review or
19 investigation of the complaint; and

20 (6) for complaints for which the commission took no
21 action, an explanation of the reason the complaint was closed
22 without action.

23 (c) The commission shall keep a file about each written
24 complaint filed with the commission that the commission has
25 authority to resolve. The commission shall provide to the person
26 filing the complaint and to the persons who are subjects of the
27 complaint the commission's policies and procedures pertaining to

1 complaint investigation and resolution.

2 (d) The commission, at least quarterly and until final
3 disposition of a complaint, shall notify the person filing the
4 complaint and the persons who are subjects of the complaint of the
5 status of the complaint unless the notice would jeopardize an
6 undercover investigation. (V.A.C.S. Art. 179e, Secs. 2.23(b),
7 2.24.)

8 Sec. 2022.103. COMMISSION INVESTIGATIVE FILES

9 CONFIDENTIAL. (a) The contents of the investigatory files of the
10 commission are not public records and are confidential except:

- 11 (1) in a criminal proceeding;
12 (2) in a hearing conducted by the commission;
13 (3) on court order; or
14 (4) with the consent of the party being investigated.

15 (b) Except as otherwise provided by this subtitle, the
16 files, records, information, compilations, documents, photographs,
17 reports, summaries, and reviews of information and related matters
18 that are collected, retained, or compiled by the Department of
19 Public Safety in the discharge of the department's duties under
20 this subtitle are confidential and are not subject to public
21 disclosure, but are subject to discovery by a person who is the
22 subject of the files, records, information, compilations,
23 documents, photographs, reports, summaries, and reviews of
24 information and related matters that are collected, retained, or
25 compiled by the department in the discharge of the department's
26 duties under this subtitle.

27 (c) An investigation report or other document submitted by

1 the Department of Public Safety to the commission becomes part of
2 the investigative files of the commission and is subject to
3 discovery by a person who is the subject of the investigation report
4 or other document submitted by the department to the commission
5 that is part of the investigative files of the commission.

6 (d) Information that is in a form available to the public is
7 not privileged or confidential under this section and is subject to
8 public disclosure. (V.A.C.S. Art. 179e, Secs. 2.15(b), 2.16.)

9 Sec. 2022.104. INTERAGENCY SHARING OF RECORDS. The
10 commission may share with another regulatory agency of this state
11 any investigatory file information that creates a reasonable
12 suspicion of a person's violation of a law or rule under that
13 agency's jurisdiction. The agency may use the information as if it
14 was obtained through that agency's investigatory process.
15 (V.A.C.S. Art. 179e, Sec. 2.15(c).)

16 Sec. 2022.105. BOOKS AND RECORDS; INSPECTION. (a) The
17 commission shall require racetrack associations, managers,
18 totalisator license holders, and concessionaires to keep books and
19 records and to submit financial statements to the commission.

20 (b) Except as provided by Section 2024.002(b), the
21 commission shall adopt rules relating to the matters described by
22 Subsection (a). (V.A.C.S. Art. 179e, Sec. 3.04.)

23 Sec. 2022.106. PUBLIC INSPECTION OF RECORDS. (a) All
24 commission records that are not made confidential by other law are
25 open to inspection by the public during regular office hours.

26 (b) The commission shall maintain all applications for a
27 license under this subtitle and make the applications available for

1 public inspection during regular office hours. (V.A.C.S. Art. 179e,
2 Sec. 2.15(a).)

3 CHAPTER 2023. COMMISSION AND RACE MEETING OFFICIAL POWERS AND
4 DUTIES

5 SUBCHAPTER A. REGULATION, SUPERVISION, AND LICENSING RELATING TO
6 HORSE RACING AND GREYHOUND RACING

7 Sec. 2023.001. LICENSING, REGULATION, AND SUPERVISION
8 OF HORSE RACING AND GREYHOUND RACING

9 Sec. 2023.002. REGULATION AND SUPERVISION OF WAGERING
10 AT RACE MEETINGS

11 Sec. 2023.003. OTHER LICENSING AND REGULATION: RULES
12 AND FEES

13 Sec. 2023.004. COMMISSION RULES

14 Sec. 2023.005. LIMITATION ON RULES RESTRICTING
15 COMPETITIVE BIDDING OR ADVERTISING

16 Sec. 2023.006. CONSIDERATION OF PAST PERFORMANCE OF
17 RACETRACK ASSOCIATION

18 Sec. 2023.007. RIGHT OF ENTRY

19 Sec. 2023.008. TESTIMONY AND SUBPOENA POWER

20 Sec. 2023.009. JUDICIAL REVIEW OF COMMISSION ORDER

21 SUBCHAPTER B. GENERAL POWERS AND DUTIES

22 Sec. 2023.051. RECOGNITION OF ORGANIZATION

23 Sec. 2023.052. SECURITY FOR FEES AND CHARGES

24 Sec. 2023.053. TEXAS RACING COMMISSION FUND;
25 ADDITIONAL APPROPRIATIONS

26 Sec. 2023.054. COMMISSION STANDARDS ON GREYHOUND FARMS
27 AND FACILITIES

- 1 Sec. 2023.055. REPORT OF VIOLATION
- 2 Sec. 2023.056. COOPERATION WITH LAW ENFORCEMENT
- 3 Sec. 2023.057. ACCESS TO CRIMINAL HISTORY RECORDS
- 4 Sec. 2023.058. COST OF CRIMINAL HISTORY RECORD CHECK
- 5 Sec. 2023.059. DISTANCE LEARNING
- 6 Sec. 2023.060. CERTIFIED DOCUMENTS
- 7 Sec. 2023.061. ANNUAL REPORT
- 8 SUBCHAPTER C. EMPLOYMENT OF AND SUPERVISION BY RACE MEETING
- 9 OFFICIALS
- 10 Sec. 2023.101. EMPLOYMENT OF STEWARDS AND JUDGES
- 11 Sec. 2023.102. STEWARD AND JUDGE EXAMINATIONS
- 12 Sec. 2023.103. EMPLOYMENT OF STATE VETERINARIANS
- 13 Sec. 2023.104. RACE MEETING OFFICIAL COMPENSATION AND
- 14 FEE
- 15 Sec. 2023.105. EMPLOYMENT OF OTHER RACETRACK OFFICIALS
- 16 Sec. 2023.106. RACE MEETING OFFICIAL POWERS AND
- 17 DUTIES; RULES
- 18 Sec. 2023.107. EXECUTIVE DIRECTOR REVIEW AND
- 19 MODIFICATION OF PENALTY
- 20 Sec. 2023.108. FINAL DECISION; AVAILABILITY OF APPEAL
- 21 Sec. 2023.109. APPEAL FROM DECISION OF RACE MEETING
- 22 OFFICIAL; DECISIONS NOT APPEALABLE
- 23 CHAPTER 2023. COMMISSION AND RACE MEETING OFFICIAL POWERS AND
- 24 DUTIES
- 25 SUBCHAPTER A. REGULATION, SUPERVISION, AND LICENSING RELATING TO
- 26 HORSE RACING AND GREYHOUND RACING
- 27 Sec. 2023.001. LICENSING, REGULATION, AND SUPERVISION OF

1 HORSE RACING AND GREYHOUND RACING. (a) Notwithstanding any
2 contrary provision in this subtitle, the commission may license and
3 regulate all aspects of horse racing and greyhound racing in this
4 state, regardless of whether that racing involves pari-mutuel
5 wagering.

6 (b) The commission, in adopting rules and in the supervision
7 and conduct of racing, shall consider the effect of a proposed
8 commission action on the state's agricultural, horse breeding,
9 horse training, greyhound breeding, and greyhound training
10 industry. (V.A.C.S. Art. 179e, Secs. 3.02(g), 3.021(a).)

11 Sec. 2023.002. REGULATION AND SUPERVISION OF WAGERING AT
12 RACE MEETINGS. (a) The commission shall regulate and supervise
13 each race meeting in this state that involves wagering on the result
14 of horse racing or greyhound racing. Each person and thing relating
15 to the operation of a race meeting is subject to regulation and
16 supervision by the commission.

17 (b) The commission shall adopt rules, issue licenses, and
18 take any other necessary action relating exclusively to horse
19 racing or greyhound racing. (V.A.C.S. Art. 179e, Sec. 3.02(a)
20 (part).)

21 Sec. 2023.003. OTHER LICENSING AND REGULATION: RULES AND
22 FEES. (a) The commission may adopt rules for the licensing and
23 regulation of races and workouts at tracks that do not offer
24 pari-mutuel wagering and for workouts at training facilities to
25 secure past performances and workouts to:

26 (1) protect the health, safety, and welfare of race
27 animals and participants in racing;

- 1 (2) safeguard the interest of the general public; and
2 (3) promote the orderly conduct of racing in this
3 state.

4 (b) The commission may charge an annual fee for licensing
5 and regulating a track that does not offer pari-mutuel wagering or a
6 training facility in a reasonable amount that may not exceed the
7 actual cost of enforcing rules adopted for the licensing and
8 regulation of races and workouts at such a facility. (V.A.C.S. Art.
9 179e, Secs. 3.021(b), (c).)

10 Sec. 2023.004. COMMISSION RULES. (a) The commission shall
11 adopt:

12 (1) rules for conducting horse racing or greyhound
13 racing in this state that involves wagering; and

14 (2) rules for administering this subtitle in a manner
15 consistent with this subtitle.

16 (b) The commission may establish separate sections to
17 review or propose commission rules.

18 (c) The commission or a commission section shall hold a
19 meeting on a proposed rule before the commission publishes the
20 proposed rule in the Texas Register.

21 (d) The commission shall post at each racetrack notice of a
22 meeting under Subsection (c) that includes an agenda of the meeting
23 and a summary of the proposed rule.

24 (e) A copy of a proposed rule published in the Texas
25 Register shall be posted concurrently at each racetrack.

26 (f) The commission or a commission section may appoint a
27 committee of experts, members of the public, or other interested

1 parties to advise the commission or section about a proposed
2 commission rule. (V.A.C.S. Art. 179e, Secs. 3.02(a) (part), (b),
3 (c), (d), (e), (f).)

4 Sec. 2023.005. LIMITATION ON RULES RESTRICTING COMPETITIVE
5 BIDDING OR ADVERTISING. The commission may not adopt rules
6 restricting competitive bidding or advertising by a license holder
7 except to prohibit false, misleading, or deceptive practices.
8 Commission rules to prohibit false, misleading, or deceptive
9 practices may not:

- 10 (1) restrict the use of any medium for advertising;
- 11 (2) restrict the use of a license holder's personal
12 appearance or voice in an advertisement;
- 13 (3) relate to the size or duration of an advertisement
14 by the license holder; or
- 15 (4) restrict the license holder's advertisement under
16 a trade name. (V.A.C.S. Art. 179e, Sec. 3.021(d).)

17 Sec. 2023.006. CONSIDERATION OF PAST PERFORMANCE OF
18 RACETRACK ASSOCIATION. In considering a pleading of a racetrack
19 association, the commission shall take into account the operating
20 experience of the racetrack association in this state, including:

- 21 (1) the financial condition of the racetrack;
- 22 (2) the regulatory compliance and conduct; and
- 23 (3) any other relevant matter concerning the operation
24 of a racetrack. (V.A.C.S. Art. 179e, Sec. 18.07.)

25 Sec. 2023.007. RIGHT OF ENTRY. A commission member, an
26 authorized commission agent, a commissioned officer of the
27 Department of Public Safety, or a peace officer of the local

1 jurisdiction in which a racetrack association maintains a place of
2 business may enter any part of a racetrack or any other place of
3 business of a racetrack association at any time to enforce and
4 administer this subtitle. (V.A.C.S. Art. 179e, Sec. 3.03.)

5 Sec. 2023.008. TESTIMONY AND SUBPOENA POWER. (a) For
6 purposes of this section, "agent" means an appointed agent of the
7 commission.

8 (b) A commission member or an agent, while involved in
9 carrying out functions under this subtitle, may:

- 10 (1) take testimony;
- 11 (2) require by subpoena the attendance of a witness;
- 12 and
- 13 (3) require the production of books, records, papers,
14 correspondence, and other documents that the commission considers
15 advisable.

16 (c) A subpoena must be issued under the signature of the
17 commission or an agent. A person designated by the commission must
18 serve the subpoena.

19 (d) A commission member or an agent may administer an oath
20 to a witness appearing before the commission or an agent.

21 (e) If a subpoena issued under this section is disobeyed,
22 the commission or an agent may invoke the aid of a Travis County
23 district court in requiring compliance with the subpoena. A Travis
24 County district court may issue an order requiring the person to
25 appear and testify and to produce books, records, papers,
26 correspondence, and documents. Failure to obey the court order
27 shall be punished by the court as contempt. (V.A.C.S. Art. 179e,

1 Sec. 3.05; New.)

2 Sec. 2023.009. JUDICIAL REVIEW OF COMMISSION ORDER.

3 (a) Judicial review of a commission order is under the substantial
4 evidence rule.

5 (b) Venue for judicial review of a commission order is in a
6 district court in Travis County. (V.A.C.S. Art. 179e, Sec. 5.02.)

7 SUBCHAPTER B. GENERAL POWERS AND DUTIES

8 Sec. 2023.051. RECOGNITION OF ORGANIZATION. (a) The
9 commission by rule shall adopt criteria to recognize an
10 organization to represent members of a segment of the racing
11 industry, including owners, breeders, trainers, kennel operators,
12 or other persons involved in the racing industry, in any
13 interaction between the members of the organization and a racetrack
14 association or the commission.

15 (b) The commission may recognize an organization that meets
16 the criteria adopted under Subsection (a). (V.A.C.S. Art. 179e,
17 Sec. 3.13.)

18 Sec. 2023.052. SECURITY FOR FEES AND CHARGES. The
19 commission may require a racetrack association to post security in
20 an amount and form determined by the commission to adequately
21 ensure the payment of any fee or charge due to this state or the
22 commission relating to pari-mutuel racing, including a charge for
23 drug testing. (V.A.C.S. Art. 179e, Sec. 3.17.)

24 Sec. 2023.053. TEXAS RACING COMMISSION FUND; ADDITIONAL
25 APPROPRIATIONS. (a) The commission shall deposit the money it
26 collects under this subtitle in the state treasury to the credit of
27 a special fund to be known as the Texas Racing Commission fund.

1 (b) The Texas Racing Commission fund may be appropriated
2 only for the administration and enforcement of this subtitle.

3 (c) Any unappropriated money exceeding \$750,000 that
4 remains in the fund at the close of each state fiscal biennium shall
5 be transferred to the general revenue fund and may be appropriated
6 for any purpose.

7 (d) The legislature may appropriate money from the general
8 revenue fund for the administration and enforcement of this
9 subtitle.

10 (e) Any amount of general revenue appropriated for the
11 administration and enforcement of this subtitle in excess of the
12 cumulative amount deposited in the Texas Racing Commission fund
13 shall be reimbursed from the Texas Racing Commission fund not later
14 than the first anniversary of the date the general revenue funds are
15 appropriated, with 6.75 percent interest. All payments made under
16 this subsection are first attributable to interest accumulated
17 under this subsection. (V.A.C.S. Art. 179e, Sec. 3.09(b).)

18 Sec. 2023.054. COMMISSION STANDARDS ON GREYHOUND FARMS AND
19 FACILITIES. The commission shall adopt standards relating to the
20 operation of greyhound farms or other facilities where greyhounds
21 are raised for pari-mutuel racing. (V.A.C.S. Art. 179e, Sec.
22 10.04(b).)

23 Sec. 2023.055. REPORT OF VIOLATION. The commission's rules
24 must allow anonymous reporting of a violation of this subtitle or of
25 a commission rule. (V.A.C.S. Art. 179e, Sec. 3.12.)

26 Sec. 2023.056. COOPERATION WITH LAW ENFORCEMENT. (a) The
27 commission shall cooperate with a district attorney, a criminal

1 district attorney, a county attorney, the Department of Public
2 Safety, the attorney general, or a peace officer in enforcing this
3 subtitle.

4 (b) The commission, under commission authority to obtain
5 criminal history record information under Section 2023.057, shall
6 maintain and exchange pertinent intelligence data with other states
7 and agencies. (V.A.C.S. Art. 179e, Sec. 3.11.)

8 Sec. 2023.057. ACCESS TO CRIMINAL HISTORY RECORDS. The
9 commission may obtain criminal history record information that
10 relates to each applicant for employment by the commission and to
11 each applicant for a license issued by the commission and that is
12 maintained by the Department of Public Safety or the Federal Bureau
13 of Investigation Identification Division. The commission may
14 refuse to recommend an applicant who fails to provide a complete set
15 of fingerprints. (V.A.C.S. Art. 179e, Sec. 5.04.)

16 Sec. 2023.058. COST OF CRIMINAL HISTORY RECORD CHECK.

17 (a) The commission shall, in determining the amount of a license
18 fee, set the fee in at least an amount necessary to cover the cost of
19 conducting a criminal history record check on a license applicant.

20 (b) The commission shall reimburse the Department of Public
21 Safety for the cost of conducting a criminal history record check
22 under this subtitle. (V.A.C.S. Art. 179e, Sec. 5.05.)

23 Sec. 2023.059. DISTANCE LEARNING. The commission may
24 provide assistance to members of the racing industry who are
25 attempting to develop or implement adult, youth, or continuing
26 education programs that use distance learning. (V.A.C.S. Art. 179e,
27 Sec. 18.08.)

1 (c) The commission shall designate one steward or judge, as
2 appropriate, as the presiding steward or judge for each race
3 meeting.

4 (d) Following the completion of a race meeting, a racetrack
5 association may submit to the commission for the commission's
6 review written comments regarding the job performance of the
7 stewards and judges. A racetrack association's comments submitted
8 under this section are not binding, in any way, on the commission.
9 (V.A.C.S. Art. 179e, Sec. 3.07(a) (part).)

10 Sec. 2023.102. STEWARD AND JUDGE EXAMINATIONS. (a) The
11 commission shall require each steward or judge to annually take and
12 pass a written examination and a medical examination.

13 (b) The commission by rule shall prescribe the methods and
14 procedures for taking the examinations and the standards for
15 passing.

16 (c) Failure to pass an examination is a ground for refusal
17 to issue an original or renewal license to a steward or judge or for
18 suspension or revocation of the license. (V.A.C.S. Art. 179e, Sec.
19 3.07(c).)

20 Sec. 2023.103. EMPLOYMENT OF STATE VETERINARIANS. For each
21 race meeting, the commission shall employ at least one state
22 veterinarian. (V.A.C.S. Art. 179e, Sec. 3.07(a) (part).)

23 Sec. 2023.104. RACE MEETING OFFICIAL COMPENSATION AND FEE.

24 (a) The commission by rule may impose a fee on a racetrack
25 association to offset the costs of compensating each steward,
26 judge, and state veterinarian.

27 (b) The fee amount for compensating each steward, judge, and

1 state veterinarian must be reasonable according to industry
2 standards for the compensation of those officials at other
3 racetracks and may not exceed the actual cost to the commission for
4 compensating the officials. (V.A.C.S. Art. 179e, Sec. 3.07(a)
5 (part).)

6 Sec. 2023.105. EMPLOYMENT OF OTHER RACETRACK OFFICIALS.
7 The racetrack association shall appoint, with the commission's
8 approval, all racetrack officials other than the officials listed
9 in Section 2023.104. Compensation for officials not compensated by
10 the commission is determined by the racetrack association.
11 (V.A.C.S. Art. 179e, Sec. 3.07(a) (part).)

12 Sec. 2023.106. RACE MEETING OFFICIAL POWERS AND DUTIES;
13 RULES. (a) A steward or judge may on any day exercise the
14 supervisory authority granted the steward or judge under this
15 subtitle or commission rule, including the performance of
16 supervisory acts requiring the exercise of discretion.

17 (b) The commission shall adopt rules that specify the power
18 and duties of each race meeting official, including the power of a
19 steward or judge to impose penalties for unethical practices or
20 violations of racing rules.

21 (c) A penalty imposed by a steward or judge may include a
22 fine of not more than \$25,000, a suspension not to exceed five
23 years, or both a fine and suspension.

24 (d) Before imposing a penalty under this section, a steward
25 or judge shall conduct a hearing that is consistent with
26 constitutional due process. A hearing conducted by a steward or
27 judge under this section is not subject to Chapter 2001, Government

1 Code. (V.A.C.S. Art. 179e, Secs. 3.07(b) (part), (g).)

2 Sec. 2023.107. EXECUTIVE DIRECTOR REVIEW AND MODIFICATION
3 OF PENALTY. (a) A decision of a steward or judge is subject to
4 review by the executive director, who may modify the penalty.

5 (b) A penalty modified by the executive director under this
6 section may include a fine of not more than \$100,000, a suspension
7 not to exceed five years, or both a fine and a suspension. (V.A.C.S.
8 Art. 179e, Sec. 3.07(b) (part).)

9 Sec. 2023.108. FINAL DECISION; AVAILABILITY OF APPEAL.

10 (a) A decision of a steward or judge that is not reviewed or
11 modified by the executive director is a final decision.

12 (b) Any decision of a steward or judge may be appealed under
13 Section 2023.109 regardless of whether the decision is modified by
14 the executive director. (V.A.C.S. Art. 179e, Sec. 3.07(b) (part).)

15 Sec. 2023.109. APPEAL FROM DECISION OF RACE MEETING
16 OFFICIAL; DECISIONS NOT APPEALABLE. (a) Except as provided by
17 Subsection (b), a final decision of the stewards or judges may be
18 appealed to the commission in the manner provided for a contested
19 case under Chapter [2001](#), Government Code.

20 (b) A decision of the stewards or judges on a
21 disqualification for a foul in a race or on a finding of fact
22 regarding the running of a race is final and may not be appealed.
23 (V.A.C.S. Art. 179e, Sec. 3.08.)

24 CHAPTER 2024. POWERS AND DUTIES OF COMPTROLLER

25 SUBCHAPTER A. GENERAL POWERS AND DUTIES

26 Sec. 2024.001. COMPTROLLER RULES

1 Sec. 2024.002. INSPECTION OF BOOKS, RECORDS, AND
2 FINANCIAL STATEMENTS

3 Sec. 2024.003. RIGHT OF ENTRY

4 SUBCHAPTER B. COLLECTION AND DEPOSIT OF STATE'S SHARE OF
5 PARI-MUTUEL POOL

6 Sec. 2024.051. COLLECTION AND DEPOSIT OF STATE'S SHARE

7 Sec. 2024.052. SECURITY

8 Sec. 2024.053. CERTIFICATION OF NONCOMPLIANCE;
9 ADMINISTRATIVE APPEAL

10 Sec. 2024.054. PENALTIES FOR LATE PAYMENT OR REPORT

11 Sec. 2024.055. DEPOSIT OF STATE'S SHARE

12 SUBCHAPTER C. APPLICABILITY OF OTHER LAW

13 Sec. 2024.101. APPLICABILITY OF CERTAIN TAX CODE
14 PROVISIONS

15 CHAPTER 2024. POWERS AND DUTIES OF COMPTROLLER

16 SUBCHAPTER A. GENERAL POWERS AND DUTIES

17 Sec. 2024.001. COMPTROLLER RULES. The comptroller may
18 adopt rules for the enforcement of the comptroller's powers and
19 duties under this subtitle. (V.A.C.S. Art. 179e, Sec. 4.03.)

20 Sec. 2024.002. INSPECTION OF BOOKS, RECORDS, AND FINANCIAL
21 STATEMENTS. (a) The comptroller may inspect all books, records,
22 and financial statements required by the commission under Section
23 2022.105.

24 (b) The comptroller by rule may specify the form and manner
25 in which the books, records, and financial statements are to be kept
26 and reports that relate to the state's share of a pari-mutuel pool
27 are to be filed. (V.A.C.S. Art. 179e, Sec. 4.01.)

- 1 (1) cash;
- 2 (2) a cashier's check;
- 3 (3) a surety bond;
- 4 (4) an irrevocable bank letter of credit;
- 5 (5) a United States Treasury bond that is readily
- 6 convertible to cash; or
- 7 (6) an irrevocable assignment of a federally insured
- 8 account in a bank, savings and loan institution, or credit union.
- 9 (V.A.C.S. Art. 179e, Sec. 4.04(b).)

10 Sec. 2024.053. CERTIFICATION OF NONCOMPLIANCE;
11 ADMINISTRATIVE APPEAL. (a) The comptroller shall certify to the
12 commission the fact that a racetrack association or totalisator
13 company:

- 14 (1) does not comply with a rule adopted by the
- 15 comptroller under this chapter;
- 16 (2) refuses to allow access to or inspection of any of
- 17 the racetrack association's or totalisator company's required
- 18 books, records, or financial statements;
- 19 (3) refuses to allow access to or inspection of the
- 20 totalisator system; or
- 21 (4) becomes delinquent for:
 - 22 (A) the state's share of a pari-mutuel pool; or
 - 23 (B) any other tax collected by the comptroller.

24 (b) With regard to the state's share of a pari-mutuel pool
25 and any penalty related to the state's share, the comptroller,
26 acting independently of the commission, may take any collection or
27 enforcement action authorized under the Tax Code against a

1 delinquent taxpayer.

2 (c) An administrative appeal related to the state's share of
3 a pari-mutuel pool or late reporting or deposit of the state's share
4 is to the comptroller and then to the courts, as provided by Title
5 2, Tax Code. (V.A.C.S. Art. 179e, Secs. 4.05(a), (b) (part).)

6 Sec. 2024.054. PENALTIES FOR LATE PAYMENT OR REPORT.

7 (a) A racetrack association is liable for a penalty if the
8 racetrack association does not pay the state's share of a
9 pari-mutuel pool or file a report related to the payment of that
10 share on or before the time the payment or report is due.

11 (b) The amount of the penalty under Subsection (a) is the
12 greater of:

13 (1) five percent of the total amount due; or

14 (2) \$1,000.

15 (c) An additional penalty in an amount equal to one percent
16 of the unpaid amount of the state's share of the pari-mutuel pool
17 shall be added for each business day that the required report or
18 payment is late, up to a maximum penalty of 12 percent.

19 (d) A penalty under this section may be waived in a
20 situation in which a penalty would be waived under Section [111.103](#),
21 Tax Code. (V.A.C.S. Art. 179e, Sec. 4.06.)

22 Sec. 2024.055. DEPOSIT OF STATE'S SHARE. The comptroller
23 shall deposit the state's share of each pari-mutuel pool from horse
24 racing and greyhound racing in the general revenue fund. (V.A.C.S.
25 Art. 179e, Sec. 3.09(a).)

26 SUBCHAPTER C. APPLICABILITY OF OTHER LAW

27 Sec. 2024.101. APPLICABILITY OF CERTAIN TAX CODE

1 PROVISIONS. (a) Unless inconsistent with this subtitle, Chapters
2 111 through 113, Tax Code, including provisions relating to the
3 assessment of penalties and interest, apply to the collection of
4 the state's share of a pari-mutuel pool under this subtitle.

5 (b) The state's share of a pari-mutuel pool under this
6 subtitle is treated as if it were a tax for purposes of this section
7 in applying the provisions of the Tax Code described by Subsection
8 (a).

9 (c) The comptroller may use any procedure authorized under
10 Title 2, Tax Code, for purposes of collecting the state's share of a
11 pari-mutuel pool under this subtitle. (V.A.C.S. Art. 179e, Sec.
12 6.10.)

13 CHAPTER 2025. LICENSING

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 2025.001. COMMISSION LICENSING DUTIES

16 Sec. 2025.002. LICENSE AS PRIVILEGE

17 Sec. 2025.003. FINGERPRINTS REQUIRED

18 SUBCHAPTER B. RACETRACK LICENSE APPLICATION REQUIREMENTS

19 Sec. 2025.051. RACETRACK LICENSE REQUIRED; CRIMINAL

20 PENALTY

21 Sec. 2025.052. APPLICATION

22 Sec. 2025.053. APPLICATION FEE

23 Sec. 2025.054. MANAGEMENT, CONCESSION, AND TOTALISATOR

24 CONTRACTS

25 Sec. 2025.055. CONFIDENTIALITY OF APPLICATION

26 DOCUMENTS

27 Sec. 2025.056. BACKGROUND CHECK

- 1 Sec. 2025.057. BOND
- 2 Sec. 2025.058. NOTIFICATION OF COMPLETED APPLICATION
- 3 SUBCHAPTER C. RACETRACK LICENSE ISSUANCE AND RENEWAL
- 4 Sec. 2025.101. LICENSE ELIGIBILITY REQUIREMENTS AND
- 5 LIMITATIONS
- 6 Sec. 2025.102. QUALIFICATIONS FOR ISSUANCE OF
- 7 RACETRACK LICENSE
- 8 Sec. 2025.103. ISSUANCE OF TEMPORARY LICENSE
- 9 Sec. 2025.104. DESIGNATION OF RACETRACK LICENSE AS
- 10 ACTIVE OR INACTIVE
- 11 Sec. 2025.105. RENEWAL OF INACTIVE RACETRACK LICENSE ;
- 12 FEES
- 13 Sec. 2025.106. COMMISSION REVIEW OF ACTIVE RACETRACK
- 14 LICENSE ; FEE
- 15 Sec. 2025.107. RACETRACK LICENSE NOT TRANSFERABLE ;
- 16 TEMPORARY LICENSE
- 17 Sec. 2025.108. RACETRACK LICENSE ANNUAL FEE
- 18 SUBCHAPTER D. GREYHOUND RACETRACK LICENSES
- 19 Sec. 2025.151. LIMITATION ON NUMBER OF GREYHOUND
- 20 RACETRACK LICENSES
- 21 Sec. 2025.152. LOCATION RESTRICTION FOR GREYHOUND
- 22 RACETRACK
- 23 SUBCHAPTER E. DISCIPLINARY ACTION FOR RACETRACK LICENSE HOLDERS
- 24 Sec. 2025.201. GROUNDS FOR DENIAL, REVOCATION, OR
- 25 SUSPENSION OF RACETRACK LICENSE
- 26 Sec. 2025.202. DISCIPLINARY ACTION; ADMINISTRATIVE
- 27 PENALTY

1 Sec. 2025.203. SUMMARY SUSPENSION
2 Sec. 2025.204. SUMMARY SUSPENSION HEARING
3 Sec. 2025.205. SUMMARY SUSPENSION FINAL ORDER
4 SUBCHAPTER F. OCCUPATIONAL LICENSES
5 Sec. 2025.251. OCCUPATIONAL LICENSE REQUIRED
6 Sec. 2025.252. LICENSE CATEGORIES
7 Sec. 2025.253. EXAMINATION NOTIFICATION
8 Sec. 2025.254. ISSUANCE OF LICENSE
9 Sec. 2025.255. ISSUANCE OF IDENTIFICATION CARD
10 Sec. 2025.256. LICENSE FEES
11 Sec. 2025.257. TERM OF LICENSE; RENEWAL
12 Sec. 2025.258. CRIMINAL HISTORY RECORD INFORMATION
13 Sec. 2025.259. LICENSE VALID THROUGHOUT STATE
14 Sec. 2025.260. TEMPORARY LICENSES
15 Sec. 2025.261. RECIPROCAL LICENSES; OUT-OF-STATE
16 APPLICANTS
17 Sec. 2025.262. GROUNDS FOR DENIAL, REVOCATION, AND
18 SUSPENSION OF OCCUPATIONAL LICENSE
19 CHAPTER 2025. LICENSING
20 SUBCHAPTER A. GENERAL PROVISIONS
21 Sec. 2025.001. COMMISSION LICENSING DUTIES. (a) To
22 preserve and protect the public health, welfare, and safety, the
23 commission shall adopt rules relating to license applications and
24 the financial responsibility, moral character, and ability of
25 applicants.
26 (b) The commission shall prescribe application forms for
27 licenses issued under this subtitle and shall provide each

1 occupational license holder with a credential.

2 (c) The commission shall annually prescribe reasonable
3 license fees for each category of license issued under this
4 subtitle.

5 (d) The commission by rule shall set fees in amounts
6 reasonable and necessary to cover the commission's costs of
7 regulating, overseeing, and licensing live and simulcast racing at
8 racetracks. (V.A.C.S. Art. 179e, Secs. 5.01(a), (b), (d), 6.06(a)
9 (part).)

10 Sec. 2025.002. LICENSE AS PRIVILEGE. The operation of a
11 racetrack and the participation in racing are privileges, not
12 rights, granted only by the commission by license and subject to
13 reasonable and necessary conditions set by the commission.
14 (V.A.C.S. Art. 179e, Sec. 5.01(c).)

15 Sec. 2025.003. FINGERPRINTS REQUIRED. (a) An applicant
16 for a license or license renewal under this subtitle must, except as
17 otherwise provided by Section 2025.261, submit to the commission a
18 complete set of fingerprints for:

19 (1) the applicant; or

20 (2) if the applicant is not an individual, each
21 officer or director of, and each person who owns at least a five
22 percent interest in, the applicant.

23 (b) The Department of Public Safety may request any person
24 owning any interest in an applicant for a racetrack license to
25 submit a complete set of fingerprints.

26 (c) A peace officer of any state, or any district office of
27 the commission, shall take the fingerprints of an applicant for a

1 license or license renewal on forms approved and furnished by the
2 Department of Public Safety and immediately deliver the forms to
3 the commission.

4 (d) If a complete set of fingerprints is required by the
5 commission, the commission shall, not later than the 10th business
6 day after the date the commission receives the fingerprints,
7 forward the fingerprints to the Department of Public Safety or the
8 Federal Bureau of Investigation. If the fingerprints are forwarded
9 to the Department of Public Safety, the department shall:

10 (1) classify the fingerprints and check the
11 fingerprints against the department's fingerprint files; and

12 (2) report to the commission the department's findings
13 concerning the existence or lack of a criminal record of the
14 applicant.

15 (e) The commission may not issue a racetrack license until
16 the report under Subsection (d) is made to the commission. The
17 commission may issue a temporary occupational license before the
18 report is made to the commission. (V.A.C.S. Art. 179e, Sec. 5.03.)

19 SUBCHAPTER B. RACETRACK LICENSE APPLICATION REQUIREMENTS

20 Sec. 2025.051. RACETRACK LICENSE REQUIRED; CRIMINAL
21 PENALTY. A person may not conduct wagering on a horse or greyhound
22 race meeting without first obtaining a racetrack license issued by
23 the commission. A person who violates this section commits an
24 offense. (V.A.C.S. Art. 179e, Sec. 6.01.)

25 Sec. 2025.052. APPLICATION. (a) The commission shall
26 require each applicant for an original racetrack license to submit
27 an application, on a form prescribed by the commission, containing

1 the following information:

2 (1) if the applicant is an individual:

3 (A) the individual's full name;

4 (B) the individual's date of birth;

5 (C) the individual's physical description;

6 (D) the individual's current address and
7 telephone number; and

8 (E) a statement by the individual disclosing any
9 arrest or conviction for a felony or for a misdemeanor, except a
10 misdemeanor under Subtitle C, Title 7, Transportation Code, or a
11 similar misdemeanor traffic offense;

12 (2) if the applicant is a corporation:

13 (A) the state of incorporation;

14 (B) the names and addresses of the corporation's
15 agents for service of process in this state;

16 (C) the name and address of each officer and
17 director of the corporation;

18 (D) the name and address of each stockholder of
19 the corporation;

20 (E) for each individual named under this
21 subdivision, the information required by Subdivision (1); and

22 (F) identification of:

23 (i) any other beneficial owner of a share in
24 the applicant that has absolute or contingent voting rights;

25 (ii) any other person who directly or
26 indirectly exercises any participation in the applicant; and

27 (iii) any other ownership interest in the

1 applicant that the applicant making its best effort is able to
2 identify;

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

5 (A) the name and address of each member of the
6 association and, for each individual named under this subdivision,
7 the information required by Subdivision (1); and

8 (B) identification of:

9 (i) any other person who exercises voting
10 rights in the applicant or directly or indirectly exercises any
11 participation in the applicant; and

12 (ii) any other ownership interest in the
13 applicant that the applicant making its best effort is able to
14 identify;

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

17 (5) if the racetrack is in existence, whether it is
18 owned by the applicant and, if leased to the applicant:

19 (A) the name and address of the owner; and

20 (B) if the owner is a corporation or
21 unincorporated business association, the name and address of each
22 officer and director, any stockholder or member, and each agent for
23 service of process in this state;

24 (6) if construction of the racetrack has not been
25 initiated, whether it is to be owned by the applicant and, if it is
26 to be leased to the applicant:

27 (A) the name and address of the prospective

1 owner; and

2 (B) if the owner is a corporation or
3 unincorporated business association, the information required by
4 Subdivision (5)(B);

5 (7) identification of:

6 (A) any other beneficial owner of a share that
7 has absolute or contingent voting rights in the owner or
8 prospective owner of the racetrack;

9 (B) any other person that directly or indirectly
10 exercises any participation in the owner or prospective owner; and

11 (C) all other ownership interest in the owner or
12 prospective owner that the applicant making its best effort is able
13 to identify;

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

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

18 (10) proof of residency as required by Section
19 2025.201; and

20 (11) any other information required by the commission.

21 (b) An application must be sworn to:

22 (1) by the applicant; or

23 (2) if the applicant is a corporation or association,
24 by its chief executive officer.

25 (c) If the applicant is a nonprofit corporation, only
26 directors and officers of the corporation must disclose the
27 information required under Subsection (a)(2). (V.A.C.S. Art. 179e,

1 Secs. 6.03(a) (part), (c), (f).)

2 Sec. 2025.053. APPLICATION FEE. (a) The commission shall
3 require each applicant for an original racetrack license to pay the
4 required application fee. The fee must accompany the application
5 and be paid in the form of a cashier's check or certified check.

6 (b) The commission shall set application fees in amounts
7 reasonable and necessary to cover the costs of administering this
8 subtitle. The commission by rule shall establish a schedule of
9 application fees for the various types and classifications of
10 racetracks using minimum application fees. The minimum application
11 fee:

- 12 (1) for a horse racetrack is:
- 13 (A) \$15,000 for a class 1 racetrack;
- 14 (B) \$7,500 for a class 2 racetrack;
- 15 (C) \$2,500 for a class 3 racetrack; and
- 16 (D) \$1,500 for a class 4 racetrack; and
- 17 (2) for a greyhound racetrack is \$20,000.

18 (c) Notwithstanding this section, if a licensed racetrack
19 petitions for a higher racetrack classification, the commission
20 shall impose fees equal to the difference between the fees
21 previously paid and the fees required for the higher
22 classification. (V.A.C.S. Art. 179e, Secs. 6.03(a) (part), (d),
23 (e), (i).)

24 Sec. 2025.054. MANAGEMENT, CONCESSION, AND TOTALISATOR
25 CONTRACTS. (a) The commission shall require each applicant for an
26 original racetrack license to submit with the application for
27 inspection and review by the commission a copy of each management,

1 concession, and totalisator contract associated with the proposed
2 license at the proposed location in which the applicant has an
3 interest.

4 (b) An applicant or license holder shall advise the
5 commission of any change in any management, concession, or
6 totalisator contract.

7 (c) The criminal history record information, fingerprint,
8 and other information required of a license applicant under
9 Sections 2023.057, 2025.003, and 2025.052(a)(1)-(3) are required
10 of proposed totalisator firms, concessionaires, and managers and
11 management firms. (V.A.C.S. Art. 179e, Sec. 6.03(a) (part).)

12 Sec. 2025.055. CONFIDENTIALITY OF APPLICATION DOCUMENTS.
13 Documents submitted to the commission under Sections
14 2025.051-2025.054 by an applicant are subject to discovery in a
15 suit brought under this subtitle but are not public records and are
16 not subject to Chapter 552, Government Code. (V.A.C.S. Art. 179e,
17 Sec. 6.03(b) (part).)

18 Sec. 2025.056. BACKGROUND CHECK. (a) The commission shall
19 require a complete personal, financial, and business background
20 check of the applicant or of any person who owns an interest in or
21 exercises control over an applicant for a racetrack license,
22 including the partners, stockholders, concessionaires, management
23 personnel, management firms, and creditors.

24 (b) The commission shall refuse to issue or renew a license
25 if, in the commission's sole discretion, the background checks
26 reveal anything that may be detrimental to the public interest or
27 the racing industry.

1 (c) The commission may not hold a hearing on the
2 application, or any part of the application, of a racetrack license
3 applicant before the 14th day after the date the completed
4 background check of the applicant has been on file with the
5 commission. (V.A.C.S. Art. 179e, Sec. 6.031 (part).)

6 Sec. 2025.057. BOND. (a) The commission may, at any time,
7 require a holder of or applicant for a racetrack license to post
8 security in an amount reasonably necessary, as provided by
9 commission rule, to adequately ensure the license holder's or
10 applicant's compliance with substantive requirements of this
11 subtitle and commission rules.

12 (b) The following are acceptable as security for purposes of
13 this section:

- 14 (1) cash;
- 15 (2) a cashier's check;
- 16 (3) a surety bond;
- 17 (4) an irrevocable bank letter of credit;
- 18 (5) a United States Treasury bond that is readily
19 convertible to cash; or
- 20 (6) an irrevocable assignment of a federally insured
21 deposit in a bank, savings and loan institution, or credit union.

22 (c) The security described by Subsection (b) must be:

- 23 (1) conditioned on compliance with this subtitle and
24 commission rules adopted under this subtitle; and
- 25 (2) returned after satisfying the conditions of the
26 security. (V.A.C.S. Art. 179e, Sec. 6.032.)

27 Sec. 2025.058. NOTIFICATION OF COMPLETED APPLICATION. When

1 all requirements for the applicant's licensure described in this
2 chapter have been satisfied, the commission shall notify the
3 applicant that the application is complete. (V.A.C.S. Art. 179e,
4 Sec. 6.04(a-1).)

5 SUBCHAPTER C. RACETRACK LICENSE ISSUANCE AND RENEWAL

6 Sec. 2025.101. LICENSE ELIGIBILITY REQUIREMENTS AND
7 LIMITATIONS. (a) The burden of proof is on the applicant for an
8 original racetrack license to show compliance with this subtitle
9 and commission rules. An applicant who does not show the necessary
10 compliance is not eligible for a license under this chapter.

11 (b) In considering an application for a horse racetrack
12 license under this chapter, the commission shall give additional
13 weight to evidence concerning an applicant who has experience
14 operating a horse racetrack licensed under this subtitle.

15 (c) The commission may not issue a license to operate a
16 class 1 or class 2 racetrack or a greyhound racetrack to a
17 corporation unless:

18 (1) the corporation is incorporated under the laws of
19 this state; and

20 (2) a majority of any of its corporate stock is owned
21 at all times by individuals who meet the residency qualifications
22 prescribed by Section 2025.201 for individual applicants.

23 (d) The majority ownership of a partnership, firm, or
24 association applying for or holding a license must be held by
25 citizens who meet the residency qualifications enumerated in
26 Section 2025.201 for individual applicants. A corporation that
27 holds a license to operate a racetrack under this subtitle and that

1 violates this subsection is subject to forfeiture of its charter.
2 The attorney general, on receipt of information relating to the
3 violation, shall file suit in a district court of Travis County for
4 cancellation of the charter and revocation of the license issued
5 under this subtitle.

6 (e) Subsections (c) and (d) and Section 2025.201(a)(12) do
7 not apply to an applicant for or the holder of a racetrack license
8 if the applicant, the license holder, or the license holder's
9 parent company is a publicly traded company.

10 (f) The commission may condition the issuance of a license
11 under this chapter on the observance of commission rules. The
12 commission may amend the rules at any time and may condition the
13 continued holding of the license on compliance with the rules as
14 amended.

15 (g) A person may not own more than a five percent interest in
16 more than three racetracks licensed under this subtitle.

17 (h) Notwithstanding any other law, a person who owns an
18 interest in two or more racetracks licensed under this subtitle and
19 who also owns an interest in a license issued under Subtitle B,
20 Title 3, Alcoholic Beverage Code, may own an interest in the
21 premises of another holder of a license or permit under Title 3,
22 Alcoholic Beverage Code, if the premises of that other license or
23 permit holder are part of the premises of a racetrack licensed under
24 this subtitle. (V.A.C.S. Art. 179e, Secs. 6.03(g), (h), 6.06(c),
25 (d) (part), (e), (h), (i), (j).)

26 Sec. 2025.102. QUALIFICATIONS FOR ISSUANCE OF RACETRACK
27 LICENSE. (a) The commission may issue a racetrack license to a

1 qualified person if the commission:

2 (1) determines that the conduct of race meetings at
3 the proposed racetrack and location:

4 (A) will be in the public interest;

5 (B) complies with all zoning laws; and

6 (C) complies with this subtitle and commission
7 rules; and

8 (2) determines by clear and convincing evidence that
9 the applicant will comply with all criminal laws of this state.

10 (b) In determining whether to grant or deny an application
11 for any class of racetrack license, the commission may consider:

12 (1) the applicant's financial stability;

13 (2) the applicant's resources for supplementing the
14 purses for races for various breeds;

15 (3) the location of the proposed racetrack;

16 (4) the effect of the proposed racetrack on traffic
17 flow;

18 (5) facilities for patrons and occupational license
19 holders;

20 (6) facilities for race animals;

21 (7) availability to the racetrack of support services
22 and emergency services;

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

24 (9) the potential for conflict with other licensed
25 race meetings;

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

1 (11) the anticipated effect of the race meeting on the
2 state and local economy from tourism, increased employment, and
3 other sources.

4 (c) The commission shall make a determination on a pending
5 application not later than the 120th day after the date the
6 commission provides the notice required under Section 2025.058.
7 (V.A.C.S. Art. 179e, Secs. 6.04(a), (a-2).)

8 Sec. 2025.103. ISSUANCE OF TEMPORARY LICENSE. (a) After a
9 racetrack association has been granted a license to operate a
10 racetrack and before the completion of construction at the
11 designated place for which the license was issued, the commission
12 may, on application by the racetrack association, issue a temporary
13 license that authorizes the racetrack association to conduct races
14 at a location in the same county until the earlier of:

15 (1) the second anniversary of the date of issuance of
16 the temporary license; or

17 (2) the completion of the permanent facility.

18 (b) An applicant for a temporary license must pay the
19 application fees and post the bonds required of other license
20 holders before the issuance of a temporary license.

21 (c) The commission may set conditions and standards for
22 issuance of a temporary license and allocation of appropriate race
23 days.

24 (d) The commission may not issue a new temporary license or
25 an extension of a temporary license to a person or to an individual
26 belonging to a corporation or association that has been granted a
27 temporary license after the temporary license has expired.

1 (V.A.C.S. Art. 179e, Sec. 6.15.)

2 Sec. 2025.104. DESIGNATION OF RACETRACK LICENSE AS ACTIVE
3 OR INACTIVE. (a) The commission shall designate each racetrack
4 license as an active license or an inactive license. The commission
5 may change the designation of a racetrack license as appropriate.

6 (b) The commission shall designate a racetrack license as an
7 active license if the license holder:

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

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

10 (c) The commission by rule shall provide guidance on actions
11 that constitute, for purposes of this subtitle, good faith efforts
12 to conduct live racing.

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

17 (e) An active license is effective until the license is
18 designated as an inactive license or is surrendered, suspended, or
19 revoked under this subtitle. (V.A.C.S. Art. 179e, Sec. 6.0601.)

20 Sec. 2025.105. RENEWAL OF INACTIVE RACETRACK LICENSE; FEES.

21 (a) The commission by rule shall establish an annual renewal
22 process for inactive licenses and may require the license holder to
23 provide any information required for an original license
24 application under this subtitle. An inactive license holder must
25 complete the annual renewal process established under this section
26 until the 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 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
8 racetrack; 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 (c) The commission may refuse to renew an inactive license
14 if, after notice and a hearing, the commission determines that:

15 (1) renewal of the license is not in the best interests
16 of the racing industry or the public; or

17 (2) the license holder has failed to make a good faith
18 effort to conduct live racing.

19 (d) The commission shall consult with members of the racing
20 industry and other key stakeholders in developing the license
21 renewal process under this section.

22 (e) The commission shall set and collect renewal fees in
23 amounts reasonable and necessary to cover the costs of
24 administering and enforcing this section.

25 (f) The commission by rule shall establish criteria to make
26 the determinations under Subsection (c). (V.A.C.S. Art. 179e, Sec.
27 6.0602.)

1 Sec. 2025.106. COMMISSION REVIEW OF ACTIVE RACETRACK
2 LICENSE; FEE. (a) The commission shall review the ownership and
3 management of an active license issued under this chapter every
4 five years beginning on the fifth anniversary of the date of
5 issuance of the license.

6 (b) 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 this chapter.

10 (c) The commission shall charge fees for the review in
11 amounts sufficient to implement this section. (V.A.C.S. Art. 179e,
12 Sec. 6.06(k).)

13 Sec. 2025.107. RACETRACK LICENSE NOT TRANSFERABLE;
14 TEMPORARY LICENSE. (a) A racetrack license is not transferable.

15 (b) If the death of any person causes a violation of the
16 licensing provisions of this subtitle, the commission may issue, in
17 accordance with commission rules, a temporary license for a period
18 not to exceed one year. (V.A.C.S. Art. 179e, Sec. 6.12.)

19 Sec. 2025.108. RACETRACK LICENSE ANNUAL FEE. The
20 commission may prescribe a reasonable annual fee to be paid by each
21 racetrack license holder. The fee must be in an amount sufficient
22 to provide that the total amount of fees imposed under this section,
23 the license fees prescribed under Section 2025.001(c), and the
24 renewal fees prescribed under Section 2025.105(e) are sufficient to
25 cover the costs of administering and enforcing this subtitle.
26 (V.A.C.S. Art. 179e, Sec. 6.18.)

1 SUBCHAPTER D. GREYHOUND RACETRACK LICENSES

2 Sec. 2025.151. LIMITATION ON NUMBER OF GREYHOUND RACETRACK
3 LICENSES. The commission may not issue licenses for more than three
4 greyhound racetracks in this state. (V.A.C.S. Art 179e, Secs.
5 6.04(c) (part), 6.14(b).)

6 Sec. 2025.152. LOCATION RESTRICTION FOR GREYHOUND
7 RACETRACK. Each greyhound racetrack must be located in a county
8 that:

- 9 (1) has a population of more than 190,000;
10 (2) borders the Gulf of Mexico; and
11 (3) includes all or part of an island that borders the
12 Gulf of Mexico. (V.A.C.S. Art. 179e, Secs. 6.04(c) (part),
13 6.14(c).)

14 SUBCHAPTER E. DISCIPLINARY ACTION FOR RACETRACK LICENSE HOLDERS

15 Sec. 2025.201. GROUNDS FOR DENIAL, REVOCATION, OR
16 SUSPENSION OF RACETRACK LICENSE. (a) The commission may refuse to
17 issue a racetrack license or may revoke or suspend a license if,
18 after notice and hearing, the commission finds that the applicant
19 or license holder, as appropriate:

- 20 (1) has been convicted of a violation of this subtitle
21 or a commission rule, or has aided, abetted, or conspired to commit
22 a violation of this subtitle or a commission rule;
23 (2) has been convicted of a felony or a crime involving
24 moral turpitude, including a conviction for which the punishment
25 received was a suspended sentence, probation, or a nonadjudicated
26 conviction, that is reasonably related to the person's present
27 fitness to hold a license under this subtitle;

1 (3) has violated or has caused to be violated this
2 subtitle or a commission rule in a manner that involves moral
3 turpitude, as distinguished from a technical violation of this
4 subtitle or a rule;

5 (4) is unqualified, by experience or otherwise, to
6 perform the duties required of a license holder under this
7 subtitle;

8 (5) failed to answer or falsely or incorrectly
9 answered a question in an application;

10 (6) fails to disclose the true ownership or interest
11 in a horse or greyhound as required by commission rules;

12 (7) is indebted to this state for any fee or for the
13 payment of a penalty imposed by this subtitle or a commission rule;

14 (8) is not of good moral character or the person's
15 reputation as a peaceable, law-abiding citizen in the community
16 where the person resides is bad;

17 (9) is not at least the minimum age necessary to
18 purchase alcoholic beverages in this state;

19 (10) is in the habit of using alcoholic beverages to an
20 excess or uses a controlled substance as defined by Chapter 481,
21 Health and Safety Code, or a dangerous drug as defined in Chapter
22 483, Health and Safety Code, or is mentally incapacitated;

23 (11) may be excluded from an enclosure under this
24 subtitle;

25 (12) has not been a United States citizen residing in
26 this state for the 10 consecutive years preceding the filing of the
27 application;

1 (13) has improperly used a credential, including a
2 license certificate or identification card, issued under this
3 subtitle;

4 (14) resides with a person whose license was revoked
5 for cause during the 12 months preceding the date of the present
6 application;

7 (15) has failed or refused to furnish a true copy of
8 the application to the commission's district office in the district
9 in which the premises for which the license is sought are located;

10 (16) is engaged or has engaged in activities or
11 practices the commission determines are detrimental to the best
12 interests of the public and the sport of horse racing or greyhound
13 racing; or

14 (17) fails to fully disclose the true owners of all
15 interests, beneficial or otherwise, in a proposed racetrack.

16 (b) Subsection (a) applies to a corporation, partnership,
17 limited partnership, or any other organization or group whose
18 application is composed of more than one person if a shareholder,
19 partner, limited partner, director, or officer is disqualified
20 under Subsection (a).

21 (c) The commission may refuse to issue a license or may
22 suspend or revoke a license of a license holder under this
23 subchapter who knowingly or intentionally allows access to an
24 enclosure where horse races or greyhound races are conducted to a
25 person:

26 (1) who has engaged in bookmaking, touting, or illegal
27 wagering;

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

3 (3) who has been convicted of a violation of this
4 subtitle. (V.A.C.S. Art. 179e, Secs. 6.06(a) (part), (b), (f).)

5 Sec. 2025.202. DISCIPLINARY ACTION; ADMINISTRATIVE
6 PENALTY. (a) The commission by rule shall establish procedures
7 for disciplinary action against a racetrack license holder.

8 (b) Notwithstanding the requirements of Section 2033.151,
9 if, after notice and hearing as provided by Section 2033.152, the
10 commission finds that a racetrack license holder or a person
11 employed by the racetrack has violated this subtitle or a
12 commission rule, or if the commission finds during a review or
13 renewal that the racetrack is ineligible for a license under this
14 chapter, the commission may:

15 (1) revoke, suspend, or refuse to renew the racetrack
16 license;

17 (2) impose an administrative penalty as provided under
18 Section 2033.051; or

19 (3) take any other action as provided by commission
20 rule.

21 (c) The commission may not revoke an active license unless
22 the commission reasonably determines that other disciplinary
23 actions are inadequate to remedy the violation. (V.A.C.S. Art.
24 179e, Sec. 6.0603; New.)

25 Sec. 2025.203. SUMMARY SUSPENSION. (a) The commission may
26 summarily suspend a racetrack license if the commission determines
27 that a racetrack at which races or pari-mutuel wagering are

1 conducted under the license is being operated in a manner that
2 constitutes an immediate threat to the health, safety, or welfare
3 of the racing participants or the patrons.

4 (b) After issuing a summary suspension order, the executive
5 director shall serve on the racetrack association an order:

6 (1) stating the specific charges; and

7 (2) requiring the license holder immediately to cease
8 and desist from all conduct permitted by the license.

9 (c) The executive director shall serve the order by personal
10 delivery or registered or certified mail, return receipt requested,
11 to the license holder's last known address. The order must contain
12 a notice that a request for hearing may be filed under this
13 subchapter.

14 (d) A summary suspension order continues in effect unless
15 the order is stayed by the executive director. The executive
16 director may impose any condition before granting a stay of the
17 order. (V.A.C.S. Art. 179e, Secs. 6.063(a), (b), (e).)

18 Sec. 2025.204. SUMMARY SUSPENSION HEARING. (a) A
19 racetrack association that is the subject of a summary suspension
20 order may request a hearing. The request must be filed with the
21 executive director not later than the 10th day after the date the
22 order was received or delivered. The request must:

23 (1) be in writing;

24 (2) be directed to the executive director; and

25 (3) state the grounds for the request to set aside or
26 modify the order.

27 (b) Unless a license holder who is the subject of the order

1 requests a hearing in writing before the 11th day after the date the
2 order is received or delivered, the order is final and
3 nonappealable as to that license holder.

4 (c) On receiving a request for a hearing, the executive
5 director shall serve notice of the time and place of the hearing by
6 personal delivery or registered or certified mail, return receipt
7 requested. The hearing must be held not later than the 10th day
8 after the date the executive director receives the request for a
9 hearing unless the parties agree to a later hearing date.

10 (d) At the hearing, the commission has the burden of proof
11 and must present evidence in support of the order. The license
12 holder requesting the hearing may cross-examine witnesses and show
13 cause why the order should not be affirmed.

14 (e) Section 2003.021(b), Government Code, does not apply to
15 a hearing conducted under this section. (V.A.C.S. Art. 179e, Secs.
16 6.063(c), (d).)

17 Sec. 2025.205. SUMMARY SUSPENSION FINAL ORDER. After the
18 hearing on the suspension of a racetrack license, the executive
19 director shall affirm, modify, or set aside, wholly or partly, the
20 summary suspension order. An order affirming or modifying the
21 summary suspension order is final for purposes of enforcement and
22 appeal. (V.A.C.S. Art. 179e, Sec. 6.063(f).)

23 SUBCHAPTER F. OCCUPATIONAL LICENSES

24 Sec. 2025.251. OCCUPATIONAL LICENSE REQUIRED. (a) Except
25 as provided by this section, a person, other than as a spectator or
26 as a person placing a wager, may not participate in racing with
27 pari-mutuel wagering without first obtaining a license from the

1 commission. A person may not engage in any occupation for which
2 commission rules require a license under this subtitle without
3 first obtaining a license from the commission.

4 (b) The commission by rule shall categorize the occupations
5 of racetrack employees and determine the occupations that afford
6 the employee an opportunity to influence racing with pari-mutuel
7 wagering. The rules must require an employee to be licensed under
8 this subtitle if the employee:

9 (1) works in an occupation determined by the
10 commission to afford the employee an opportunity to influence
11 racing with pari-mutuel wagering; or

12 (2) will likely have significant access to the
13 backside of a racetrack or to restricted areas of the frontside of a
14 racetrack. (V.A.C.S. Art. 179e, Secs. 7.01(a), (b).)

15 Sec. 2025.252. LICENSE CATEGORIES. The commission shall
16 adopt categories of licenses for the various occupations licensed
17 under this subchapter and shall specify by rule the qualifications
18 and experience required for licensing in each category that
19 requires specific qualifications or experience. (V.A.C.S. Art.
20 179e, Sec. 7.02(b).)

21 Sec. 2025.253. EXAMINATION NOTIFICATION. (a) If an
22 examination is required for the issuance of a license under this
23 subchapter, the commission shall notify each examinee of the
24 results of the examination not later than the 30th day after the
25 date the licensing examination is administered under this subtitle.

26 (b) If requested in writing by a person who fails a
27 licensing examination administered under this subtitle, the

1 commission shall furnish the person with an analysis of the
2 person's performance on the examination. (V.A.C.S. Art. 179e, Secs.
3 7.02(c), (d).)

4 Sec. 2025.254. ISSUANCE OF LICENSE. The commission shall
5 issue a license to a qualified person on application and payment of
6 the license fee. (V.A.C.S. Art. 179e, Sec. 7.03.)

7 Sec. 2025.255. ISSUANCE OF IDENTIFICATION CARD. The
8 commission shall issue a license certificate under this subchapter
9 in the form of an identification card with a photograph and other
10 information as prescribed by the commission. (V.A.C.S. Art. 179e,
11 Sec. 7.06.)

12 Sec. 2025.256. LICENSE FEES. (a) The commission by rule
13 shall adopt a fee schedule for licenses issued under this
14 subchapter.

15 (b) The commission shall base the license fee amounts on the
16 relative or comparative incomes or property interests of the
17 various categories of license holders, with the lower income
18 categories charged nearer the minimum fee and the higher income
19 categories charged nearer the maximum fee.

20 (c) In setting the fee schedule under Subsection (a), the
21 commission shall include the cost of criminal history record
22 information obtained under Section 2023.058. The commission may
23 determine the best method for recovering this cost and complying
24 with this section, including collecting the costs over an extended
25 period. (V.A.C.S. Art. 179e, Sec. 7.05.)

26 Sec. 2025.257. TERM OF LICENSE; RENEWAL. (a) A license
27 issued under this subchapter is valid for a period set by the

1 commission not to exceed 36 months following the date of issuance.

2 The license is renewable on the:

3 (1) completion of an application;

4 (2) receipt of satisfactory results of a criminal
5 history record information check; and

6 (3) payment of the fee in accordance with commission
7 rules.

8 (b) The commission by rule may adopt a system under which
9 licenses expire on various dates during the year. For the year in
10 which the license expiration date is changed, license fees shall be
11 prorated on a monthly basis so that each license holder pays only
12 that portion of the license fee that is allocable to the number of
13 months during which the license is valid. On renewal of the license
14 on the new expiration date, the total license renewal fee is
15 payable. (V.A.C.S. Art. 179e, Secs. 7.07(a), (b).)

16 Sec. 2025.258. CRIMINAL HISTORY RECORD INFORMATION.

17 (a) The commission shall obtain criminal history record
18 information on each applicant renewing an occupational license
19 under this subchapter.

20 (b) The commission shall ensure that criminal history
21 record information is obtained on each license holder at least once
22 every 36 months. (V.A.C.S. Art. 179e, Sec. 7.07(a-1).)

23 Sec. 2025.259. LICENSE VALID THROUGHOUT STATE. A license
24 issued under this subchapter is valid, as determined by the
25 commission, at all race meetings conducted in this state. (V.A.C.S.
26 Art. 179e, Sec. 7.08.)

27 Sec. 2025.260. TEMPORARY LICENSES. (a) Pending

1 investigation of an applicant's qualifications to receive an
2 original or renewal license, the commission may issue a temporary
3 license to an applicant under this subchapter whose application
4 appears to comply with the requirements of law and who has paid the
5 necessary fee.

6 (b) The temporary license is valid for a period not to
7 exceed 120 days following the date of issuance. (V.A.C.S. Art.
8 179e, Sec. 7.09.)

9 Sec. 2025.261. RECIPROCAL LICENSES; OUT-OF-STATE
10 APPLICANTS. (a) The commission may waive any prerequisite to
11 obtaining a license for an applicant, including any requirement to
12 submit a set of fingerprints, after reviewing the applicant's
13 credentials and determining that the applicant holds a license from
14 another state that has license requirements substantially
15 equivalent to the requirements of this state.

16 (b) The commission may waive any prerequisite to obtaining a
17 license, including any requirement to submit a set of fingerprints,
18 for an applicant who holds a license from another state with which
19 this state has a reciprocity agreement. The commission may enter
20 into agreements with other states to allow for licensing by
21 reciprocity. (V.A.C.S. Art. 179e, Sec. 7.10.)

22 Sec. 2025.262. GROUNDS FOR DENIAL, REVOCATION, AND
23 SUSPENSION OF OCCUPATIONAL LICENSE. The commission may refuse to
24 issue any original or renewal license under this subchapter or may
25 revoke or suspend the license if, after notice and hearing, the
26 commission finds that the applicant or license holder, as
27 appropriate:

1 (1) has been convicted of a violation of this subtitle
2 or a commission rule or has aided, abetted, or conspired to commit a
3 violation of this subtitle or a commission rule;

4 (2) has been convicted of a felony or a crime involving
5 moral turpitude that is reasonably related to the person's present
6 fitness to hold a license under this subtitle;

7 (3) has violated or has caused to be violated this
8 subtitle or a commission rule in a manner that involves moral
9 turpitude, as distinguished from a technical violation of this
10 subtitle or a rule;

11 (4) is unqualified, by experience or otherwise, to
12 perform the duties required of a license holder under this
13 subtitle;

14 (5) failed to answer or has falsely or incorrectly
15 answered a question in an original or renewal application;

16 (6) fails to disclose the true ownership or interest
17 in a horse or greyhound as required by commission rules;

18 (7) is indebted to this state for any fee or for the
19 payment of a penalty imposed by this subtitle or a commission rule;

20 (8) is not of good moral character or the person's
21 reputation as a peaceable, law-abiding citizen in the community
22 where the person resides is bad;

23 (9) is in the habit of using alcoholic beverages to an
24 excess or uses a controlled substance as defined in Chapter 481,
25 Health and Safety Code, or a dangerous drug as defined in Chapter
26 483, Health and Safety Code, or is mentally incapacitated;

27 (10) may be excluded from an enclosure under this

1 subtitle;

2 (11) has improperly used a temporary pass, license
3 certificate, credential, or identification card issued under this
4 subtitle;

5 (12) resides with a person whose license was revoked
6 for cause during the 12 months preceding the date of the present
7 application;

8 (13) has failed or refused to furnish a true copy of
9 the application to the commission's district office in the district
10 in which the premises for which the license is sought are located;
11 or

12 (14) is engaged or has engaged in activities or
13 practices that are detrimental to the best interests of the public
14 and the sport of horse racing or greyhound racing. (V.A.C.S. Art.
15 179e, Sec. 7.04.)

16 CHAPTER 2026. RACETRACK OPERATION AND PREMISES

17 SUBCHAPTER A. REGULATION OF RACETRACK

18 Sec. 2026.001. PLANNING, CONSTRUCTION, AND OPERATION

19 RULES

20 Sec. 2026.002. PREVENTION OF SUBTERFUGE IN RACETRACK

21 OWNERSHIP OR OPERATION

22 Sec. 2026.003. FINANCIAL DISCLOSURE

23 Sec. 2026.004. RACING LOCATION

24 Sec. 2026.005. CHANGE OF RACING LOCATION

25 Sec. 2026.006. LEASE OF RACETRACK PREMISES

26 Sec. 2026.007. INAPPROPRIATE OR UNSAFE CONDITIONS;

27 ENFORCEMENT; RULES

- 1 Sec. 2026.008. SUPERVISION OF CONSTRUCTION, RENOVATION,
2 AND MAINTENANCE; ENFORCEMENT
- 3 Sec. 2026.009. RACETRACK SECURITY
- 4 Sec. 2026.010. KENNELS
- 5 Sec. 2026.011. AUTOMOBILE RACING FACILITY PROHIBITED
6 NEAR RACETRACK IN CERTAIN COUNTIES
- 7 Sec. 2026.012. OTHER LAWFUL BUSINESSES AUTHORIZED
- 8 Sec. 2026.013. EMPLOYEE COMPLIANCE
- 9 SUBCHAPTER B. EXCLUSION OR EJECTION FROM RACETRACK
- 10 Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR
11 EJECTION
- 12 Sec. 2026.052. EXCLUSION OR EJECTION FROM ENCLOSURE;
13 HEARING; APPEAL
- 14 Sec. 2026.053. EXCLUSION OR EJECTION BY RACETRACK
15 ASSOCIATION
- 16 Sec. 2026.054. CRIMINAL TRESPASS AT ENCLOSURE
- 17 SUBCHAPTER C. CLASSIFICATION OF HORSE RACETRACKS
- 18 Sec. 2026.101. CLASSIFICATION
- 19 Sec. 2026.102. CLASS 1 RACETRACK
- 20 Sec. 2026.103. CLASS 2 RACETRACK
- 21 Sec. 2026.104. CLASS 3 RACETRACK
- 22 Sec. 2026.105. CLASS 4 RACETRACK
- 23 Sec. 2026.106. WAIVER OR DEFERRAL OF CERTAIN STANDARDS
24 FOR CLASS 4 RACETRACK
- 25 Sec. 2026.107. CALCULATION OF LIVE AND SIMULCAST RACE
26 DATES

1 SUBCHAPTER D. CONCESSION, MANAGEMENT, OR TOTALISATOR CONTRACTS;
2 SECURITY PLANS

3 Sec. 2026.151. COMMISSION APPROVAL REQUIRED

4 Sec. 2026.152. COMMISSION REVIEW OF SECURITY PLANS AND
5 CERTAIN CONTRACTS

6 Sec. 2026.153. MANAGEMENT CONTRACT: REQUIREMENTS AND
7 LIMITATIONS

8 CHAPTER 2026. RACETRACK OPERATION AND PREMISES

9 SUBCHAPTER A. REGULATION OF RACETRACK

10 Sec. 2026.001. PLANNING, CONSTRUCTION, AND OPERATION
11 RULES. To preserve and protect the public health, welfare, and
12 safety, the commission shall adopt rules relating to all matters
13 concerning the planning, construction, and operation of
14 racetracks. (V.A.C.S. Art. 179e, Sec. 6.06(a) (part).)

15 Sec. 2026.002. PREVENTION OF SUBTERFUGE IN RACETRACK
16 OWNERSHIP OR OPERATION. This subtitle shall be liberally construed
17 to prevent subterfuge in the ownership and operation of a
18 racetrack. (V.A.C.S. Art. 179e, Sec. 6.06(d) (part).)

19 Sec. 2026.003. FINANCIAL DISCLOSURE. (a) The commission
20 by rule shall require that each racetrack association that holds a
21 license for a class 1 racetrack, class 2 racetrack, or greyhound
22 racetrack annually file with the commission a detailed financial
23 statement that:

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

26 (2) indicates compliance during the filing period with
27 Section 2025.101; and

1 (3) includes any other information required by the
2 commission.

3 (b) Each transaction that involves an acquisition or a
4 transfer of a pecuniary interest in the racetrack association must
5 receive prior approval from the commission. A transaction that
6 changes the ownership of the racetrack association requires
7 submission of updated information of the type required to be
8 disclosed under Section 2025.052 and payment of a fee to recover the
9 costs of the criminal background check. (V.A.C.S. Art. 179e, Sec.
10 6.13.)

11 Sec. 2026.004. RACING LOCATION. (a) Except as provided by
12 this section, Section 2026.005, or Section 2025.103, a racetrack
13 association may not conduct horse racing or greyhound racing at any
14 place other than the place designated in the license.

15 (b) If the racetrack or enclosure designated in the license
16 becomes unsuitable for racing because of fire, flood, or other
17 catastrophe, the affected racetrack association, with the prior
18 approval of the commission, may conduct a race meeting or any
19 remaining portion of a meeting temporarily at any other racetrack
20 if the other racetrack license holder:

21 (1) is licensed by the commission to conduct the same
22 type of racing as may be conducted by the affected racetrack
23 association; and

24 (2) consents to the usage. (V.A.C.S. Art. 179e, Sec.
25 6.14(a).)

26 Sec. 2026.005. CHANGE OF RACING LOCATION. On request of a
27 racetrack association, the commission shall amend a racetrack

1 license to change the location of the racetrack if the commission
2 determines that:

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

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

7 (3) the racetrack association's desire to change
8 location is not the result of a subterfuge in the original licensing
9 proceeding. (V.A.C.S. Art. 179e, Sec. 6.14(d).)

10 Sec. 2026.006. LEASE OF RACETRACK PREMISES. (a) The
11 commission by rule may authorize a racetrack association, as
12 lessee, to contract for the lease of a racetrack and the surrounding
13 structures.

14 (b) The commission may not approve a lease if:

15 (1) the lease appears to be a subterfuge to evade
16 compliance with Section 2025.101 or 2025.201;

17 (2) the racetrack and surrounding structures do not
18 conform to the rules adopted under this subtitle; or

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

21 (c) Each lessor and lessee under this section must comply
22 with the disclosure requirements of Section 2025.052(a)(1). The
23 commission may not approve a lease if the lessor and lessee do not
24 provide the required information. (V.A.C.S. Art. 179e, Sec. 6.07.)

25 Sec. 2026.007. INAPPROPRIATE OR UNSAFE CONDITIONS;
26 ENFORCEMENT; RULES. (a) The executive director shall issue a
27 notice of violation to a racetrack association on a determination

1 that an inappropriate or unsafe condition exists at a racetrack.

2 (b) If the executive director determines that an
3 inappropriate or unsafe condition exists at the racetrack, the
4 executive director shall order the racetrack association to take
5 action within a specified period to remedy the inappropriate or
6 unsafe condition. In determining the period for compliance, the
7 executive director shall consider:

8 (1) the nature and severity of the problem; and

9 (2) the threat to the health, safety, and welfare of
10 race participants, patrons, and animals.

11 (c) The commission by rule shall require a report of any
12 corrective action taken by a racetrack association in response to
13 an order of the executive director under Subsection (b).

14 (d) If a racetrack association fails to take action as
15 required under Subsection (b), the executive director shall
16 initiate an enforcement action against the racetrack association.
17 The executive director may rescind any live or simulcast race date
18 of a racetrack association that does not take corrective action
19 within the period set by the executive director.

20 (e) The commission shall adopt rules implementing this
21 section, including rules:

22 (1) requiring the report and correction of:

23 (A) an inappropriate condition on the premises of
24 a racetrack, including a failure to properly maintain the premises,
25 that interferes with the administration of this subtitle; and

26 (B) a condition on the premises that makes the
27 premises unsafe for a race participant, patron, or animal; and

1 (2) determining the methods and manner by which the
2 executive director may determine and remedy inappropriate or unsafe
3 conditions on the premises, including the methods and manner in
4 which the executive director may conduct inspections of the
5 premises and remedy emergency situations.

6 (f) The commission shall adopt rules relating to the
7 commission's review of an action taken under this section by the
8 executive director. A review procedure adopted under this
9 subsection must be consistent with Chapter 2001, Government Code.
10 (V.A.C.S. Art. 179e, Sec. 6.061.)

11 Sec. 2026.008. SUPERVISION OF CONSTRUCTION, RENOVATION,
12 AND MAINTENANCE; ENFORCEMENT. (a) The commission shall adopt a
13 method of supervising and approving the construction, renovation,
14 or maintenance of any building or improvement on the premises of a
15 racetrack.

16 (b) The commission shall adopt rules relating to:
17 (1) the approval of plans and specifications;
18 (2) the contents of plans and specifications;
19 (3) the maintenance of records to ensure compliance
20 with approved plans and specifications;
21 (4) the content and filing of construction progress
22 reports by the racetrack association to the commission;
23 (5) the inspection by the commission or others;
24 (6) the method for making a change or amendment to an
25 approved plan or specification; and
26 (7) any other method of supervision or oversight
27 necessary.

1 (c) If the commission has grounds to believe that a
2 racetrack association has failed to comply with the requirements of
3 this section, a representative of the racetrack association shall
4 appear before the commission to consider the issue of compliance
5 with rules adopted under this section.

6 (d) Before a building or improvement may be used by a
7 racetrack association, the commission shall determine whether:

8 (1) the construction, renovation, or maintenance of
9 the building or improvement was completed in accordance with the
10 approved plans and specifications; and

11 (2) other commission requirements were met.

12 (e) If the commission determines that the racetrack
13 association failed to comply with a requirement of this section or a
14 rule adopted under this section, the commission shall initiate an
15 enforcement action against the racetrack association. In addition
16 to any other authorized enforcement action, the commission may
17 rescind any live or simulcast race date of any racetrack
18 association that has failed to comply with the requirements of this
19 section. (V.A.C.S. Art. 179e, Sec. 6.062.)

20 Sec. 2026.009. RACETRACK SECURITY. A horse racetrack
21 association shall provide adequate security at the racetrack
22 association's racetrack to ensure the safety of the spectators,
23 employees, and animals. (V.A.C.S. Art. 179e, Sec. 9.07.)

24 Sec. 2026.010. KENNELS. (a) Each greyhound racetrack
25 association shall:

26 (1) contract for a maximum of 18 kennels; and

27 (2) provide free kennel rent and schooling.

1 (b) In contracting with kennel owners for a racetrack, a
2 racetrack association shall ensure that at least 50 percent of the
3 kennels with which the racetrack association contracts are wholly
4 owned by residents of this state.

5 (c) For purposes of this section, "residents of this state"
6 are individuals who have resided in Texas for the five-year period
7 preceding the date the kennel contract is signed. (V.A.C.S. Art.
8 179e, Secs. 10.03, 10.06.)

9 Sec. 2026.011. AUTOMOBILE RACING FACILITY PROHIBITED NEAR
10 RACETRACK IN CERTAIN COUNTIES. An automobile racing facility may
11 not be located within 10,000 feet of a horse or greyhound racetrack
12 that is located in a county with a population of 1.8 million or
13 more. (V.A.C.S. Art. 179e, Sec. 11.10.)

14 Sec. 2026.012. OTHER LAWFUL BUSINESSES AUTHORIZED. A
15 racetrack association may conduct other lawful business on the
16 racetrack association's grounds. (V.A.C.S. Art. 179e, Sec. 18.03.)

17 Sec. 2026.013. EMPLOYEE COMPLIANCE. (a) A racetrack is
18 responsible for ensuring that the racetrack's employees comply with
19 this subtitle and commission rules.

20 (b) The commission may impose disciplinary action against a
21 racetrack for violations of this subtitle and commission rules by
22 the racetrack's employees as provided by Section 2025.202.
23 (V.A.C.S. Art. 179e, Sec. 7.01(c).)

24 SUBCHAPTER B. EXCLUSION OR EJECTION FROM RACETRACK

25 Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR
26 EJECTION. The commission shall adopt rules providing for the
27 exclusion or ejection from an enclosure where horse or greyhound

1 races are conducted, or from specified portions of an enclosure, of
2 a person:

3 (1) who has engaged in bookmaking, touting, or illegal
4 wagering;

5 (2) whose income is from illegal activities or
6 enterprises;

7 (3) who has been convicted of a violation of this
8 subtitle;

9 (4) who has been convicted of theft;

10 (5) who has been convicted under the penal law of
11 another jurisdiction for committing an act that would have
12 constituted a violation of any rule described in this section;

13 (6) who has committed a corrupt or fraudulent act in
14 connection with horse or greyhound racing or pari-mutuel wagering
15 or who has committed any act tending or intended to corrupt horse or
16 greyhound racing or pari-mutuel wagering;

17 (7) who is under suspension or has been excluded or
18 ejected from a racetrack by the commission or a steward in this
19 state or by a corresponding authority in another state because of
20 corrupt or fraudulent practices or other acts detrimental to
21 racing;

22 (8) who has submitted a forged pari-mutuel ticket or
23 has altered or forged a pari-mutuel ticket for cashing or who has
24 cashed or caused to be cashed an altered, raised, or forged
25 pari-mutuel ticket;

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

1 (10) who is guilty of boisterous or disorderly conduct
2 while inside an enclosure;

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

5 (12) who has been convicted of a felony. (V.A.C.S.
6 Art. 179e, Sec. 13.01.)

7 Sec. 2026.052. EXCLUSION OR EJECTION FROM ENCLOSURE;
8 HEARING; APPEAL. (a) A person who is excluded or ejected from an
9 enclosure under a commission rule may apply to the commission for a
10 hearing on the question of the applicability of the rule to that
11 person.

12 (b) An application for a hearing under Subsection (a)
13 constitutes a contested case under Chapter 2001, Government Code.
14 If, after a hearing as provided under Subchapter C of that chapter,
15 the commission determines that the exclusion or ejection was
16 proper:

17 (1) the commission shall issue an order to that effect
18 and enter the order in the commission's minutes; and

19 (2) the person shall continue to be excluded from each
20 racetrack association's enclosure.

21 (c) A person excluded or ejected may appeal an adverse
22 decision of the commission by filing a petition for judicial review
23 in the manner provided by Subchapter G, Chapter 2001, Government
24 Code. Venue for the review is in a district court in Travis County.

25 (d) The judgment of the court may be appealed as in other
26 civil cases. The person appealing the commission's ruling under
27 this subtitle shall continue to be excluded from all enclosures in

1 this state during the pendency of the appeal. (V.A.C.S. Art. 179e,
2 Secs. 13.02(a), (b), (c) (part), (d).)

3 Sec. 2026.053. EXCLUSION OR EJECTION BY RACETRACK
4 ASSOCIATION. This subtitle does not prohibit a racetrack
5 association from excluding or ejecting a person from the racetrack
6 association's enclosure for any lawful reason. (V.A.C.S. Art. 179e,
7 Sec. 13.04.)

8 Sec. 2026.054. CRIMINAL TRESPASS AT ENCLOSURE. A person,
9 for the purposes of Section 30.05, Penal Code, is presumed to have
10 received notice that entry to an enclosure was forbidden if the
11 person:

12 (1) was excluded or ejected from the enclosure under
13 this subchapter;

14 (2) possessed, displayed, or used in the enclosure a
15 credential that the person was not authorized to use; or

16 (3) entered the enclosure using a falsified
17 credential. (V.A.C.S. Art. 179e, Sec. 13.03.)

18 SUBCHAPTER C. CLASSIFICATION OF HORSE RACETRACKS

19 Sec. 2026.101. CLASSIFICATION. A horse racetrack is
20 classified as:

21 (1) a class 1 racetrack;

22 (2) a class 2 racetrack;

23 (3) a class 3 racetrack; or

24 (4) a class 4 racetrack. (V.A.C.S. Art. 179e, Sec.
25 6.02(a).)

26 Sec. 2026.102. CLASS 1 RACETRACK. (a) A class 1 racetrack
27 is a racetrack on which live racing is conducted for a number of

1 days in a calendar year, as determined by the commission under
2 Subchapter A, Chapter 2029.

3 (b) A class 1 racetrack may operate only in a county with a
4 population of not less than 1.3 million, or in a county adjacent to
5 such a county.

6 (c) Not more than three class 1 racetracks may be licensed
7 and operated in this state. (V.A.C.S. Art. 179e, Sec. 6.02(b).)

8 Sec. 2026.103. CLASS 2 RACETRACK. (a) A class 2 racetrack
9 is a racetrack on which live racing is conducted for a number of
10 days, as determined by the commission under Subchapter A, Chapter
11 2029.

12 (b) A class 2 racetrack is entitled to conduct 60 days of
13 live racing in a calendar year. A racetrack association may request
14 additional or fewer days of live racing. If, after receipt of a
15 request from a racetrack association, the commission determines
16 additional or fewer days to be economically feasible and in the best
17 interest of this state and the racing industry, the commission
18 shall grant the request.

19 (c) The commission may permit a racetrack association that
20 holds a class 2 racetrack license and that is located in a national
21 historic district to conduct horse races for more than 60 days in a
22 calendar year. (V.A.C.S. Art. 179e, Sec. 6.02(c).)

23 Sec. 2026.104. CLASS 3 RACETRACK. (a) A class 3 racetrack
24 is a racetrack operated by a county or a nonprofit fair under
25 Chapter 2032.

26 (b) A racetrack association that holds a class 3 racetrack
27 license and that conducted horse races in 1986 may conduct live

1 races for a number of days not to exceed 16 days in a calendar year
2 on the dates selected by the racetrack association. (V.A.C.S. Art.
3 179e, Sec. 6.02(d).)

4 Sec. 2026.105. CLASS 4 RACETRACK. (a) A class 4 racetrack
5 is a racetrack operated by a county fair under Section 2032.002.

6 (b) A racetrack association that holds a class 4 racetrack
7 license may conduct live races for a number of days not to exceed
8 five days in a calendar year on dates selected by the racetrack
9 association and approved by the commission. (V.A.C.S. Art. 179e,
10 Sec. 6.02(g).)

11 Sec. 2026.106. WAIVER OR DEFERRAL OF CERTAIN STANDARDS FOR
12 CLASS 4 RACETRACK. (a) In considering an application for a class 4
13 racetrack license, except as provided by Subsection (b), the
14 commission may waive or defer compliance with the commission's
15 standards regarding the physical facilities or operations of a
16 horse racetrack.

17 (b) The commission may not waive or defer compliance with
18 standards that relate to the testing of horses or license holders
19 for the presence of a prohibited substance, including a prohibited
20 drug or chemical.

21 (c) If the commission defers compliance, the commission
22 shall, when granting the application, establish a schedule under
23 which the license holder must comply with the standards. (V.A.C.S.
24 Art. 179e, Sec. 6.04(d).)

25 Sec. 2026.107. CALCULATION OF LIVE AND SIMULCAST RACE
26 DATES. (a) For purposes of this subchapter, live race dates are
27 counted separately from the dates on which the racetrack

1 association presents simulcast races.

2 (b) The number of race dates allowed under this subchapter
3 relates only to live race dates. A racetrack may present simulcast
4 races on other dates as approved by the commission. (V.A.C.S. Art.
5 179e, Secs. 6.02(e), (f).)

6 SUBCHAPTER D. CONCESSION, MANAGEMENT, OR TOTALISATOR CONTRACTS;
7 SECURITY PLANS

8 Sec. 2026.151. COMMISSION APPROVAL REQUIRED. (a) All
9 concession, management, and totalisator contracts submitted by an
10 applicant under Section 2025.054 must have the prior approval of
11 the commission.

12 (b) The commission shall refuse to approve a concession or
13 management contract if, in the sole discretion of the commission,
14 the background checks conducted under Section 2025.056 reveal
15 anything that might be detrimental to the public interest or the
16 racing industry. (V.A.C.S. Art. 179e, Secs. 6.03(a) (part), 6.031
17 (part).)

18 Sec. 2026.152. COMMISSION REVIEW OF SECURITY PLANS AND
19 CERTAIN CONTRACTS. (a) On receipt of a plan for the security of a
20 racetrack, or a copy of a concession, management, or totalisator
21 contract for review under Section 2026.151, the commission shall
22 review the security plan or contract in an executive session.
23 Documents submitted by an applicant to the commission under this
24 section or Section 2025.052 or 2025.054 are subject to discovery in
25 a suit brought under this subtitle but are not public records and
26 are not subject to Chapter 552, Government Code.

27 (b) In reviewing and approving contracts under Subsection

1 (a), the commission shall attempt to ensure the involvement of
2 minority-owned businesses whenever possible. (V.A.C.S. Art. 179e,
3 Sec. 6.03(b).)

4 Sec. 2026.153. MANAGEMENT CONTRACT: REQUIREMENTS AND
5 LIMITATIONS. (a) A person awarded a management contract to
6 operate a racetrack must meet all of the requirements for a license
7 under Sections 2025.101 and 2025.201.

8 (b) The commission may not approve a management contract to
9 operate or manage a racetrack owned by a governmental entity unless
10 the racetrack license holder is an owner of the entity that proposes
11 to manage the racetrack. (V.A.C.S. Art. 179e, Secs. 6.06(g),
12 7.02(e).)

13 CHAPTER 2027. WAGERING

14 SUBCHAPTER A. PARI-MUTUEL WAGERING

15 Sec. 2027.001. PARI-MUTUEL WAGERING RULES

16 Sec. 2027.002. WAGERING RESTRICTIONS

17 Sec. 2027.003. WAGERING COMPUTATION EQUIPMENT

18 Sec. 2027.004. AUTOMATED TELLER MACHINES: RULES,
19 LIMITATIONS, AND FEES

20 Sec. 2027.005. TICKET INFORMATION RULES

21 Sec. 2027.006. CLAIM AFTER RACE MEETING

22 SUBCHAPTER B. SIMULCAST WAGERING

23 Sec. 2027.051. SIMULCAST WAGERING RULES

24 Sec. 2027.052. CONSTRUCTION OF LAWS RELATED TO
25 SIMULCAST RACES

26 Sec. 2027.053. COMMISSION APPROVAL REQUIRED FOR
27 PARI-MUTUEL POOL INCLUSION

1 Sec. 2027.054. REQUIREMENTS AND LIMITATIONS ON
2 SIMULCAST RACES

3 Sec. 2027.055. CONTRACT REQUIRED FOR SIMULCAST RACES

4 Sec. 2027.056. SIMULCAST CONTRACT TERMS AND
5 ARBITRATION

6 SUBCHAPTER C. WAGERING PROHIBITIONS

7 Sec. 2027.101. RULES PROHIBITING WAGERING BY MINOR AND
8 VIEWING BY UNACCOMPANIED CHILD

9 Sec. 2027.102. UNLAWFUL WAGERING

10 CHAPTER 2027. WAGERING

11 SUBCHAPTER A. PARI-MUTUEL WAGERING

12 Sec. 2027.001. PARI-MUTUEL WAGERING RULES. (a) The
13 commission shall adopt rules to regulate wagering on horse races
14 and greyhound races under the system known as pari-mutuel wagering.

15 (b) Rules adopted under this subtitle must include rules to:

16 (1) regulate wagering by a person licensed under this
17 subtitle;

18 (2) prohibit wagering by a commission employee;

19 (3) prohibit a racetrack association from accepting a
20 wager made by telephone; and

21 (4) prohibit a racetrack association from accepting a
22 wager made on credit.

23 (c) Commission rules adopted under this subtitle must be
24 written and updated to ensure maximum enforceability. (V.A.C.S.
25 Art. 179e, Secs. 11.01(a) (part), (b), 11.04(a) (part), (b), (c)
26 (part).)

27 Sec. 2027.002. WAGERING RESTRICTIONS. (a) Wagering may be

1 conducted only by a racetrack association within the racetrack
2 association's enclosure.

3 (b) A person may not accept, in person, by telephone, or
4 over the Internet, a wager for a horse or greyhound race conducted
5 inside or outside this state from a person in this state unless the
6 wager is authorized under this subtitle.

7 (c) Only a person inside an 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 a racetrack association in
10 accordance with commission rules.

11 (d) Except as provided by Subsection (c), a person may not
12 place, in person, by telephone, or over the Internet, a wager for a
13 horse or greyhound race conducted inside or outside this state.
14 (V.A.C.S. Art. 179e, Secs. 11.01(a) (part), 11.04(a) (part).)

15 Sec. 2027.003. WAGERING COMPUTATION EQUIPMENT.

16 (a) Wagering authorized under this chapter may be calculated only
17 by state-of-the-art computational equipment approved by the
18 commission.

19 (b) The commission may not require the use of a particular
20 make of equipment. (V.A.C.S. Art. 179e, Sec. 11.02.)

21 Sec. 2027.004. AUTOMATED TELLER MACHINES: RULES,
22 LIMITATIONS, AND FEES. (a) The commission shall:

23 (1) adopt rules providing for the use of automated
24 teller machines in an enclosure; and

25 (2) limit the use of automated teller machines by
26 allowing a person access only to the person's checking account at a
27 bank or other financial institution.

1 (b) A racetrack association that allows an automated teller
2 machine in an enclosure as provided by Subsection (a) shall collect
3 a fee of \$1 for each transaction authorized under that subsection
4 and forward the fee to the commission.

5 (c) The commission shall:

6 (1) adopt rules providing for collection, reporting,
7 and auditing of the transaction fee authorized under Subsection
8 (b); and

9 (2) deposit the fee collected under Subsection (b) to
10 the credit of the general revenue fund. (V.A.C.S. Art. 179e, Secs.
11 11.04(c) (part), (e).)

12 Sec. 2027.005. TICKET INFORMATION RULES. The commission by
13 rule shall prescribe the information to be printed on each
14 pari-mutuel ticket. (V.A.C.S. Art. 179e, Sec. 11.03.)

15 Sec. 2027.006. CLAIM AFTER RACE MEETING. (a) A person who
16 claims to be entitled to any part of a distribution from a
17 pari-mutuel pool may, not later than the first anniversary of the
18 day the ticket was purchased, file with the appropriate racetrack
19 association a claim for the money accompanied by a substantial
20 portion of the pari-mutuel ticket sufficient to identify the
21 racetrack association, race, horse or greyhound involved, amount
22 wagered, and type of ticket.

23 (b) A person who claims to be entitled to money from a
24 pari-mutuel voucher may before the first anniversary of the day the
25 voucher was issued file with the appropriate racetrack association
26 a claim for the money accompanied by a substantial portion of the
27 pari-mutuel voucher sufficient to identify the racetrack

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

2 (c) If the claimant satisfactorily establishes a right to
3 distribution from a pari-mutuel pool, the racetrack association
4 shall pay the amount due the claimant.

5 (d) If the racetrack association refuses to pay a claimant
6 who has established satisfactorily a right to distribution from a
7 pari-mutuel pool, the claimant may appeal to the commission under
8 procedures prescribed by commission rule. (V.A.C.S. Art. 179e, Sec.
9 11.07.)

10 SUBCHAPTER B. SIMULCAST WAGERING

11 Sec. 2027.051. SIMULCAST WAGERING RULES. The commission
12 shall adopt rules to license and regulate pari-mutuel wagering on:

13 (1) races conducted in this state and simulcast to
14 in-state racetrack associations or out-of-state receiving
15 locations; and

16 (2) races conducted out-of-state and simulcast to
17 in-state racetrack associations. (V.A.C.S. Art. 179e, Sec.
18 11.011(a).)

19 Sec. 2027.052. CONSTRUCTION OF LAWS RELATED TO SIMULCAST
20 RACES. (a) This subtitle may not be construed to allow wagering in
21 this state on simulcast races at any location other than a racetrack
22 licensed under this subtitle that has been granted live race dates
23 by the commission.

24 (b) This subtitle may not be construed to prohibit wagering
25 on:

26 (1) a simulcast horse race at a greyhound racetrack in
27 this state; or

1 (2) a simulcast greyhound race at a horse racetrack in
2 this state. (V.A.C.S. Art. 179e, Secs. 11.011(f), (g) (part).)

3 Sec. 2027.053. COMMISSION APPROVAL REQUIRED FOR
4 PARI-MUTUEL POOL INCLUSION. (a) With commission approval:

5 (1) wagers accepted on a simulcast race by any
6 out-of-state receiving location may be included in the pari-mutuel
7 pool for the race at the sending in-state racetrack association;
8 and

9 (2) wagers accepted by an in-state racetrack
10 association on a race simulcast from out-of-state may be included
11 in the pari-mutuel pools for the race at the out-of-state sending
12 track.

13 (b) The commission may adopt rules necessary to facilitate
14 the interstate commingling of pari-mutuel pools as provided by
15 Subsection (a).

16 (c) The racetrack where the wager is made is responsible for
17 reporting and remitting this state's share of the pari-mutuel pool.
18 (V.A.C.S. Art. 179e, Secs. 11.011(b), (c), (d), (e).)

19 Sec. 2027.054. REQUIREMENTS AND LIMITATIONS ON SIMULCAST
20 RACES. (a) A horse racetrack may not be required to accept a
21 greyhound simulcast signal. A horse racetrack that offers wagering
22 on interstate greyhound simulcast races must offer wagering on all
23 Texas greyhound races made available for simulcast wagering.

24 (b) A greyhound racetrack may not be required to accept a
25 horse simulcast signal. A greyhound racetrack that offers wagering
26 on interstate horse simulcast races must offer wagering on all
27 Texas horse races made available for simulcast wagering.

1 (c) The commission may not approve wagering on an interstate
2 simulcast race unless the receiving location consents to wagering
3 on interstate simulcast races at all other receiving locations in
4 this state. (V.A.C.S. Art. 179e, Secs. 11.011(g) (part), (j), (m).)

5 Sec. 2027.055. CONTRACT REQUIRED FOR SIMULCAST RACES.

6 (a) Except as provided by this subchapter, a horse racetrack may
7 offer wagering on interstate greyhound race simulcast signals only
8 as provided by a contract with the nearest greyhound racetrack. If
9 an agreement between the racetracks cannot be reached by October 1
10 of the year preceding the calendar year in which the simulcasting is
11 to occur, the horse racetrack may purchase and offer wagering on
12 greyhound race simulcast signals and shall pay to the nearest
13 greyhound racetrack the amounts specified under Section
14 2028.202(c)(1).

15 (b) Except as provided by this subchapter, a greyhound
16 racetrack may offer wagering on interstate horse race simulcast
17 signals only as provided by a contract with the nearest Class 1
18 horse racetrack. If an agreement between the racetracks cannot be
19 reached by October 1 of the year preceding the calendar year in
20 which the simulcasting is to occur, the greyhound racetrack may
21 purchase and offer wagering on interstate horse race simulcast
22 signals and shall pay to the nearest Class 1 horse racetrack the
23 amounts specified in Section 2028.202(b)(1).

24 (c) Wagering on a simulcast greyhound race at a horse
25 racetrack that conducted its inaugural meet within 12 months of
26 September 1, 1997, or at an operational horse racetrack within 60
27 miles of that racetrack may be conducted only in accordance with an

1 agreement between the racetracks. (V.A.C.S. Art. 179e, Secs.
2 11.011(h), (i), (k).)

3 Sec. 2027.056. SIMULCAST CONTRACT TERMS AND ARBITRATION.

4 (a) Notwithstanding any other provisions of law, a greyhound
5 racetrack association and the state greyhound breed registry shall
6 by contract agree that each simulcast contract to which the
7 greyhound racetrack association is a party, including a simulcast
8 contract with a horse racetrack association or with another
9 greyhound racetrack association, include terms that provide
10 adequately for:

11 (1) the development of greyhound racing, breeding, and
12 purses; and

13 (2) any actual or potential loss of live racing handle
14 based on the racetrack association's historical live racing
15 schedule and handle in this state.

16 (b) If a greyhound racetrack association and the state
17 greyhound breed registry fail to reach an agreement under
18 Subsection (a), the racetrack association or the breed registry may
19 submit the contract negotiations for binding arbitration under
20 Chapter 171, Civil Practice and Remedies Code, and commission
21 rules.

22 (c) The arbitration must be conducted by a board of three
23 arbitrators as follows:

24 (1) one arbitrator appointed by the greyhound
25 racetrack association;

26 (2) one arbitrator appointed by the state greyhound
27 breed registry; and

1 (3) one arbitrator appointed by the arbitrators
2 appointed under Subdivisions (1) and (2).

3 (d) A greyhound racetrack association and the state
4 greyhound breed registry shall each pay its own arbitration
5 expenses. The greyhound racetrack association and the state
6 greyhound breed registry shall equally pay the arbitrator fees and
7 costs. (V.A.C.S. Art. 179e, Sec. 11.011(1) (part).)

8 SUBCHAPTER C. WAGERING PROHIBITIONS

9 Sec. 2027.101. RULES PROHIBITING WAGERING BY MINOR AND
10 VIEWING BY UNACCOMPANIED CHILD. (a) The commission shall adopt
11 rules to prohibit:

- 12 (1) wagering by a minor; and
13 (2) a child from entering the viewing section of a
14 racetrack unless accompanied by the child's parent or guardian.

15 (b) The rules adopted under Subsection (a) may except any
16 conduct described as an affirmative defense by Section 2033.017.
17 (V.A.C.S. Art. 179e, Sec. 11.06.)

18 Sec. 2027.102. UNLAWFUL WAGERING. (a) A person may not
19 wager on the result of a horse or greyhound race in this state
20 except as authorized by this subtitle.

21 (b) A person other than a racetrack association may not
22 accept from a Texas resident while the resident is in this state a
23 wager on the result of a horse or greyhound race conducted inside or
24 outside this state. (V.A.C.S. Art. 179e, Sec. 11.05.)

- 1 CHAPTER 2028. PARI-MUTUEL POOLS, PURSES, AND FEES
- 2 SUBCHAPTER A. COMMISSION OVERSIGHT OF PARI-MUTUEL RACING FUNDS
- 3 Sec. 2028.001. ADOPTION OF REQUIREMENTS OR OTHER
- 4 PERFORMANCE MEASURES
- 5 Sec. 2028.002. INDEPENDENT AUDIT REPORT; RECORDS
- 6 REVIEW
- 7 Sec. 2028.003. SUSPENSION AND WITHHOLDING OF FUNDS
- 8 SUBCHAPTER B. GENERAL DEDUCTIONS FROM LIVE PARI-MUTUEL POOL
- 9 Sec. 2028.051. SET-ASIDE FROM LIVE PARI-MUTUEL POOL
- 10 SUBCHAPTER C. DISPOSITION OF HORSE PARI-MUTUEL POOLS AND OTHER
- 11 AMOUNTS RELATED TO HORSE RACING
- 12 Sec. 2028.101. DEDUCTIONS FROM HORSE PARI-MUTUEL POOLS
- 13 Sec. 2028.102. HORSE RACETRACK ASSOCIATION SET-ASIDES
- 14 FOR PURSES; PURSE ACCOUNTS
- 15 Sec. 2028.103. SET-ASIDE FOR TEXAS-BRED PROGRAM
- 16 Sec. 2028.104. RACETRACK ASSOCIATION COMMISSION
- 17 Sec. 2028.105. ALLOCATION OF BREAKAGE
- 18 Sec. 2028.106. LIMITATION ON PURSE DEDUCTION
- 19 Sec. 2028.107. LIMITATION ON INCENTIVES AWARDED TO
- 20 CERTAIN HORSES
- 21 SUBCHAPTER D. DISPOSITION OF GREYHOUND PARI-MUTUEL POOLS AND OTHER
- 22 AMOUNTS RELATED TO GREYHOUND RACING
- 23 Sec. 2028.151. APPLICATION OF SUBCHAPTER
- 24 Sec. 2028.152. DISTRIBUTION OF PARI-MUTUEL POOL
- 25 Sec. 2028.153. STATE FEE
- 26 Sec. 2028.154. BREAKAGE
- 27 Sec. 2028.155. ALLOCATION OF PURSE IN GREYHOUND RACES

1 SUBCHAPTER E. DISTRIBUTION OF SIMULCAST PARI-MUTUEL POOLS

2 Sec. 2028.201. RULES

3 Sec. 2028.202. REQUIRED DISTRIBUTIONS

4 Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL COST

5 Sec. 2028.204. ALLOCATION OF ESCROWED PURSES

6 Sec. 2028.205. ADDITIONAL ALLOCATIONS FOR CERTAIN

7 RACETRACKS

8 Sec. 2028.206. HOST FEE

9 SUBCHAPTER F. COUNTY AND MUNICIPAL FEES

10 Sec. 2028.251. ADMISSION FEES AUTHORIZED

11 Sec. 2028.252. ADDITIONAL FEES FOR CERTAIN COUNTIES

12 Sec. 2028.253. PROCEDURES FOR FEE COLLECTION

13 Sec. 2028.254. OTHER FEES AND TAXES PROHIBITED

14 CHAPTER 2028. PARI-MUTUEL POOLS, PURSES, AND FEES

15 SUBCHAPTER A. COMMISSION OVERSIGHT OF PARI-MUTUEL RACING FUNDS

16 Sec. 2028.001. ADOPTION OF REQUIREMENTS OR OTHER
17 PERFORMANCE MEASURES. (a) For any organization that receives
18 funds generated by live or simulcast pari-mutuel racing, the
19 commission shall adopt reporting, monitoring, and auditing
20 requirements or other appropriate performance measures for:

21 (1) any funds distributed to or used by the
22 organization; and

23 (2) any function or service provided by the
24 expenditure of the funds described by Subdivision (1).

25 (b) The commission shall adopt the requirements or
26 performance measures after consultation with the affected
27 organization. In adopting the rules, the commission shall consider

1 the concerns of the affected organization. (V.A.C.S. Art. 179e,
2 Secs. 6.092(a), (b).)

3 Sec. 2028.002. INDEPENDENT AUDIT REPORT; RECORDS REVIEW.

4 (a) An organization that receives funds generated by live or
5 simulcast pari-mutuel racing shall annually file with the
6 commission a copy of an audit report prepared by an independent
7 certified public accountant. The audit must include a verification
8 of any performance report sent to or required by the commission.

9 (b) The commission may review any record or book of an
10 organization that submits an independent audit to the commission as
11 the commission determines necessary to confirm or further
12 investigate the findings of an audit or report. (V.A.C.S. Art.
13 179e, Secs. 6.092(c), (d).)

14 Sec. 2028.003. SUSPENSION AND WITHHOLDING OF FUNDS. The
15 commission by rule may suspend or withhold funds from an
16 organization:

17 (1) that the commission determines has failed to
18 comply with the requirements or performance measures adopted under
19 Section 2028.001; or

20 (2) for which material questions on the use of funds by
21 the organization are raised following an independent audit or other
22 report to the commission. (V.A.C.S. Art. 179e, Sec. 6.092(e).)

23 SUBCHAPTER B. GENERAL DEDUCTIONS FROM LIVE PARI-MUTUEL POOL

24 Sec. 2028.051. SET-ASIDE FROM LIVE PARI-MUTUEL POOL. A
25 horse or greyhound racetrack association shall set aside for this
26 state from each live pari-mutuel pool at the racetrack an amount
27 equal to:

- 1 (1) 18 percent from a regular wagering pool;
2 (2) 21 percent from a multiple two wagering pool; and
3 (3) 25 percent from a multiple three wagering pool.
4 (V.A.C.S. Art. 179e, Sec. 6.08(a).)

5 Sec. 2028.102. HORSE RACETRACK ASSOCIATION SET-ASIDES FOR
6 PURSES; PURSE ACCOUNTS. (a) A horse racetrack association shall
7 set aside for purses an amount not less than:

8 (1) for live pari-mutuel pools:

9 (A) seven percent of a live regular wagering pool
10 or live multiple two wagering pool; and

11 (B) 8.5 percent of a live multiple three wagering
12 pool; and

13 (2) for simulcast pari-mutuel pools from the takeout
14 of the sending track:

15 (A) 38.8 percent of the regular wagering pool;

16 (B) 33.3 percent of the multiple two wagering
17 pool; and

18 (C) 34 percent of the multiple three wagering
19 pool.

20 (b) If the cost of the simulcast signal exceeds five percent
21 of the simulcast handle, the receiving horse racetrack association
22 shall split the cost of the signal in excess of five percent evenly
23 with the horsemen's organization by allocating that cost against
24 the purse money derived from that simulcast signal.

25 (c) The horse racetrack association shall:

26 (1) transfer the amount set aside for purses from any
27 live and simulcast pool; and

1 (2) deposit the amounts in purse accounts maintained
2 by breed by the horsemen's organization in one or more federally
3 insured depositories.

4 (d) Legal title to purse accounts is vested in the
5 horsemen's organization. The horsemen's organization may contract
6 with a horse racetrack association to manage and control the purse
7 accounts and to make disbursements from the purse accounts:

8 (1) to an owner whose horse won a purse;

9 (2) to the horsemen's organization for the
10 organization's expenses; or

11 (3) for other disbursements as provided by contract
12 between the horsemen's organization and the horse racetrack
13 association.

14 (e) A horse racetrack association may pay a portion of the
15 revenue set aside under this section to an organization recognized
16 under Section 2023.051, as provided by a contract approved by the
17 commission. (V.A.C.S. Art. 179e, Sec. 6.08(b).)

18 Sec. 2028.103. SET-ASIDE FOR TEXAS-BRED PROGRAM. (a) A
19 horse racetrack association shall set aside for the Texas-bred
20 program an amount equal to one percent of a live multiple two
21 wagering pool and a live multiple three wagering pool. From the
22 set-aside amounts:

23 (1) two percent shall be set aside for purposes of
24 Subchapter F, Chapter 88, Education Code; and

25 (2) the remaining amount shall be allocated as
26 follows:

27 (A) 10 percent may be used by the appropriate

1 state horse breed registry for administration; and

2 (B) the remainder shall be used for awards.

3 (b) The amount set aside under Subsection (a) is in addition
4 to any money received from the breakage.

5 (c) The commission shall adopt rules relating to the
6 accounting, auditing, and distribution of all amounts set aside for
7 the Texas-bred program under this subchapter. (V.A.C.S. Art. 179e,
8 Secs. 6.08(d), (f), (g).)

9 Sec. 2028.104. RACETRACK ASSOCIATION COMMISSION. After
10 allocation of the amounts specified in Sections 2028.102 and
11 2028.103, the horse racetrack association shall retain as the
12 racetrack association's commission the remainder of the amount
13 deducted under Section 2028.101 from a regular wagering pool, a
14 multiple two wagering pool, or a multiple three wagering pool.
15 (V.A.C.S. Art. 179e, Sec. 6.08(e).)

16 Sec. 2028.105. ALLOCATION OF BREAKAGE. (a) A horse
17 racetrack association shall allocate two percent of the breakage
18 from a pari-mutuel pool for purposes of Subchapter F, Chapter 88,
19 Education Code. The remaining 98 percent of the breakage
20 constitutes "total breakage" and must be allocated as provided by
21 Subsections (b), (c), and (d).

22 (b) A horse racetrack association shall pay to the
23 commission for use by the appropriate state horse breed registry,
24 subject to commission rules, 10 percent of the total breakage from a
25 live pari-mutuel pool or a simulcast pari-mutuel pool. The
26 appropriate state horse breed registries are as follows:

27 (1) the Texas Thoroughbred Breeders Association for

1 Thoroughbred horses;

2 (2) the Texas Quarter Horse Association for quarter
3 horses;

4 (3) the Texas Appaloosa Horse Club for Appaloosa
5 horses;

6 (4) the Texas Arabian Breeders Association for Arabian
7 horses; and

8 (5) the Texas Paint Horse Breeders Association for
9 paint horses.

10 (c) A horse racetrack association shall retain 10 percent of
11 the total breakage from a live pari-mutuel pool or a simulcast
12 pari-mutuel pool to be used in stakes races restricted to
13 accredited Texas-bred horses.

14 (d) The appropriate state horse breed registry shall pay the
15 remaining 80 percent of the total breakage as follows:

16 (1) 40 percent to the owners of the accredited
17 Texas-bred horses that finish first, second, or third;

18 (2) 40 percent to the breeders of accredited
19 Texas-bred horses that finish first, second, or third; and

20 (3) 20 percent to the owner of the stallion standing in
21 this state at the time of conception whose Texas-bred get finish
22 first, second, or third.

23 (e) If a share of the breakage cannot be distributed to the
24 person entitled to the share, the appropriate state horse breed
25 registry shall retain that share.

26 (f) For purposes of this section:

27 (1) "Breeder" means a person who, according to the

1 rules of the appropriate state horse breed registry, is the breeder
2 of the accredited Texas-bred horse.

3 (2) "Stallion owner" means a person who is owner of
4 record, at the time of conception, of the stallion that sired the
5 accredited Texas-bred horse. (V.A.C.S. Art. 179e, Secs. 6.08(h),
6 (i), (j), (k) (part), (m).)

7 Sec. 2028.106. LIMITATION ON PURSE DEDUCTION. (a) In this
8 section, "horse owner" means a person who is owner of record of an
9 accredited Texas-bred horse at the time of a race.

10 (b) A horse racetrack association may not deduct or withhold
11 any percentage of a purse from the account into which the purse paid
12 to a horse owner is deposited for membership payments, dues,
13 assessments, or any other payments to an organization except an
14 organization chosen by the horse owner. (V.A.C.S. Art. 179e, Secs.
15 6.08(k) (part), (l).)

16 Sec. 2028.107. LIMITATION ON INCENTIVES AWARDED TO CERTAIN
17 HORSES. An accredited Texas-bred Thoroughbred or Arabian horse
18 described by Section 2021.003(50)(C) is eligible for one-half of
19 the incentives awarded under Sections 2028.103(a) and
20 2028.105(d)(2). The appropriate state horse breed registry shall
21 retain the remaining portion for general distribution at the same
22 meeting in accordance with Sections 2028.103(a) and 2028.105(d).
23 (V.A.C.S. Art. 179e, Sec. 6.08(n).)

24 SUBCHAPTER D. DISPOSITION OF GREYHOUND PARI-MUTUEL POOLS AND OTHER
25 AMOUNTS RELATED TO GREYHOUND RACING

26 Sec. 2028.151. APPLICATION OF SUBCHAPTER. The deductions
27 and allocations made under this subchapter apply to live

1 pari-mutuel pools. (V.A.C.S. Art. 179e, Sec. 6.09(e).)

2 Sec. 2028.152. DISTRIBUTION OF PARI-MUTUEL POOL. Each
3 greyhound racetrack association shall distribute all money
4 deposited in any pari-mutuel pool to the winning ticket holders who
5 present tickets for payment not later than the 60th day after the
6 closing day of the greyhound race meeting at which the pool was
7 formed less:

8 (1) an amount paid as a commission of 18 percent of the
9 total deposits in pools resulting from regular win, place, and show
10 wagering;

11 (2) an amount not to exceed 21 percent of the total
12 deposits in pools resulting from multiple two wagering; and

13 (3) an amount not to exceed 25 percent of the total
14 deposits in pools resulting from multiple three wagering. (V.A.C.S.
15 Art. 179e, Sec. 6.09(a).)

16 Sec. 2028.153. STATE FEE. On each racing day, a greyhound
17 racetrack association shall pay to the comptroller the fee due this
18 state. (V.A.C.S. Art. 179e, Sec. 6.09(c).)

19 Sec. 2028.154. BREAKAGE. (a) A greyhound racetrack
20 association shall pay 50 percent of the breakage to the appropriate
21 state greyhound breed registry. Of that breakage percentage:

22 (1) 25 percent is to be used in stakes races; and

23 (2) 25 percent of that total breakage from a live
24 pari-mutuel pool or a simulcast pari-mutuel pool is to be paid to
25 the commission for use by the state greyhound breed registry,
26 subject to commission rules.

27 (b) The commission by rule shall require the state greyhound

1 breed registry to award a grant, in an amount equal to two percent
2 of the money paid under Subsection (a)(2), to a person for the
3 rehabilitation of greyhounds or to locate homes for greyhounds.
4 (V.A.C.S. Art. 179e, Secs. 6.09(d), (f).)

5 Sec. 2028.155. ALLOCATION OF PURSE IN GREYHOUND RACES.

6 (a) The purse in a greyhound race may not be less than 4.7 percent
7 of the total deposited in each pari-mutuel pool.

8 (b) Of the portion of a purse allocated to a greyhound:

9 (1) 35 percent shall be paid directly to the greyhound
10 owner; and

11 (2) the balance shall be paid to the greyhound's
12 contract kennel as provided by commission rules. (V.A.C.S. Art.
13 179e, Sec. 6.11.)

14 SUBCHAPTER E. DISTRIBUTION OF SIMULCAST PARI-MUTUEL POOLS

15 Sec. 2028.201. RULES. The commission shall adopt rules
16 relating to this subchapter and the oversight of the amounts
17 allocated under Sections 2028.202(b) and (c). (V.A.C.S. Art. 179e,
18 Sec. 6.091(j).)

19 Sec. 2028.202. REQUIRED DISTRIBUTIONS. (a) A racetrack
20 association shall distribute from the total amount deducted as
21 provided by Sections 2028.101 and 2028.152 from each simulcast
22 pari-mutuel pool and each simulcast cross-species pari-mutuel pool
23 the following shares:

24 (1) an amount equal to one percent of each simulcast
25 pari-mutuel pool as the amount set aside for this state;

26 (2) an amount equal to 1.25 percent of each simulcast
27 cross-species pari-mutuel pool as the amount set aside for this

1 state;

2 (3) for a horse racetrack association, an amount equal
3 to one percent of a multiple two wagering pool or multiple three
4 wagering pool as the amount set aside for the Texas-bred program to
5 be used as provided by Section 2028.103;

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

12 (5) the remainder as the amount set aside for purses,
13 expenses, the sending track, and the receiving location under a
14 contract approved by the commission between the sending track and
15 the receiving location.

16 (b) From the total amount deducted under Subsection (a), a
17 greyhound racetrack association that receives an interstate
18 cross-species simulcast signal shall distribute the following
19 amounts from each pari-mutuel pool wagered on the signal at the
20 racetrack:

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

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

26 (3) a purse in the amount of 0.75 percent to be paid to
27 the official state horse breed registry for quarter horses for use

1 as purses at racetracks in this state; and

2 (4) a purse of 4.5 percent to be escrowed with the
3 commission for purses in the manner provided by Section 2028.204.

4 (c) From the total amount deducted under Subsection (a), a
5 horse racetrack association that receives an interstate
6 cross-species simulcast signal shall distribute the following
7 amounts from each pool wagered on the signal at the racetrack:

8 (1) a fee of 1.5 percent to be paid to the racetrack in
9 this state sending the signal; and

10 (2) a purse in the amount of 5.5 percent to be paid to
11 the official state greyhound breed registry for use at racetracks
12 in this state.

13 (d) The official state greyhound breed registry may use not
14 more than 20 percent of the amount described by Subsection (c)(2) to
15 administer that subsection.

16 (e) A racetrack association offering wagering on an
17 intrastate cross-species simulcast signal shall send the purse
18 amount specified under Subsection (b)(4) or (c)(2), as appropriate,
19 to the racetrack conducting the live race that is being simulcast.
20 (V.A.C.S. Art. 179e, Secs. 6.091(a), (c), (d), (h).)

21 Sec. 2028.203. REIMBURSEMENT FOR SIMULCAST SIGNAL COST. If
22 a racetrack association purchases an interstate simulcast signal
23 and the signal cost exceeds five percent of the pari-mutuel pool,
24 the commission, from the escrowed purse account under Section
25 2028.202(b)(4), shall reimburse the racetrack association an
26 amount equal to one-half of the signal cost that exceeds five
27 percent of the pari-mutuel pool. (V.A.C.S. Art. 179e, Sec.

1 6.091(g).)

2 Sec. 2028.204. ALLOCATION OF ESCROWED PURSES. (a) A
3 greyhound racetrack association shall deposit into an escrow
4 account in the commission's registry the purse set aside under
5 Section 2028.202(b)(4).

6 (b) Any horse racetrack association in this state may apply
7 to the commission for receipt of all or part of the escrowed purse
8 account for use as purses. The commission shall determine the horse
9 racetrack associations to be allocated money from the escrowed
10 purse account and the percentages to be allocated, taking into
11 consideration purse levels, racing opportunities, and the
12 financial status of the requesting racetrack association.
13 (V.A.C.S. Art. 179e, Sec. 6.091(e) (part).)

14 Sec. 2028.205. ADDITIONAL ALLOCATIONS FOR CERTAIN
15 RACETRACKS. (a) In addition to money allocated under Section
16 2028.204, a horse racetrack association operating a racetrack that
17 is located not more than 75 miles from a greyhound racetrack that
18 offers wagering on a cross-species simulcast signal and that sends
19 the cross-species simulcast signal to the greyhound racetrack may
20 apply to the commission for an allocation of up to 20 percent of the
21 money in the escrowed purse account that is attributable to the
22 wagering on a cross-species simulcast signal at the greyhound
23 racetrack.

24 (b) If the applying horse racetrack association can prove to
25 the commission's satisfaction that the racetrack association's
26 handle has decreased directly due to wagering on an interstate
27 cross-species simulcast signal at a greyhound racetrack located not

1 more than 75 miles from the applying racetrack association, the
2 commission shall allocate amounts from the escrowed purse account
3 as the commission considers appropriate to compensate the racetrack
4 association for the decrease. The amounts allocated may not exceed
5 20 percent of the money in the escrowed purse account that is
6 attributable to the wagering on the interstate cross-species
7 simulcast signal at the greyhound racetrack.

8 (c) Money allocated by the commission under this section may
9 be used by the racetrack association for any purpose. (V.A.C.S.
10 Art. 179e, Sec. 6.091(f).)

11 Sec. 2028.206. HOST FEE. A racetrack association
12 conducting a live race that is being simulcast may charge the
13 receiving racetrack a host fee in addition to the amounts described
14 in this subchapter. (V.A.C.S. Art. 179e, Sec. 6.091(i).)

15 SUBCHAPTER F. COUNTY AND MUNICIPAL FEES

16 Sec. 2028.251. ADMISSION FEES AUTHORIZED. (a) A
17 commissioners court may collect a fee not to exceed 15 cents as an
18 admission fee to a racetrack located in the county.

19 (b) If the racetrack is located in a municipality, the
20 governing body of the municipality may collect a fee not to exceed
21 15 cents as an admission fee to the racetrack.

22 (c) If the racetrack is not located in a municipality, the
23 commissioners court may collect an additional fee not to exceed 15
24 cents as an admission fee to a racetrack located in the county for
25 allocation among the municipalities in the county.

26 (d) If the racetrack is not located in a municipality, the
27 commissioners court on request of the governing bodies of a

1 majority of the municipalities in the county shall collect the
2 additional fee. Allocation of the fees must be based on the
3 population of the municipalities in the county. (V.A.C.S. Art.
4 179e, Sec. 6.17(a).)

5 Sec. 2028.252. ADDITIONAL FEES FOR CERTAIN COUNTIES. If
6 the racetrack is a class 1 racetrack, the commissioners court of
7 each county with a population of not less than 1.3 million adjacent
8 to the county in which the racetrack is located may each collect
9 fees equal to the fees authorized by Section 2028.251. (V.A.C.S.
10 Art. 179e, Sec. 6.17(b).)

11 Sec. 2028.253. PROCEDURES FOR FEE COLLECTION. (a) A
12 commissioners court by order may establish procedures for the
13 collection of the fees under Section 2028.251.

14 (b) The procedures may require a racetrack association to
15 keep records and file the reports considered necessary by the
16 commissioners court. (V.A.C.S. Art. 179e, Sec. 6.17(c).)

17 Sec. 2028.254. OTHER FEES AND TAXES PROHIBITED. A county or
18 municipality may not assess or collect any other license fee,
19 privilege tax, excise tax, or racing fee on admissions to, or wagers
20 placed at, a racetrack. (V.A.C.S. Art. 179e, Sec. 6.17(d).)

21 CHAPTER 2029. ALLOCATION OF RACING DAYS

22 SUBCHAPTER A. HORSE RACING

23 Sec. 2029.001. ALLOCATION OF HORSE RACING DAYS;

24 PROHIBITED RACING DAYS

25 Sec. 2029.002. CHARITY DAYS

26 Sec. 2029.003. ACCESS TO RACES

1 SUBCHAPTER B. GREYHOUND RACING

2 Sec. 2029.051. NUMBER OF GREYHOUND RACING DAYS

3 Sec. 2029.052. CHARITY DAYS

4 Sec. 2029.053. SUBSTITUTE RACING DAYS OR ADDITIONAL

5 RACES

6 CHAPTER 2029. ALLOCATION OF RACING DAYS

7 SUBCHAPTER A. HORSE RACING

8 Sec. 2029.001. ALLOCATION OF HORSE RACING DAYS; PROHIBITED
9 RACING DAYS. (a) The commission shall allocate the live and
10 simulcast horse racing days for the conduct of live and simulcast
11 racing at each racetrack.

12 (b) In allocating race dates under this section, the
13 commission shall consider live race dates separately from simulcast
14 race dates.

15 (c) The commission may prohibit racing on Sunday unless the
16 prohibition would conflict with another provision of this subtitle.
17 (V.A.C.S. Art. 179e, Sec. 8.01 (part).)

18 Sec. 2029.002. CHARITY DAYS. (a) The commission shall
19 grant to each racetrack association additional horse racing days
20 during a horse race meeting to be conducted as charity days. The
21 commission shall grant to each class 1 racetrack and to each class 2
22 racetrack at least two and not more than five additional days.

23 (b) Each class 1 and class 2 racetrack shall conduct charity
24 race days in accordance with this section.

25 (c) The commission shall ensure that races conducted by a
26 racetrack association on a charity day are comparable in all
27 respects, including the generation of revenue, to races conducted

1 by that racetrack association on any other horse racing day.

2 (d) The commission shall adopt rules relating to the conduct
3 of charity days. (V.A.C.S. Art. 179e, Sec. 8.02.)

4 Sec. 2029.003. ACCESS TO RACES. (a) Each racetrack shall
5 provide reasonable access to races for all breeds of horses as
6 determined by the racetrack association through negotiations with
7 the representative state horse breed registry with the final
8 approval of the commission.

9 (b) In granting approval under Subsection (a), the
10 commission shall consider:

11 (1) the availability of competitive horses;

12 (2) economic feasibility; and

13 (3) public interest. (V.A.C.S. Art. 179e, Sec. 8.01
14 (part).)

15 SUBCHAPTER B. GREYHOUND RACING

16 Sec. 2029.051. NUMBER OF GREYHOUND RACING DAYS. A
17 greyhound racetrack association is entitled to 300 evening
18 performances and 150 matinee performances in a calendar year.
19 (V.A.C.S. Art. 179e, Sec. 10.01 (part).)

20 Sec. 2029.052. CHARITY DAYS. (a) The commission shall
21 grant not less than five additional greyhound racing days during a
22 greyhound race meeting to be conducted as charity days.

23 (b) The commission shall ensure that races conducted by a
24 racetrack association on a charity day are comparable in all
25 respects, including the generation of revenue, to races conducted
26 by that racetrack association on any other greyhound racing day.

27 (c) The commission shall adopt rules relating to the conduct

1 of charity days. (V.A.C.S. Art. 179e, Sec. 10.01 (part).)

2 Sec. 2029.053. SUBSTITUTE RACING DAYS OR ADDITIONAL RACES.
3 If, for a reason beyond a greyhound racetrack association's control
4 and not caused by the racetrack association's fault or neglect, it
5 is impossible for the racetrack association to conduct a race on a
6 day authorized by the commission, the commission in its discretion
7 and at the request of the racetrack association, as a substitute for
8 the race, may:

9 (1) specify another day for the racetrack association
10 to conduct racing; or

11 (2) add additional races to already programmed events.
12 (V.A.C.S. Art. 179e, Sec. 10.02.)

13 CHAPTER 2030. TEXAS-BRED HORSES AND GREYHOUNDS

14 SUBCHAPTER A. TEXAS-BRED HORSES; BREED REGISTRIES; RACING

15 Sec. 2030.001. QUALIFICATIONS OF ACCREDITED TEXAS-BRED
16 HORSES

17 Sec. 2030.002. STATE HORSE BREED REGISTRIES

18 Sec. 2030.003. TEXAS-BRED RACES

19 Sec. 2030.004. PURSE SUPPLEMENTS FOR TEXAS-BRED RACES

20 Sec. 2030.005. EQUITABLE NUMBER OF RACES FOR EACH
21 BREED

22 Sec. 2030.006. EQUITABLE STABLING

23 SUBCHAPTER B. TEXAS-BRED GREYHOUNDS

24 Sec. 2030.051. QUALIFICATIONS OF TEXAS-BRED GREYHOUNDS

25 Sec. 2030.052. STATE GREYHOUND BREED REGISTRY

26 Sec. 2030.053. BREAKAGE DISTRIBUTIONS DUE STATE
27 GREYHOUND BREED REGISTRY

1 CHAPTER 2030. TEXAS-BRED HORSES AND GREYHOUNDS

2 SUBCHAPTER A. TEXAS-BRED HORSES; BREED REGISTRIES; RACING

3 Sec. 2030.001. QUALIFICATIONS OF ACCREDITED TEXAS-BRED
4 HORSES. (a) Subject to this subtitle or commission rule, a state
5 horse breed registry shall adopt reasonable rules to establish the
6 qualifications of accredited Texas-bred horses to promote,
7 develop, and improve the breeding of horses in this state.

8 (b) Rules adopted under this section are subject to approval
9 by the commission. (V.A.C.S. Art. 179e, Sec. 9.01.)

10 Sec. 2030.002. STATE HORSE BREED REGISTRIES. (a) The
11 officially designated state horse breed registries for accredited
12 Texas-bred horses are:

13 (1) the Texas Thoroughbred Breeders Association for
14 Thoroughbred horses;

15 (2) the Texas Quarter Horse Association for quarter
16 horses;

17 (3) the Texas Appaloosa Horse Club for Appaloosa
18 horses;

19 (4) the Texas Arabian Breeders Association for Arabian
20 horses; and

21 (5) the Texas Paint Horse Breeders Association for
22 paint horses.

23 (b) The appropriate state horse breed registry shall act in
24 an advisory capacity to each racetrack association and to the
25 commission for the purpose of administering Sections 2030.003 and
26 2030.004. (V.A.C.S. Art. 179e, Secs. 9.02, 9.03(b) (part).)

27 Sec. 2030.003. TEXAS-BRED RACES. (a) In this section,

1 "Texas-bred race" means a race limited to accredited Texas-bred
2 horses.

3 (b) A racetrack association shall provide for the running of
4 Texas-bred races.

5 (c) Except as provided by Subsection (d), on each horse
6 racing day, a racetrack association shall provide for the running
7 of at least two Texas-bred races, including one race restricted to
8 maidens.

9 (d) In accordance with commission rule, a racetrack
10 association may defer the running of one or both of the races
11 required by Subsection (c) for each horse racing day if the
12 racetrack association provides that the total number of accredited
13 Texas-bred races in a horse race meeting is equal to twice the total
14 number of horse racing days in the horse race meeting. (V.A.C.S.
15 Art. 179e, Sec. 9.03(a) (part).)

16 Sec. 2030.004. PURSE SUPPLEMENTS FOR TEXAS-BRED RACES.

17 (a) In this section, "Texas-bred race" has the meaning assigned by
18 Section 2030.003.

19 (b) To encourage horse breeding in this state, an accredited
20 Texas-bred horse finishing first, second, or third in a race in this
21 state, except a restricted stakes race, is entitled to receive a
22 purse supplement.

23 (c) Funds for the purse supplements shall be derived from
24 the breakage as provided by Subchapters C and E, Chapter 2028.

25 (d) An accredited Texas-bred Thoroughbred horse that
26 finishes first, second, or third in a race other than a Texas-bred
27 race is entitled to receive an owner's bonus award as a purse

1 supplement. Twenty-five percent of the Texas-bred program funds
2 received under Subchapters C and E, Chapter 2028, excluding
3 expenses for administration of the Texas-bred program, shall be
4 allocated to fund the bonus awards. (V.A.C.S. Art. 179e, Secs.
5 9.03(a) (part), (b) (part), (c) (part), 9.04.)

6 Sec. 2030.005. EQUITABLE NUMBER OF RACES FOR EACH BREED.

7 (a) A racetrack association that conducts a horse race meeting for
8 more than one breed of horse at one racetrack shall provide that the
9 number of races run by each breed on each day is equitable as
10 determined by the commission under Section 2029.003.

11 (b) The commission by rule or by order may allow an
12 exception to Subsection (a) if an insufficient number of horses of a
13 breed are available to provide sufficient competition. (V.A.C.S.
14 Art. 179e, Sec. 9.05.)

15 Sec. 2030.006. EQUITABLE STABLING. A racetrack association
16 that conducts a horse race meeting for more than one breed of horse
17 at one racetrack shall provide on-track stalls on an equitable
18 basis as determined by the commission under Section 2029.003.
19 (V.A.C.S. Art. 179e, Sec. 9.06.)

20 SUBCHAPTER B. TEXAS-BRED GREYHOUNDS

21 Sec. 2030.051. QUALIFICATIONS OF TEXAS-BRED GREYHOUNDS.

22 (a) Subject to this subtitle or commission rule, the state
23 greyhound breed registry shall adopt reasonable rules to establish
24 the qualifications of accredited Texas-bred greyhounds to promote,
25 develop, and improve the breeding of greyhounds in this state.

26 (b) Rules adopted under this section are subject to approval
27 by the commission. (V.A.C.S. Art. 179e, Sec. 10.04(a).)

1 Sec. 2030.052. STATE GREYHOUND BREED REGISTRY. The
2 officially designated state greyhound breed registry for
3 accredited Texas-bred greyhounds is the Texas Greyhound
4 Association. (V.A.C.S. Art. 179e, Sec. 10.05 (part).)

5 Sec. 2030.053. BREAKAGE DISTRIBUTIONS DUE STATE GREYHOUND
6 BREED REGISTRY. (a) The state greyhound breed registry shall
7 adopt rules to provide for the use of breakage received by the
8 registry under Section 2028.154(a).

9 (b) A racetrack association shall pay the appropriate state
10 greyhound breed registry at least every 30 days the breakage due to
11 the breed registry. (V.A.C.S. Art. 179e, Sec. 10.05 (part).)

12 CHAPTER 2031. TEXAS DERBIES

13 Sec. 2031.001. ESTABLISHMENT OF TEXAS DERBIES

14 Sec. 2031.002. RACE CONDITIONS, ENTRANCE

15 QUALIFICATIONS, AND PREFERENCE SYSTEM

16 Sec. 2031.003. PRERACE EXAMINATION

17 Sec. 2031.004. TEXAS DERBY ESCROW PURSE FUND

18 CHAPTER 2031. TEXAS DERBIES

19 Sec. 2031.001. ESTABLISHMENT OF TEXAS DERBIES. (a) The
20 commission shall establish as Texas Derbies the following annual
21 stakes races:

- 22 (1) one race open to three-year-old Thoroughbreds;
23 (2) one race open only to three-year-old Texas-bred
24 Thoroughbreds;
25 (3) one race open to three-year-old quarter horses;
26 and
27 (4) one race open only to three-year-old Texas-bred

1 quarter horses.

2 (b) Each Texas Derby must be held annually on a date and at
3 the class 1 racetrack determined by the commission. The commission
4 shall determine the location of each Texas Derby in consultation
5 with:

- 6 (1) each class 1 racetrack;
- 7 (2) the official state horse breed registries; and
- 8 (3) the official horsemen's organization.

9 (c) The commission may sell the right to name a Texas Derby.
10 The commission shall deposit the proceeds from the sale of the right
11 to name a Texas Derby into the Texas Derby escrow purse fund
12 established under Section 2031.004. (V.A.C.S. Art. 179e, Secs.
13 9A.001(a), (e), (f).)

14 Sec. 2031.002. RACE CONDITIONS, ENTRANCE QUALIFICATIONS,
15 AND PREFERENCE SYSTEM. (a) For each Texas Derby, the race
16 conditions, the entrance qualifications, and the preference system
17 used to determine race finalists shall be developed by:

- 18 (1) the racetrack that is awarded the derby, for a race
19 described by Section 2031.001(a)(1) or (3); or
- 20 (2) the respective official state horse breed
21 registries and the official horsemen's organization, for a race
22 described by Section 2031.001(a)(2) or (4).

23 (b) The race conditions, the entrance qualifications, and
24 the preference system developed under Subsection (a) are subject to
25 review and approval by the executive director. (V.A.C.S. Art. 179e,
26 Secs. 9A.001(b), (c), (d).)

27 Sec. 2031.003. PRERACE EXAMINATION. (a) For each Texas

1 Derby, the commission shall appoint a state veterinarian to conduct
2 a prerace examination of each horse entered in the race to determine
3 whether the horse:

- 4 (1) is healthy; and
- 5 (2) meets standards set by commission rule for racing.

6 (b) The examination may:

- 7 (1) be conducted at any time before the race; and
- 8 (2) include any procedure that the state veterinarian

9 considers necessary to make the determination required by
10 Subsection (a). (V.A.C.S. Art. 179e, Sec. 9A.002.)

11 Sec. 2031.004. TEXAS DERBY ESCROW PURSE FUND. (a) The
12 commission shall establish a Texas Derby escrow purse fund.

13 (b) Notwithstanding Section 2023.053 or 2024.055 or any
14 other law, the commission by rule shall determine a portion of the
15 fees, charges, and other revenue collected under this subtitle to
16 be deposited to the credit of the Texas Derby escrow purse fund in
17 the amount reasonably necessary to maintain competitive purses for
18 each Texas Derby.

19 (c) The commission shall by rule establish a schedule of
20 entrance fees for participants in each Texas Derby. A portion of
21 each entrance fee, in the amount determined by the commission under
22 Subsection (b), shall be deposited in the Texas Derby escrow purse
23 fund.

24 (d) The commission by rule may assess under this subtitle
25 additional charges and fees, including gate fees, to supplement the
26 funds otherwise deposited in the Texas Derby escrow purse fund
27 under this section.

1 (e) The commission may not:

2 (1) use funds from the accredited Texas-bred program
3 under Subchapter A, Chapter 2030, or the escrowed purse account
4 under Section 2028.204 to fund the Texas Derby escrow purse fund; or

5 (2) order a state horse breed registry to fund a purse
6 for a Texas Derby, make contributions to the Texas Derby escrow
7 purse fund, or pay the expenses of a Texas Derby race.

8 (f) State revenue may not be deposited to the credit of the
9 Texas Derby escrow purse fund except as provided by this section.

10 (V.A.C.S. Art. 179e, Sec. 9A.003.)

11 CHAPTER 2032. LIVESTOCK SHOWS, EXHIBITS, AND FAIRS

12 Sec. 2032.001. COUNTY LIVESTOCK SHOWS AND EXHIBITS;

13 COUNTY RIGHTS

14 Sec. 2032.002. COUNTIES HOLDING CERTAIN RACETRACK

15 LICENSES

16 Sec. 2032.003. PUBLIC FAIRS AND LIVESTOCK EXHIBITIONS

17 CHAPTER 2032. LIVESTOCK SHOWS, EXHIBITS, AND FAIRS

18 Sec. 2032.001. COUNTY LIVESTOCK SHOWS AND EXHIBITS; COUNTY
19 RIGHTS. (a) Subject to the licensing requirements and other
20 provisions of this subtitle, a county may conduct an annual race
21 meeting, not to exceed 16 racing days, in connection with a
22 livestock show or exhibit held under Chapter 319, Local Government
23 Code.

24 (b) An agent qualified to hold a license under this subtitle
25 and selected by the commissioners court under Section 319.004,
26 Local Government Code, may conduct the race meeting.

27 (c) This subtitle does not prohibit a county from exercising

1 any right otherwise granted to any person by this subtitle.
2 (V.A.C.S. Art. 179e, Sec. 12.01.)

3 Sec. 2032.002. COUNTIES HOLDING CERTAIN RACETRACK
4 LICENSES. (a) A county that holds a class 4 racetrack license may
5 conduct an annual race meeting not to exceed five racing days in
6 connection with a livestock show or exhibit held under Chapter 319,
7 Local Government Code. A racing day of the annual race meeting must
8 be conducted on a day when general fair activities are conducted.

9 (b) A county that holds a class 4 racetrack license may
10 contract with an agent to conduct any portion of a race meeting.
11 The agent must hold a license issued under this subtitle that is
12 appropriate for the service the agent provides. (V.A.C.S.
13 Art. 179e, Sec. 12.03.)

14 Sec. 2032.003. PUBLIC FAIRS AND LIVESTOCK EXHIBITIONS.
15 Subject to the licensing requirements and other provisions of this
16 subtitle, a nonprofit corporation may conduct a race meeting, not
17 to exceed 16 racing days, for the purpose of encouraging
18 agriculture through the operation of public fairs and livestock
19 exhibitions. (V.A.C.S. Art. 179e, Sec. 12.02.)

20 CHAPTER 2033. CRIMINAL AND ADMINISTRATIVE PENALTIES; DISCIPLINARY
21 POWERS

22 SUBCHAPTER A. CRIMINAL PENALTIES AND PROCEDURES

23 Sec. 2033.001. GENERAL CRIMINAL PENALTY

24 Sec. 2033.002. UNLAWFUL RACING

25 Sec. 2033.003. PARI-MUTUEL WAGERING WITHOUT LICENSE

26 Sec. 2033.004. RACING WITHOUT LICENSE

27 Sec. 2033.005. IMPERSONATING LICENSE HOLDER

- 1 Sec. 2033.006. UNLAWFUL POSSESSION OR USE OF
- 2 CREDENTIAL
- 3 Sec. 2033.007. FAILURE TO DISPLAY CREDENTIAL
- 4 Sec. 2033.008. RACES CONDUCTED ON CERTAIN INDIAN LANDS
- 5 Sec. 2033.009. ILLEGAL ACCESS TO ENCLOSURE
- 6 Sec. 2033.010. HINDERING ENTRY OR SEARCH
- 7 Sec. 2033.011. FORGING PARI-MUTUEL TICKET
- 8 Sec. 2033.012. FALSE STATEMENTS
- 9 Sec. 2033.013. TOUTING
- 10 Sec. 2033.014. BRIBERY AND CORRUPT INFLUENCE
- 11 Sec. 2033.015. POSSESSION OR USE OF PROHIBITED DEVICE
- 12 OR SUBSTANCE
- 13 Sec. 2033.016. CRIMINAL CONFLICT OF INTEREST
- 14 Sec. 2033.017. OFFENSE INVOLVING MINOR
- 15 Sec. 2033.018. SEARCH AND SEIZURE
- 16 Sec. 2033.019. PROSECUTION
- 17 Sec. 2033.020. VENUE FOR PROSECUTION
- 18 Sec. 2033.021. COMMISSION AUTHORITY
- 19 SUBCHAPTER B. ADMINISTRATIVE PENALTY
- 20 Sec. 2033.051. IMPOSITION OF PENALTY
- 21 Sec. 2033.052. AMOUNT OF PENALTY
- 22 Sec. 2033.053. PRELIMINARY REPORT AND NOTICE OF
- 23 VIOLATION AND PENALTY
- 24 Sec. 2033.054. PENALTY TO BE PAID OR HEARING REQUESTED
- 25 Sec. 2033.055. HEARING
- 26 Sec. 2033.056. OPTIONS FOLLOWING DECISION: PAY OR
- 27 APPEAL

1 Sec. 2033.057. COMPLAINTS
2 SUBCHAPTER C. CEASE AND DESIST ORDERS
3 Sec. 2033.101. CEASE AND DESIST ORDER
4 Sec. 2033.102. HEARING CONCERNING PROPOSED CEASE AND
5 DESIST ORDER; FINAL ORDER
6 Sec. 2033.103. PETITION FOR JUDICIAL REVIEW OF CEASE
7 AND DESIST ORDER
8 Sec. 2033.104. EMERGENCY CEASE AND DESIST ORDER
9 Sec. 2033.105. HEARING CONCERNING EMERGENCY CEASE AND
10 DESIST ORDER; FINAL ORDER
11 Sec. 2033.106. VIOLATION OF FINAL CEASE AND DESIST
12 ORDER
13 SUBCHAPTER D. OTHER DISCIPLINARY POWERS
14 Sec. 2033.151. DISCIPLINARY ACTIONS
15 Sec. 2033.152. HEARING CONCERNING SUSPENSION,
16 REVOCATION, OR REFUSAL TO RENEW
17 LICENSE
18 Sec. 2033.153. INJUNCTION
19 Sec. 2033.154. ENFORCEMENT REGARDING HORSEMEN'S
20 ACCOUNT
21 CHAPTER 2033. CRIMINAL AND ADMINISTRATIVE PENALTIES; DISCIPLINARY
22 POWERS
23 SUBCHAPTER A. CRIMINAL PENALTIES AND PROCEDURES
24 Sec. 2033.001. GENERAL CRIMINAL PENALTY. If a provision of
25 this subtitle creates an offense without providing a specific
26 penalty, a person who violates that provision commits a state jail
27 felony. (V.A.C.S. Art. 179e, Sec. 15.01.)

1 Sec. 2033.002. UNLAWFUL RACING. A person commits an
2 offense if:

3 (1) the person participates in, permits, or conducts a
4 horse or greyhound race at a racetrack;

5 (2) the person wagers on the partial or final outcome
6 of the horse or greyhound race or knows or reasonably should know
7 that another person is betting on the partial or final outcome of
8 the race; and

9 (3) the race is not part of a performance or race
10 meeting conducted under this subtitle or commission rule. (V.A.C.S.
11 Art. 179e, Sec. 14.14.)

12 Sec. 2033.003. PARI-MUTUEL WAGERING WITHOUT LICENSE.

13 (a) A person commits an offense if, without a license, the person
14 in any capacity participates or is otherwise involved in horse
15 racing or greyhound racing with pari-mutuel wagering.

16 (b) An offense under Subsection (a) is a Class A
17 misdemeanor, unless the actor was required by this subtitle to
18 obtain a racetrack license, in which event the offense is a state
19 jail felony.

20 (c) It is an affirmative defense to prosecution under
21 Subsection (a) that the actor was a spectator or a person placing a
22 wager. (V.A.C.S. Art. 179e, Sec. 14.15.)

23 Sec. 2033.004. RACING WITHOUT LICENSE. (a) A person
24 commits an offense if the person:

25 (1) conducts a horse or greyhound race without a
26 racetrack license; and

27 (2) knows or reasonably should know that another

1 person is betting on the final or partial outcome of the race.

2 (b) An offense under this section is a felony of the third
3 degree. (V.A.C.S. Art. 179e, Sec. 14.16.)

4 Sec. 2033.005. IMPERSONATING LICENSE HOLDER. (a) A person
5 commits an offense if the person impersonates a license holder with
6 the intent to induce another person to submit to the actor's
7 purported authority as a license holder or to rely on the actor's
8 actions as an alleged license holder.

9 (b) An offense under this section is a Class A misdemeanor.
10 (V.A.C.S. Art. 179e, Sec. 14.09.)

11 Sec. 2033.006. UNLAWFUL POSSESSION OR USE OF CREDENTIAL.
12 (a) A person commits an offense if the person knowingly possesses
13 or displays a credential or false credential that identifies the
14 person as the holder of the credential and the person knows that:

- 15 (1) the credential is not issued to the person; or
16 (2) the person is not a license holder.

17 (b) An offense under this section is a Class C misdemeanor.
18 (V.A.C.S. Art. 179e, Sec. 14.02.)

19 Sec. 2033.007. FAILURE TO DISPLAY CREDENTIAL. (a) For
20 purposes of this section, a request is lawful if it is made:

- 21 (1) at any time by:
22 (A) the commission;
23 (B) an authorized commission agent;
24 (C) the director or a commissioned officer of the
25 Department of Public Safety;
26 (D) a peace officer; or
27 (E) a steward or judge; and

1 (2) at any restricted location that is at a racetrack
2 and is not a public place.

3 (b) A person commits an offense if, after a lawful request,
4 the person knowingly fails or refuses to:

5 (1) display a credential to another person; or

6 (2) give the person's name, residence address, or date
7 of birth to another person.

8 (c) Except as provided by Subsection (d), an offense under
9 this section is a Class B misdemeanor.

10 (d) At the punishment stage of a trial for an offense under
11 Subsection (b)(1), the defendant may raise an issue as to whether
12 the defendant was a license holder at the time of the offense. If
13 the defendant proves the issue, the offense is a Class C
14 misdemeanor. (V.A.C.S. Art. 179e, Sec. 14.17.)

15 Sec. 2033.008. RACES CONDUCTED ON CERTAIN INDIAN LANDS.

16 (a) A person commits an offense if the person knowingly wagers on
17 the result of a horse or greyhound race conducted in this state
18 that:

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

21 (2) is not held under the supervision of the
22 commission under rules adopted under this subtitle.

23 (b) An offense under this section is a felony of the third
24 degree.

25 (c) It is an exception to the application of this section
26 that the person is a member of a recognized Texas Indian tribe who
27 lives on a reservation or on trust lands located in this state.

1 (V.A.C.S. Art. 179e, Sec. 14.05.)

2 Sec. 2033.009. ILLEGAL ACCESS TO ENCLOSURE. (a) A person
3 commits an offense if the person is a license holder and the person
4 knowingly permits, facilitates, or allows access to an enclosure
5 where races are conducted to another person who the person knows:

6 (1) has engaged in bookmaking, touting, or illegal
7 wagering;

8 (2) derives income from illegal activities or
9 enterprises;

10 (3) has been convicted of a violation of this
11 subtitle; or

12 (4) is excluded by the commission from entering a
13 racetrack.

14 (b) An offense under this section is a Class B misdemeanor.

15 (V.A.C.S. Art. 179e, Sec. 14.04.)

16 Sec. 2033.010. HINDERING ENTRY OR SEARCH. (a) A person
17 commits an offense if the person with criminal negligence refuses,
18 denies, or hinders entry to another person who is exercising or
19 attempting to exercise a power of entry under this subtitle or a
20 commission rule.

21 (b) A person commits an offense if the person with criminal
22 negligence refuses, denies, hinders, interrupts, disrupts,
23 impedes, or otherwise interferes with a search by a person who is
24 exercising or attempting to exercise a power to search under this
25 subtitle or a commission rule.

26 (c) An offense under this section is a Class B misdemeanor.

27 (V.A.C.S. Art. 179e, Sec. 14.07.)

1 Sec. 2033.011. FORGING PARI-MUTUEL TICKET. (a) In this
2 section, "forge" has the meaning assigned by Section 32.21, Penal
3 Code.

4 (b) A person commits an offense if the person knowingly
5 forges a pari-mutuel ticket with the intent to defraud or harm
6 another person.

7 (c) An offense under this section is a felony of the third
8 degree. (V.A.C.S. Art. 179e, Sec. 14.08.)

9 Sec. 2033.012. FALSE STATEMENTS. (a) In this section,
10 "statement" means a representation of fact, including:

11 (1) a written or oral statement; or

12 (2) a sworn or unsworn statement.

13 (b) A person commits an offense if the person knowingly
14 makes a material and false, incorrect, or deceptive statement to
15 another person who is conducting an investigation or exercising
16 discretion under this subtitle or a rule adopted under this
17 subtitle.

18 (c) An offense under this section is a state jail felony
19 unless the statement was material in a commission action relating
20 to a racetrack license, in which event the offense is a felony of
21 the third degree. (V.A.C.S. Art. 179e, Sec. 14.06.)

22 Sec. 2033.013. TOUTING. (a) A person commits an offense
23 if, with an intent to deceive and an intent to obtain a benefit, the
24 person knowingly:

25 (1) makes a false statement about a horse or greyhound
26 race to another person; or

27 (2) offers, agrees to convey, or conveys false

1 information about a horse or greyhound race to another person.

2 (b) Except as provided by Subsection (c), an offense under
3 this section is a Class A misdemeanor.

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

5 (1) the actor:

6 (A) is a license holder under this subtitle or a
7 commission member or employee; and

8 (B) knowingly represents that a commission
9 member or employee or a person licensed by the commission is the
10 source of the false information; or

11 (2) the false statement or information was contained
12 in racing selection information provided to the public. (V.A.C.S.
13 Art. 179e, Sec. 14.01.)

14 Sec. 2033.014. BRIBERY AND CORRUPT INFLUENCE. (a) A
15 person commits an offense if, with the intent to influence or affect
16 the outcome of a race in a manner contrary to this subtitle or a
17 commission rule, the person offers, confers, or agrees to confer on
18 another person, or solicits, accepts, or agrees to accept from
19 another person, any benefit as consideration for the actions of a
20 person who receives the benefit relating to the conduct, decision,
21 opinion, recommendation, vote, or exercise of discretion as a
22 license holder or other person associated with or interested in any
23 stable, kennel, horse, greyhound, or horse or greyhound race.

24 (b) An offense under this section is a state jail felony
25 unless the recipient of the benefit is a steward, judge, or other
26 racetrack official exercising authority over a horse or greyhound
27 race that the person providing or offering the benefit intended to

1 influence, in which event the offense is a felony of the third
2 degree. (V.A.C.S. Art. 179e, Sec. 14.11.)

3 Sec. 2033.015. POSSESSION OR USE OF PROHIBITED DEVICE OR
4 SUBSTANCE. (a) A person commits an offense if the person
5 possesses a prohibited device or prohibited substance at a
6 racetrack, in an enclosure, or at a training facility.

7 (b) A person commits an offense if, with the intent to
8 influence or affect a horse or greyhound race in a manner contrary
9 to this subtitle or a commission rule, the person uses or offers to
10 use:

11 (1) a prohibited device; or

12 (2) a prohibited substance.

13 (c) An offense under Subsection (a) is a Class A misdemeanor
14 unless the actor possessed the prohibited device or prohibited
15 substance with the intent to influence or affect the outcome of a
16 horse or greyhound race in a manner contrary to this subtitle or a
17 commission rule, in which event the offense is a state jail felony.

18 (d) An offense under Subsection (b) is a felony of the third
19 degree. (V.A.C.S. Art. 179e, Sec. 14.10.)

20 Sec. 2033.016. CRIMINAL CONFLICT OF INTEREST. A person who
21 is a commission member commits an offense if the person:

22 (1) accepts, directly or indirectly, employment or
23 remuneration from a racetrack, racetrack association, or other
24 license holder, including a racetrack, racetrack association, or
25 license holder located or residing in another state;

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

1 (3) accepts or is entitled to any part of a purse to be
2 paid to an animal in a race conducted in this state. (V.A.C.S.
3 Art. 179e, Sec. 14.12.)

4 Sec. 2033.017. OFFENSE INVOLVING MINOR. (a) A person
5 commits an offense if the person with criminal negligence permits,
6 facilitates, or allows:

7 (1) wagering by a minor at a racetrack; or

8 (2) entry by a child to the viewing section of a
9 racetrack.

10 (b) A person commits an offense if the person is a minor and
11 knowingly engages in wagering at a racetrack.

12 (c) An offense under Subsection (a) is a Class B
13 misdemeanor.

14 (d) An offense under Subsection (b) is a Class C
15 misdemeanor.

16 (e) It is an affirmative defense to prosecution of an
17 offense under Subsection (a)(2) that a child was accompanied by and
18 was in the physical presence of a parent, guardian, or spouse who
19 was 21 years of age or older.

20 (f) It is an affirmative defense to prosecution of an
21 offense under Subsection (a) that the minor falsely represented the
22 minor's age by displaying to the person an apparently valid Texas
23 driver's license or identification card issued by the Department of
24 Public Safety that contains a physical description consistent with
25 the minor's appearance. (V.A.C.S. Art. 179e, Sec. 14.13.)

26 Sec. 2033.018. SEARCH AND SEIZURE. (a) A person consents
27 to a search for a prohibited device, prohibited substance, or other

1 contraband at a time and location described by Subsection (b) if the
2 person:

3 (1) accepts a license or other credential issued under
4 this subtitle; or

5 (2) enters a racetrack under the authority of a
6 license or other credential alleged to have been issued under this
7 subtitle.

8 (b) A search may be conducted by a commissioned officer of
9 the Department of Public Safety or a peace officer, including a
10 peace officer employed by the commission, at any time and at any
11 location at a racetrack, except a location:

12 (1) excluded by commission rule from searches under
13 this section; or

14 (2) provided by a racetrack association under
15 commission rule for private storage of personal items belonging to
16 a license holder entering a racetrack.

17 (c) A person conducting a search under Subsection (b) may
18 seize a prohibited device, prohibited substance, or other
19 contraband discovered during the search. (V.A.C.S. Art. 179e, Sec.
20 14.18.)

21 Sec. 2033.019. PROSECUTION. A person subject to
22 prosecution for an offense under this subtitle and another law may
23 be prosecuted under either law. (V.A.C.S. Art. 179e, Sec. 14.19.)

24 Sec. 2033.020. VENUE FOR PROSECUTION. Venue for the
25 prosecution of an offense under this subtitle is in Travis County or
26 in a county in which an element of the offense occurred. (V.A.C.S.
27 Art. 179e, Sec. 14.21.)

1 Sec. 2033.021. COMMISSION AUTHORITY. This subchapter does
2 not restrict the commission's administrative authority to enforce
3 this subtitle or commission rules to the fullest extent authorized
4 by this subtitle. (V.A.C.S. Art. 179e, Sec. 14.20.)

5 SUBCHAPTER B. ADMINISTRATIVE PENALTY

6 Sec. 2033.051. IMPOSITION OF PENALTY. If the commission
7 determines that a person regulated under this subtitle has violated
8 this subtitle or a rule or order adopted under this subtitle in a
9 manner that constitutes a ground for a disciplinary action under
10 this subtitle, the commission may assess an administrative penalty
11 against that person as provided by this subchapter. (V.A.C.S. Art.
12 179e, Sec. 15.03(a).)

13 Sec. 2033.052. AMOUNT OF PENALTY. (a) The commission may
14 assess an administrative penalty under this subchapter in an amount
15 not to exceed \$10,000 for each violation.

16 (b) In determining the amount of the penalty, the commission
17 shall consider the seriousness of the violation. (V.A.C.S. Art.
18 179e, Sec. 15.03(b).)

19 Sec. 2033.053. PRELIMINARY REPORT AND NOTICE OF VIOLATION
20 AND PENALTY. (a) If, after examination of a possible violation
21 and the facts relating to that possible violation, the commission
22 determines that a violation has occurred, the commission shall
23 issue a preliminary report that states:

- 24 (1) the facts on which the conclusion is based;
25 (2) the fact that an administrative penalty is to be
26 imposed; and
27 (3) the amount of the penalty to be assessed.

1 (b) Not later than the 10th day after the date on which the
2 commission issues the preliminary report, the commission shall send
3 a copy of the report to the person charged with the violation,
4 together with a statement of the right of the person to a hearing
5 relating to the alleged violation and the amount of the penalty.
6 (V.A.C.S. Art. 179e, Sec. 15.03(c).)

7 Sec. 2033.054. PENALTY TO BE PAID OR HEARING REQUESTED.

8 (a) Not later than the 20th day after the date on which the
9 commission sends the preliminary report under Section 2033.053, the
10 person charged may:

- 11 (1) make a written request for a hearing; or
12 (2) remit the amount of the administrative penalty to
13 the commission.

14 (b) Failure to request a hearing or to remit the amount of
15 the administrative penalty in the period provided under this
16 section results in a waiver of a right to a hearing under this
17 subtitle. (V.A.C.S. Art. 179e, Sec. 15.03(d) (part).)

18 Sec. 2033.055. HEARING. (a) If the person charged
19 requests a hearing, the hearing shall be conducted in the manner
20 provided for a contested case hearing under Chapter 2001,
21 Government Code.

22 (b) If it is determined after the hearing that the person
23 has committed the alleged violation, the commission shall:

- 24 (1) provide written notice to the person of the
25 findings established by the hearing and the amount of the penalty;
26 and

- 27 (2) enter an order requiring the person to pay the

1 penalty. (V.A.C.S. Art. 179e, Sec. 15.03(d) (part).)

2 Sec. 2033.056. OPTIONS FOLLOWING DECISION: PAY OR APPEAL.

3 (a) Not later than the 30th day after the date on which the notice
4 required under Section 2033.055 is received, the person charged
5 shall pay the administrative penalty in full or exercise the right
6 to appeal either the amount of the penalty or the fact of the
7 violation.

8 (b) If a person exercises a right of appeal either as to the
9 amount of the penalty or the fact of the violation, the amount of
10 the penalty is not required to be paid until the 30th day after the
11 date on which all appeals have been exhausted and the commission's
12 decision has been upheld.

13 (c) Except as otherwise provided by Section 2024.053(c),
14 all administrative appeals are to the commission and then to the
15 courts. (V.A.C.S. Art. 179e, Secs. 4.05(b) (part), 15.03(e).)

16 Sec. 2033.057. COMPLAINTS. (a) A complaint alleging a
17 violation of this subtitle may be instituted by the Department of
18 Public Safety, the commission, or the attorney general.

19 (b) The complaint must be decided by the commission under
20 the contested case provisions of Chapter 2001, Government Code.
21 (V.A.C.S. Art. 179e, Sec. 15.04.)

22 SUBCHAPTER C. CEASE AND DESIST ORDERS

23 Sec. 2033.101. CEASE AND DESIST ORDER. (a) The executive
24 director may issue a cease and desist order if the executive
25 director reasonably believes a racetrack association or other
26 license holder is engaging or is likely to engage in conduct that
27 violates this subtitle or a commission rule.

1 (b) On issuance of a cease and desist order, the executive
2 director shall serve a proposed cease and desist order on the
3 racetrack association or other license holder by personal delivery
4 or registered or certified mail, return receipt requested, to the
5 person's last known address.

6 (c) The proposed order must state the specific acts or
7 practices alleged to violate this subtitle or a commission rule.
8 The proposed order must state the effective date, which may not be
9 earlier than the 21st day after the date the proposed order is
10 mailed or delivered. (V.A.C.S. Art. 179e, Secs. 3.18(a), (b)
11 (part).)

12 Sec. 2033.102. HEARING CONCERNING PROPOSED CEASE AND DESIST
13 ORDER; FINAL ORDER. (a) If the person against whom a proposed
14 cease and desist order is directed requests, in writing, a hearing
15 before the effective date of the proposed order, the order is
16 automatically stayed pending final adjudication of the order.
17 Unless the person against whom the proposed order is directed
18 requests, in writing, a hearing before the effective date of the
19 proposed order, the order takes effect and is final and
20 nonappealable as to that person.

21 (b) On receiving a request for a hearing, the executive
22 director shall serve notice of the time and place of the hearing by
23 personal delivery or registered or certified mail, return receipt
24 requested.

25 (c) At a hearing, the commission has the burden of proof and
26 must present evidence in support of the order. Each person against
27 whom the order is directed may cross-examine and show cause why the

1 order should not be issued.

2 (d) After the hearing, the commission shall issue or decline
3 to issue a cease and desist order. The proposed order may be
4 modified as necessary to conform to the findings at the hearing. An
5 order issued under this section is final for purposes of
6 enforcement and appeal and must require the person to immediately
7 cease and desist from the conduct that violates this subtitle or a
8 commission rule. (V.A.C.S. Art. 179e, Secs. 3.18(b) (part), (c),
9 (d).)

10 Sec. 2033.103. PETITION FOR JUDICIAL REVIEW OF CEASE AND
11 DESIST ORDER. (a) A person affected by a cease and desist order
12 issued, affirmed, or modified after a hearing under Section
13 2033.102 may file a petition for judicial review in a district court
14 of Travis County under Chapter 2001, Government Code.

15 (b) A petition for judicial review does not stay or vacate
16 the cease and desist order unless the court, after hearing,
17 specifically stays or vacates the order. (V.A.C.S. Art. 179e, Sec.
18 3.18(e).)

19 Sec. 2033.104. EMERGENCY CEASE AND DESIST ORDER. (a) The
20 executive director may issue an emergency cease and desist order if
21 the executive director reasonably believes a racetrack association
22 or other license holder is engaged in a continuing activity that
23 violates this subtitle or a commission rule in a manner that
24 threatens immediate and irreparable public harm.

25 (b) After issuing an emergency cease and desist order, the
26 executive director shall serve on the racetrack association or
27 other license holder by personal delivery or registered or

1 certified mail, return receipt requested, to the person's last
2 known address, an order stating the specific charges and requiring
3 the person immediately to cease and desist from the conduct that
4 violates this subtitle or a commission rule. The order must contain
5 a notice that a request for hearing may be filed under this section.
6 (V.A.C.S. Art. 179e, Secs. 3.19(a), (b).)

7 Sec. 2033.105. HEARING CONCERNING EMERGENCY CEASE AND
8 DESIST ORDER; FINAL ORDER. (a) A racetrack association or other
9 license holder that is the subject of an emergency cease and desist
10 order may request a hearing. The request must:

11 (1) be filed with the executive director not later
12 than the 10th day after the date the order was received or
13 delivered;

14 (2) be in writing and directed to the executive
15 director; and

16 (3) state the grounds for the request to set aside or
17 modify the order.

18 (b) Unless a person who is the subject of the emergency
19 order requests a hearing in writing before the 11th day after the
20 date the order is received or delivered, the emergency order is
21 final and nonappealable as to that person.

22 (c) On receiving a request for a hearing, the executive
23 director shall serve notice of the time and place of the hearing by
24 personal delivery or registered or certified mail, return receipt
25 requested. The hearing must be held not later than the 10th day
26 after the date the executive director receives the request for a
27 hearing unless the parties agree to a later hearing date.

1 (d) At the hearing, the commission has the burden of proof
2 and must present evidence in support of the order. The person
3 requesting the hearing may cross-examine witnesses and show cause
4 why the order should not be affirmed. Section 2003.021(b),
5 Government Code, does not apply to hearings conducted under this
6 section.

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

11 (f) After the hearing, the executive director shall affirm,
12 modify, or set aside, wholly or partly, the emergency cease and
13 desist order. An order affirming or modifying the emergency cease
14 and desist order is final for purposes of enforcement and appeal.
15 (V.A.C.S. Art. 179e, Secs. 3.19(c), (d), (e), (f).)

16 Sec. 2033.106. VIOLATION OF FINAL CEASE AND DESIST ORDER.

17 (a) If the executive director reasonably believes that a person
18 has violated a final and enforceable cease and desist order, the
19 executive director may:

20 (1) initiate administrative penalty proceedings under
21 Subchapter B;

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

24 (3) pursue any other action that the executive
25 director considers appropriate, including suspension of the
26 person's license.

27 (b) If the attorney general prevails in an action brought

1 under Subsection (a)(2), the attorney general is entitled to
2 recover reasonable attorney's fees. (V.A.C.S. Art. 179e, Sec.
3 3.20.)

4 SUBCHAPTER D. OTHER DISCIPLINARY POWERS

5 Sec. 2033.151. DISCIPLINARY ACTIONS. (a) The commission
6 shall revoke, suspend, or refuse to renew a license, place on
7 probation a person whose license has been suspended, or reprimand a
8 license holder for a violation of this subtitle or a commission
9 rule.

10 (b) If a license suspension is probated, the commission may
11 require the license holder to report regularly to the commission on
12 matters that are the basis of the probation. (V.A.C.S. Art. 179e,
13 Sec. 3.14.)

14 Sec. 2033.152. HEARING CONCERNING SUSPENSION, REVOCATION,
15 OR REFUSAL TO RENEW LICENSE. (a) If the commission proposes to
16 suspend, revoke, or refuse to renew a person's license, the person
17 is entitled to a hearing conducted by the State Office of
18 Administrative Hearings.

19 (b) Proceedings for a disciplinary action, other than those
20 conducted by a steward or judge, are governed by Chapter 2001,
21 Government Code.

22 (c) Rules of practice adopted by the commission under
23 Section 2001.004, Government Code, applicable to the proceedings
24 for a disciplinary action, other than those conducted by a steward
25 or judge, may not conflict with rules adopted by the State Office of
26 Administrative Hearings. (V.A.C.S. Art. 179e, Sec. 3.15.)

27 Sec. 2033.153. INJUNCTION. The commission may institute an

1 action in its own name to enjoin the violation of this subtitle. An
2 action for an injunction is in addition to any other action,
3 proceeding, or remedy authorized by law. (V.A.C.S. Art. 179e, Sec.
4 3.21.)

5 Sec. 2033.154. ENFORCEMENT REGARDING HORSEMEN'S ACCOUNT.

6 (a) The commission by rule shall develop a system for monitoring
7 the activities of managers and employees of a racetrack association
8 relating to the horsemen's account. The monitoring system may
9 include review of the financial operations of the racetrack
10 association, including inspections of records at the racetrack
11 association's offices, at any racetrack, or at any other place the
12 racetrack association transacts business.

13 (b) The executive director may issue an order prohibiting
14 the racetrack association from making any transfer from a bank
15 account held by the racetrack association for the conduct of
16 business under this subtitle, pending commission review of the
17 records of the account, if the executive director reasonably
18 believes that the racetrack association has failed to maintain the
19 proper amount of money in the horsemen's account. The executive
20 director shall provide in the order a procedure for the racetrack
21 association to pay certain expenses necessary for the operation of
22 the racetrack, subject to the executive director's approval.

23 (c) An order issued under this section may be made valid for
24 a period not to exceed 14 days.

25 (d) The executive director may issue an order requiring the
26 appropriate transfers to or from the horsemen's account if, after
27 reviewing the racetrack association's records of its bank accounts,

1 the executive director determines there is an improper amount of
2 money in the horsemen's account. (V.A.C.S. Art. 179e, Sec. 3.22.)

3 CHAPTER 2034. UNLAWFUL INFLUENCE ON RACING

4 Sec. 2034.001. RULES RELATING TO UNLAWFUL INFLUENCES

5 ON RACING AND REQUIRED TESTING

6 Sec. 2034.002. MEDICATION AND DRUG TESTING PROCEDURES

7 Sec. 2034.003. CHARGES FOR MEDICATION OR DRUG TESTING

8 Sec. 2034.004. RESPONSIBILITY OF LICENSED TRAINER

9 CONCERNING PROHIBITED SUBSTANCE

10 Sec. 2034.005. PROHIBITED SUBSTANCE IN TEST SAMPLE OR

11 SPECIMEN

12 Sec. 2034.006. DISCIPLINARY ACTION FOR PROHIBITED

13 DEVICE OR SUBSTANCE

14 Sec. 2034.007. DISCIPLINARY ACTION FOR RULE VIOLATION

15 OF PROHIBITED DEVICE OR SUBSTANCE

16 CHAPTER 2034. UNLAWFUL INFLUENCE ON RACING

17 Sec. 2034.001. RULES RELATING TO UNLAWFUL INFLUENCES ON
18 RACING AND REQUIRED TESTING. (a) The commission shall adopt
19 rules prohibiting a person from unlawfully influencing or affecting
20 the outcome of a race, including rules relating to the use of a
21 prohibited device or prohibited substance at a racetrack or at a
22 training facility.

23 (b) The commission shall require testing to determine
24 whether a prohibited substance has been used.

25 (c) The commission's rules must require state-of-the-art
26 testing methods. The testing may:

27 (1) be prerace or postrace as determined by the

1 commission; and

2 (2) be by an invasive or noninvasive method.

3 (d) The commission shall adopt rules relating to the drug
4 testing of license holders. (V.A.C.S. Art. 179e, Secs. 3.16(a),
5 (b), (i).)

6 Sec. 2034.002. MEDICATION AND DRUG TESTING PROCEDURES.

7 (a) Medication or drug testing performed on a race animal under
8 this subtitle must be conducted by:

9 (1) the Texas A&M Veterinary Medical Diagnostic
10 Laboratory; or

11 (2) a laboratory operated by or in conjunction with or
12 by a private or public agency selected by the commission after
13 consultation with the Texas A&M Veterinary Medical Diagnostic
14 Laboratory.

15 (b) Medication or drug testing performed on a human under
16 this subtitle must be conducted by a laboratory approved by the
17 commission. (V.A.C.S. Art. 179e, Sec. 3.07(d) (part).)

18 Sec. 2034.003. CHARGES FOR MEDICATION OR DRUG TESTING.

19 (a) The commission by rule shall:

20 (1) prescribe procedures for approving and paying
21 medical and drug testing laboratory charges under this section; and

22 (2) allocate responsibility for the costs of human
23 drug testing of a license holder.

24 (b) The racetrack association that receives medication or
25 drug testing services conducted under this subtitle shall pay the
26 reasonable charges associated with those services.

27 (c) Charges for services performed under this section must

1 be forwarded to the commission for approval of the reasonableness
2 of the charges. Charges may include expenses incurred for travel,
3 lodging, testing, and processing of test results.

4 (d) The commission shall determine whether the laboratory
5 charges are reasonable in relation to industry standards by
6 periodically surveying the drug testing charges of comparable
7 laboratories in the United States.

8 (e) The racetrack association that receives the services is
9 responsible for the cost of approved charges for animal drug
10 testing services under this section. The commission shall forward
11 a copy of the charges to the racetrack association for immediate
12 payment.

13 (f) To pay the charges associated with the medication or
14 drug testing, a racetrack association may use the money held by the
15 racetrack association to pay outstanding tickets and pari-mutuel
16 vouchers. The racetrack association shall pay any additional
17 amount needed for the charges. (V.A.C.S. Art. 179e, Secs. 3.07(d)
18 (part), (e), (f).)

19 Sec. 2034.004. RESPONSIBILITY OF LICENSED TRAINER
20 CONCERNING PROHIBITED SUBSTANCE. The licensed trainer of an animal
21 is:

22 (1) considered by law to be the absolute insurer that
23 no prohibited substance has been administered to the animal; and

24 (2) responsible for ensuring that no prohibited
25 substance is administered to the animal. (V.A.C.S. Art. 179e, Sec.
26 3.16(h).)

27 Sec. 2034.005. PROHIBITED SUBSTANCE IN TEST SAMPLE OR

1 SPECIMEN. (a) The commission may require urine samples to be
2 frozen for a period necessary to allow any follow-up testing to
3 detect and identify a prohibited substance. Any other specimen
4 shall be maintained for testing purposes in a manner required by
5 commission rule.

6 (b) If a test sample or specimen shows the presence of a
7 prohibited substance, the entire sample, including any split
8 portion remaining in the custody of the commission, shall be
9 maintained until final disposition of the matter.

10 (c) A license holder whose animal test shows the presence of
11 a prohibited substance is entitled to have a split portion of the
12 test sample or specimen tested at a testing facility authorized to
13 perform drug testing under this subtitle and selected by the
14 license holder. The commission shall adopt rules relating to split
15 testing procedures. (V.A.C.S. Art. 179e, Secs. 3.16(e), (f), (g).)

16 Sec. 2034.006. DISCIPLINARY ACTION FOR PROHIBITED DEVICE OR
17 SUBSTANCE. (a) Following the discovery of a prohibited device or
18 a return of a test showing the presence of a prohibited substance, a
19 steward or judge may summarily suspend a person who has used or
20 administered the prohibited device or prohibited substance until a
21 hearing before the stewards or judges. The steward or judge may
22 also disqualify an animal as provided by a commission rule adopted
23 under this chapter.

24 (b) Except as otherwise provided, a person may appeal a
25 ruling of the stewards or judges to the commission. The commission
26 may stay a suspension during the period the matter is before the
27 commission. (V.A.C.S. Art. 179e, Secs. 3.16(c), (d).)

1 Sec. 2035.014. ELECTION PROCEDURES GOVERNED BY
2 ELECTION CODE
3 Sec. 2035.015. BALLOT PROPOSITION
4 Sec. 2035.016. CERTIFICATION OF ELECTION RESULTS
5 Sec. 2035.017. FREQUENCY OF ELECTIONS
6 SUBCHAPTER B. ELECTION CONTEST
7 Sec. 2035.051. INITIATION OF ELECTION CONTEST
8 Sec. 2035.052. PARTIES
9 Sec. 2035.053. CONDUCT OF CONTEST SUIT
10 Sec. 2035.054. BOND
11 Sec. 2035.055. APPEAL
12 Sec. 2035.056. CONTESTEE
13 Sec. 2035.057. COSTS OF CONTEST
14 SUBCHAPTER C. RESCISSION ELECTION
15 Sec. 2035.101. INITIATION OF RESCISSION ELECTION
16 Sec. 2035.102. EARLIEST DATE FOR HOLDING ELECTION
17 Sec. 2035.103. PETITION REQUIREMENTS
18 Sec. 2035.104. MANNER OF CONDUCTING ELECTION
19 Sec. 2035.105. BALLOT PROPOSITION
20 Sec. 2035.106. EFFECT OF RESCISSION
21 CHAPTER 2035. LOCAL OPTION ELECTION TO LEGALIZE PARI-MUTUEL
22 WAGERING
23 SUBCHAPTER A. LEGALIZATION ELECTION
24 Sec. 2035.001. VOTER APPROVAL OF RACETRACK REQUIRED.
25 (a) The commission may not issue a racetrack license or accept a
26 license application for a racetrack to be located in a county until
27 the commissioners court has certified to the secretary of state

1 that the qualified voters of the county have approved the
2 legalization of pari-mutuel wagering on horse races or greyhound
3 races in the county at an election held under this chapter.

4 (b) A racetrack may not be located within a home-rule
5 municipality unless a majority of the votes cast in the
6 municipality in the election held under this chapter that legalized
7 pari-mutuel wagering on horse races in the county favored
8 legalization.

9 (c) Subsection (b) does not apply to a racetrack that:

10 (1) was located outside the boundaries of the
11 municipality when the racetrack was first licensed; and

12 (2) has continuously held a license since the issuance
13 of the original license. (V.A.C.S. Art. 179e, Secs. 16.01(a)
14 (part), (b).)

15 Sec. 2035.002. INITIATION OF LEGALIZATION ELECTION. The
16 commissioners court:

17 (1) may, on its own motion by a majority vote of its
18 members, order an election to approve the legalization of
19 pari-mutuel wagering on horse races or greyhound races; and

20 (2) shall order an election on presentation of a
21 petition meeting the requirements of this chapter. (V.A.C.S.
22 Art. 179e, Sec. 16.02.)

23 Sec. 2035.003. ELECTION TO APPROVE WAGERING ON SIMULCAST
24 RACES. The commissioners court of a county in which a racetrack is
25 conducting live racing may, on its own motion by a majority vote of
26 its members, order an election to approve pari-mutuel wagering on
27 simulcast horse races or greyhound races. (V.A.C.S. Art. 179e, Sec.

1 16.021.)

2 Sec. 2035.004. APPLICATION FOR PETITION; ISSUANCE. If 10
3 or more registered voters of the county file a written application,
4 the county clerk shall issue to the applicants a petition to be
5 circulated among registered voters for their signatures. (V.A.C.S.
6 Art. 179e, Sec. 16.03.)

7 Sec. 2035.005. CONTENTS OF PETITION APPLICATION. To be
8 valid, the petition application must contain:

9 (1) a heading, as follows: "Application for a
10 Petition for a Local Option Election to Approve the Legalization of
11 Pari-mutuel Wagering on Horse Races" or "Application for a Petition
12 for a Local Option Election to Approve the Legalization of
13 Pari-mutuel Wagering on Greyhound Races," as appropriate;

14 (2) a statement of the issue to be voted on, as
15 follows: "Legalizing pari-mutuel wagering on horse races in
16 _____ County" or "Legalizing pari-mutuel wagering on
17 greyhound races in _____ County," as appropriate;

18 (3) a statement immediately above the signatures of
19 the applicants, as follows: "It is the hope, purpose, and intent of
20 the applicants whose signatures appear below that pari-mutuel
21 wagering on horse races be legalized in _____ County" or "It is
22 the hope, purpose, and intent of the applicants whose signatures
23 appear below that pari-mutuel wagering on greyhound races be
24 legalized in _____ County," as appropriate; and

25 (4) the printed name, signature, residence address,
26 and voter registration certificate number of each applicant.
27 (V.A.C.S. Art. 179e, Sec. 16.04.)

1 Sec. 2035.006. CONTENTS OF PETITION. To be valid, the
2 petition must contain:

3 (1) a heading, as follows: "Petition for a Local
4 Option Election to Approve the Legalization of Pari-mutuel Wagering
5 on Horse Races" or "Petition for a Local Option Election to Approve
6 the Legalization of Pari-mutuel Wagering on Greyhound Races," as
7 appropriate;

8 (2) a statement of the issue to be voted on, in the
9 same words used in the application;

10 (3) a statement immediately above the signatures of
11 the petitioners, as follows: "It is the hope, purpose, and intent
12 of the petitioners whose signatures appear below that pari-mutuel
13 wagering on horse races be legalized in _____ County" or "It is
14 the hope, purpose, and intent of the petitioners whose signatures
15 appear below that pari-mutuel wagering on greyhound races be
16 legalized in _____ County," as appropriate;

17 (4) lines and spaces for the names, signatures,
18 addresses, and voter registration certificate numbers of the
19 petitioners; and

20 (5) the date of issuance, the serial number, and the
21 seal of the county clerk on each page. (V.A.C.S. Art. 179e, Sec.
22 16.05.)

23 Sec. 2035.007. COPIES. The county clerk shall keep the
24 application and a copy of the petition in the clerk's office files.
25 The clerk shall issue to the applicants the number of copies
26 requested by the applicants. (V.A.C.S. Art. 179e, Sec. 16.06.)

27 Sec. 2035.008. REQUIREMENTS TO ORDER ELECTION. The

1 commissioners court shall order an election if the petition:

2 (1) is filed with the county clerk not later than the
3 30th day after the date of the petition's issuance; and

4 (2) contains a number of signatures of registered
5 county voters equal to at least five percent of the number of votes
6 cast in the county for all candidates for governor in the most
7 recent gubernatorial general election. (V.A.C.S. Art. 179e, Sec.
8 16.07.)

9 Sec. 2035.009. VERIFICATION OF PETITION. (a) Except as
10 otherwise provided by Section 277.003, Election Code, the county
11 clerk shall, on request of any person, check each name on the
12 petition to determine whether the signer is a registered county
13 voter.

14 (b) The person requesting this verification by the county
15 clerk shall pay the county clerk a sum equal to 20 cents per name
16 before commencement of the verification.

17 (c) The county clerk may not count a signature if there is
18 reason to believe that:

19 (1) the signature is not the actual signature of the
20 purported signer;

21 (2) the voter registration certificate number is
22 incorrect;

23 (3) the signature duplicates a name or handwriting
24 used in any other signature on the petition;

25 (4) the residence address of the signer is incorrect;
26 or

27 (5) the name of the voter is not signed exactly as the

1 name appears on the official copy of the current list of registered
2 voters for the voting year in which the petition is issued.
3 (V.A.C.S. Art. 179e, Sec. 16.08.)

4 Sec. 2035.010. CERTIFICATION OF PETITION SIGNATURES. Not
5 later than the 40th day after the date the petition is filed,
6 excluding Saturdays, Sundays, and legal holidays, the county clerk
7 shall certify to the commissioners court the number of registered
8 voters signing the petition. (V.A.C.S. Art. 179e, Sec. 16.09.)

9 Sec. 2035.011. RECORD IN MINUTES. The commissioners court
10 shall record in the court's minutes:

- 11 (1) the date the petition is filed; and
12 (2) the date the petition is certified by the county
13 clerk. (V.A.C.S. Art. 179e, Sec. 16.10(a).)

14 Sec. 2035.012. ORDER FOR ELECTION; ELECTION DATE. (a) If
15 the petition contains the required number of signatures and is in
16 proper order, the commissioners court shall, at the court's next
17 regular session after the certification by the county clerk, order
18 an election to be held at the regular polling place in each county
19 election precinct in the county on the next uniform election date
20 authorized by Section 41.001, Election Code, that occurs at least
21 20 days after the date of the order.

22 (b) The commissioners court shall state in the order the
23 issue to be voted on in the election. (V.A.C.S. Art. 179e, Sec.
24 16.10(b) (part).)

25 Sec. 2035.013. EVIDENCE OF VALIDITY. An order under
26 Section 2035.012 is prima facie evidence of compliance with all
27 provisions necessary to give the order validity. (V.A.C.S.

1 Art. 179e, Sec. 16.10(b) (part).)

2 Sec. 2035.014. ELECTION PROCEDURES GOVERNED BY ELECTION
3 CODE. An election under this chapter shall be held and the returns
4 shall be prepared and canvassed in conformity with the Election
5 Code. (V.A.C.S. Art. 179e, Sec. 16.11(a).)

6 Sec. 2035.015. BALLOT PROPOSITION. The ballots for an
7 election under this subchapter shall be printed to permit voting
8 for or against the proposition: "Legalizing pari-mutuel wagering
9 on horse races in _____ County," "Legalizing pari-mutuel
10 wagering on greyhound races in _____ County," or "Authorizing
11 pari-mutuel wagering on simulcast races in _____ County," as
12 appropriate. (V.A.C.S. Art. 179e, Sec. 16.11(b).)

13 Sec. 2035.016. CERTIFICATION OF ELECTION RESULTS. If a
14 majority of the votes cast in the election favor the legalization of
15 pari-mutuel wagering on horse races or greyhound races in the
16 county, or the authorization of pari-mutuel wagering on simulcast
17 races in the county, as appropriate, the commissioners court shall
18 certify that fact to the secretary of state not later than the 10th
19 day after the date of the canvass of the returns. (V.A.C.S.
20 Art. 179e, Sec. 16.12(a).)

21 Sec. 2035.017. FREQUENCY OF ELECTIONS. Another election
22 may not be held in the county under this chapter before the fifth
23 anniversary of the preceding election date. (V.A.C.S. Art. 179e,
24 Sec. 16.12(b).)

25 SUBCHAPTER B. ELECTION CONTEST

26 Sec. 2035.051. INITIATION OF ELECTION CONTEST. Not later
27 than the 30th day after the date the result of the election is

1 declared, any qualified voter of the county may contest the
2 election by filing a petition in the district court of the county.
3 (V.A.C.S. Art. 179e, Sec. 16.13(a) (part).)

4 Sec. 2035.052. PARTIES. Any person who is licensed or who
5 has submitted to the commission an application to be licensed in any
6 capacity under this subtitle may become a named party to the contest
7 proceedings by pleading to the petition on or before the time set
8 for hearing and trial as provided by Section 2035.053(b) or after
9 that time by intervention on leave of court. (V.A.C.S. Art. 179e,
10 Sec. 16.13(a) (part).)

11 Sec. 2035.053. CONDUCT OF CONTEST SUIT. (a) The
12 proceedings in the contest suit shall be conducted in the manner
13 prescribed by Title 14, Election Code, for contesting an election
14 held for a purpose other than the election of an officer.

15 (b) At or after the time for hearing and trial, the judge
16 shall hear and determine all questions of law and fact in the
17 proceedings and may enter orders for the proceedings that will
18 enable the judge to:

- 19 (1) try and determine the questions; and
20 (2) render a final judgment with the least possible
21 delay. (V.A.C.S. Art. 179e, Secs. 16.13(b) (part), (c).)

22 Sec. 2035.054. BOND. (a) Before entry of a final judgment
23 in the contest proceedings, any party may move that the court
24 dismiss the contestant's action unless the contestant posts a bond
25 with sufficient surety, approved by the court, payable to the
26 movant for the payment of all damages and costs that may accrue as a
27 result of the delay caused by the contestant's continued

1 participation in the proceedings if the contestant fails to finally
2 prevail and obtain substantially the judgment prayed for in the
3 petition.

4 (b) If a motion is made under this section, the court shall
5 issue an order directed to the contestant that:

6 (1) is served personally or by registered mail on all
7 parties, or on their attorneys of record, together with a copy of
8 the motion; and

9 (2) requires the contestant to:

10 (A) appear at the time and place, not sooner than
11 five days and not later than 10 days after the receipt of the order
12 and motion, as the court may direct; and

13 (B) show cause why the motion should not be
14 granted.

15 (c) Motions involving more than one contestant may be heard
16 together at the court's direction.

17 (d) Unless at the hearing on the motion the contestant
18 establishes facts that in the court's judgment would entitle the
19 contestant to a temporary injunction against issuance of the
20 license based on the election in question, the court shall:

21 (1) grant the movant's motion; and

22 (2) in the court's order, subject to Subsection (e),
23 set the bond to be posted by the contestant in an amount the court
24 finds to be sufficient to cover all damages and costs that may
25 accrue as described by Subsection (a).

26 (e) The maximum bond that the court may set is:

27 (1) \$100,000 for an election contest for a racetrack

1 to be located in a county that has a population of 1.3 million or
2 more and in which a municipality with a population of more than one
3 million is primarily located; or

4 (2) \$10,000 for an election contest for a racetrack to
5 be located in any other county. (V.A.C.S. Art. 179e, Sec. 16.14.)

6 Sec. 2035.055. APPEAL. (a) A party to the contest suit may
7 appeal to the appropriate court of appeals an order or judgment
8 entered by the trial court under Section 2035.053.

9 (b) An order or judgment from which an appeal is not taken is
10 final. If a party does not file an appeal before the 31st day after
11 the date the result of the election is declared, the election is
12 presumed valid.

13 (c) An order or judgment of a court of appeals may be
14 appealed to the supreme court.

15 (d) An appeal under this section has priority over any other
16 matter, except habeas corpus. The appellate court shall render its
17 final order or judgment with the least possible delay.

18 (e) The contestee or the county may not be required to give
19 bond on appeal. (V.A.C.S. Art. 179e, Secs. 16.15 (part), 16.17(b)
20 (part).)

21 Sec. 2035.056. CONTESTEE. The county attorney is the
22 contestee of a suit brought under Section 2035.051. If there is not
23 a county attorney of the county, the criminal district attorney or
24 district attorney is the contestee. (V.A.C.S. Art. 179e, Sec.
25 16.17(a).)

26 Sec. 2035.057. COSTS OF CONTEST. Costs of the election
27 contest may not be adjudged against the contestee or county.

1 (V.A.C.S. Art. 179e, Sec. 16.17(b) (part).)

2 SUBCHAPTER C. RESCISSION ELECTION

3 Sec. 2035.101. INITIATION OF RESCISSION ELECTION. (a) The
4 commissioners court of a county that has approved the legalization
5 of racing with pari-mutuel wagering in that county may hold an
6 election on the question of rescinding that approval.

7 (b) The commissioners court shall order the rescission
8 election on the presentation of a petition requesting the election.
9 (V.A.C.S. Art. 179e, Sec. 16.18(a) (part).)

10 Sec. 2035.102. EARLIEST DATE FOR HOLDING ELECTION. A
11 rescission election may not be held before the second anniversary
12 of the date of the election conducted under Section 2035.012 at
13 which the legalization of pari-mutuel wagering was approved.
14 (V.A.C.S. Art. 179e, Sec. 16.18(a) (part).)

15 Sec. 2035.103. PETITION REQUIREMENTS. A rescission
16 election petition must meet the requirements imposed by this
17 chapter for a petition to request a local option election on the
18 question of the legalization of racing with pari-mutuel wagering.
19 (V.A.C.S. Art. 179e, Sec. 16.18(a) (part).)

20 Sec. 2035.104. MANNER OF CONDUCTING ELECTION. An election
21 under this subchapter to rescind legalization of racing shall be
22 conducted in the manner provided for the original local option
23 election under this chapter. (V.A.C.S. Art. 179e, Sec. 16.18(a)
24 (part).)

25 Sec. 2035.105. BALLOT PROPOSITION. The ballots for an
26 election under this subchapter shall be printed to permit voting
27 for or against the proposition: "Rescinding the legalization of

1 pari-mutuel wagering on horse races in _____ County" or
2 "Rescinding the legalization of pari-mutuel wagering on greyhound
3 races in _____ County," as appropriate. (V.A.C.S. Art. 179e,
4 Sec. 16.18(a) (part).)

5 Sec. 2035.106. EFFECT OF RESCISSION. (a) If the majority
6 of the votes cast in an election under this subchapter favor the
7 rescission, racing with pari-mutuel wagering may not be conducted
8 in that county except as provided by Subsection (b).

9 (b) A racetrack association located in a county that elects
10 to rescind the legalization of racing and that has outstanding
11 long-term liabilities may continue to operate on a temporary basis
12 as provided by Section 2021.008. (V.A.C.S. Art. 179e, Secs.
13 16.18(b), (c).)

14 ARTICLE 2. CONFORMING AMENDMENTS

15 SECTION 2.01. Section 102.07(f), Alcoholic Beverage Code,
16 is amended to read as follows:

17 (f) Notwithstanding Subsection (a) of this section, Section
18 108.05 [~~of this code~~], or any other provision of this code, a holder
19 of a brewer's permit, nonresident brewer's permit, distiller's and
20 rectifier's permit, winery permit, nonresident seller's permit,
21 manufacturer's license, or nonresident manufacturer's license may,
22 in order to promote the brand name of the permittee's or licensee's
23 products, contract with a person licensed under Subtitle A-1, Title
24 13, Occupations Code (~~[the] Texas Racing Act [(Article 179e,~~
25 ~~Vernon's Texas Civil Statutes)]~~), for on-site advertising signs, for
26 advertising in programs, and to supplement purses for races even
27 though the licensees under that subtitle [~~Act~~] or the owners or

1 operators of the racing facilities also hold a mixed beverage
2 permit or other permit or license under this code. In addition, a
3 permittee or licensee described by this subsection may contract for
4 off-site advertising promoting specific races. A part of the cost
5 of an advertisement or promotion authorized by this section may not
6 be charged to or paid, directly or indirectly, by the holder of a
7 wholesale permit, general class B wholesaler's permit, local class
8 B wholesaler's permit, local distributor's permit, general
9 distributor's license, or local distributor's license, except
10 through the price paid by that holder for products purchased from
11 the holder's supplier.

12 SECTION 2.02. Section [153.555](#), Business Organizations
13 Code, is amended to read as follows:

14 Sec. 153.555. PERMITTED TRANSFER IN CONNECTION WITH
15 RACETRACK LICENSE. The following transfer relating to a limited
16 partnership is not a prohibited transfer that violates Section
17 2025.107(a), Occupations Code [~~6.12(a), Texas Racing Act (Article~~
18 ~~179c, Vernon's Texas Civil Statutes)~~]:

19 (1) a transfer by a general partnership of its assets
20 to a limited partnership, the corporate general partner of which is
21 controlled by the partners of the general partnership; or

22 (2) a transfer by a limited partnership of the
23 beneficial use of or interest in any of its rights, privileges, or
24 assets to a local development corporation incorporated before
25 January 31, 1993, under Subchapter D, Chapter [431](#), Transportation
26 Code.

27 SECTION 2.03. Section [88.522\(c\)](#), Education Code, is amended

1 to read as follows:

2 (c) The comptroller shall periodically transfer the amounts
3 specified by Sections 2028.103(a) [~~6.08(f)~~] and 2028.105(a) [~~(h)~~],
4 Occupations Code [~~Texas Racing Act (Article 179e, Vernon's Texas~~
5 ~~Civil Statutes)~~], to the account.

6 SECTION 2.04. Section 411.096(a), Government Code, is
7 amended to read as follows:

8 (a) The Texas Racing Commission is entitled to obtain from
9 the department criminal history record information maintained by
10 the department that pertains to a person who is:

- 11 (1) appointed to the commission;
- 12 (2) an applicant for employment by the commission; or
- 13 (3) an applicant for a license under Subtitle A-1,
14 Title 13, Occupations Code (~~[the] Texas Racing Act [(Article 179e,~~
15 ~~Vernon's Texas Civil Statutes)]~~).

16 SECTION 2.05. Section 751.0021(a), Health and Safety Code,
17 is amended to read as follows:

18 (a) This chapter applies to a horse or greyhound race that
19 attracts or is expected to attract at least 100 persons, except that
20 this chapter does not apply if the race is held at a location at
21 which pari-mutuel wagering is authorized under Subtitle A-1, Title
22 13, Occupations Code (~~[the] Texas Racing Act [(Article 179e,~~
23 ~~Vernon's Texas Civil Statutes)]~~).

24 SECTION 2.06. Section 802.003(c), Occupations Code, is
25 amended to read as follows:

26 (c) This chapter does not apply to an animal regulated under
27 Subtitle A-1, Title 13 (~~[the] Texas Racing Act [(Article 179e,~~

1 ~~Vernon's Texas Civil Statutes~~]).

2 SECTION 2.07. Section 46.01(15), Penal Code, is amended to
3 read as follows:

4 (15) "Racetrack" has the meaning assigned that term by
5 Section 2021.003(41), Occupations Code [~~the Texas Racing Act~~
6 ~~(Article 179c, Vernon's Texas Civil Statutes)~~].

7 SECTION 2.08. Section 47.02(c), Penal Code, is amended to
8 read as follows:

9 (c) It is a defense to prosecution under this section that
10 the actor reasonably believed that the conduct:

11 (1) was permitted under Chapter 2001, Occupations
12 Code;

13 (2) was permitted under Chapter 2002, Occupations
14 Code;

15 (3) was permitted under Chapter 2004, Occupations
16 Code;

17 (4) consisted entirely of participation in the state
18 lottery authorized by the State Lottery Act (Chapter 466,
19 Government Code);

20 (5) was permitted under Subtitle A-1, Title 13,
21 Occupations Code (~~[the] Texas Racing Act~~ [~~Article 179c, Vernon's~~
22 ~~Texas Civil Statutes~~]); or

23 (6) consisted entirely of participation in a drawing
24 for the opportunity to participate in a hunting, fishing, or other
25 recreational event conducted by the Parks and Wildlife Department.

26 SECTION 2.09. Section 47.05(b), Penal Code, is amended to
27 read as follows:

1 (b) It is an exception to the application of Subsection (a)
2 that the information communicated is intended for use in placing a
3 lawful wager under Chapter 2027, Occupations Code [~~Article 11,~~
4 ~~Texas Racing Act (Article 179c, Vernon's Texas Civil Statutes)~~],
5 and is not communicated in violation of Section 2033.013,
6 Occupations Code [~~14.01 of that Act~~].

7 SECTION 2.10. Section 47.09(a), Penal Code, is amended to
8 read as follows:

9 (a) It is a defense to prosecution under this chapter that
10 the conduct:

11 (1) was authorized under:

12 (A) Chapter 2001, Occupations Code;

13 (B) Chapter 2002, Occupations Code;

14 (C) Chapter 2004, Occupations Code; or

15 (D) Subtitle A-1, Title 13, Occupations Code

16 (~~the~~) Texas Racing Act [~~(Article 179c, Vernon's Texas Civil~~
17 ~~Statutes)~~];

18 (2) consisted entirely of participation in the state
19 lottery authorized by Chapter 466, Government Code; or

20 (3) was a necessary incident to the operation of the
21 state lottery and was directly or indirectly authorized by:

22 (A) Chapter 466, Government Code;

23 (B) the lottery division of the Texas Lottery
24 Commission;

25 (C) the Texas Lottery Commission; or

26 (D) the director of the lottery division of the
27 Texas Lottery Commission.

1 SECTION 2.11. Section [11.23](#)(h), Tax Code, is amended to
2 read as follows:

3 (h) County Fair Associations. A county fair association
4 organized to hold agricultural fairs and encourage agricultural
5 pursuits is entitled to an exemption from taxation of the land and
6 buildings that it owns and uses to hold agricultural fairs. An
7 association that holds a license issued after January 1, 2001,
8 under Subtitle A-1, Title 13, Occupations Code (~~[the] Texas Racing~~
9 ~~Act [Article [179e](#), Vernon's Texas Civil Statutes]~~), to conduct a
10 horse race meeting or a greyhound race meeting with pari-mutuel
11 wagering is not entitled to an exemption under this subsection.
12 Land or a building used to conduct a horse race meeting or a
13 greyhound race meeting with pari-mutuel wagering under a license
14 issued after January 1, 2001, under that subtitle ~~[Act]~~ may not be
15 exempted under this subsection. To qualify for an exemption under
16 this subsection, a county fair association must:

17 (1) be a nonprofit corporation governed by Chapter [22](#),
18 Business Organizations Code ~~[as defined by the Texas Non-Profit~~
19 ~~Corporation Act (Article [1396-1.01](#) et seq., Vernon's Texas Civil~~
20 ~~Statutes)]~~;

21 (2) be exempt from federal income taxes as an
22 organization described by Section 501(c)(3), (4), or (5), Internal
23 Revenue Code of 1986~~[, as amended]~~;

24 (3) qualify for an exemption from the franchise tax
25 under Section 171.060; and

26 (4) meet the requirements of a charitable organization
27 provided by Sections [11.18](#)(e) and (f), for which purpose the

1 functions for which the association is organized are considered to
2 be charitable functions.

3 SECTION 2.12. Section 151.0035, Tax Code, is amended to
4 read as follows:

5 Sec. 151.0035. "DATA PROCESSING SERVICE". "Data processing
6 service" includes word processing, data entry, data retrieval, data
7 search, information compilation, payroll and business accounting
8 data production, the performance of a totalisator service with the
9 use of computational equipment required by Subtitle A-1, Title 13,
10 Occupations Code (~~[the] Texas Racing Act [(Article 179e, Vernon's~~
11 ~~Texas Civil Statutes]~~), and other computerized data and information
12 storage or manipulation. "Data processing service" also includes
13 the use of a computer or computer time for data processing whether
14 the processing is performed by the provider of the computer or
15 computer time or by the purchaser or other beneficiary of the
16 service. "Data processing service" does not include the
17 transcription of medical dictation by a medical transcriptionist.
18 "Data storage," as used in this section, does not include a
19 classified advertisement, banner advertisement, vertical
20 advertisement, or link when the item is displayed on an Internet
21 website owned by another person.

22 ARTICLE 3. REPEALER

23 SECTION 3.01. The following provisions of the Texas Racing
24 Act (Article 179e, Vernon's Texas Civil Statutes), are repealed:

25 (1) Articles 1, 2, 3, 4, 5, 7, 8, 9, 9A, 10, 11, 12, 13,
26 14, 15, 16, and 18; and

27 (2) Sections 6.01, 6.02, 6.03, 6.031, 6.032, 6.04,

1 6.06, 6.0601, 6.0602, 6.0603, 6.061, 6.062, 6.063, 6.07, 6.08,
2 6.09, 6.091, 6.092, 6.093, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15,
3 6.16, 6.17, and 6.18.

4 ARTICLE 4. GENERAL MATTERS

5 SECTION 4.01. This Act is enacted under Section 43, Article
6 III, Texas Constitution. This Act is intended as a recodification
7 only, and no substantive change in law is intended by this Act.

8 SECTION 4.02. This Act takes effect April 1, 2019.