

By: Thompson

H.B. No. 4757

A BILL TO BE ENTITLED

AN ACT

relating to eligibility for membership on and the regulation of horse racing by the Texas Racing Commission and a prohibition on the conduct of greyhound or other dog racing as live events in this state; creating a criminal offense; authorizing a fee.

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

ARTICLE 1. MEMBERSHIP ON AND REGULATION OF HORSE RACING BY TEXAS RACING COMMISSION

SECTION 1.001. Section 2021.003, Occupations Code, is amended by adding Subdivision (29-a) to read as follows:

(29-a) "Occupational license" means a license issued to an individual to conduct activities prescribed for that license in the commission rules.

SECTION 1.002. Section 2021.006, Occupations Code, is amended to read as follows:

Sec. 2021.006. RELEASE OF CIVIL LIABILITY. A commission member, a commission employee, a person contracted by the commission, a steward or judge, a racetrack association, a horsemen's organization, or any other person regulated under this subtitle is not liable for a cause of action that arises out of that person's performance or exercise of discretion in the implementation or enforcement of this subtitle or a rule adopted under this subtitle if the person has acted in good faith.

SECTION 1.003. Section 2022.004(e), Occupations Code, is

1 amended to read as follows:

2 (e) A person is not eligible for appointment as a commission
3 member or to be designated to serve as an ex officio member's
4 designee as described by Section 2022.001(b) if:

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

6 (A) is licensed by the commission, except as a
7 commissioner;

8 (B) is employed by the commission or participates
9 in the management of a business entity or other organization
10 regulated by the commission or receiving funds from or through the
11 commission;

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

16 (D) uses or receives a substantial amount of
17 tangible goods, services, or funds from or through the commission,
18 other than compensation or reimbursement authorized by law for
19 commission membership, attendance, or expenses; or

20 (2) the person:

21 (A) owns any financial interest in a racetrack or
22 its operation or is related within the second degree by affinity or
23 the third degree by consanguinity, as determined under Subchapter
24 B, Chapter 573, Government Code, to a person who owns any financial
25 interest in a racetrack or its operation; or

26 (B) has been convicted of a felony [~~or of any~~
27 ~~crime involving moral turpitude~~].

SECTION 1.004. The heading to Section 2022.052, Occupations Code, is amended to read as follows:

Sec. 2022.052. EMPLOYEES; RESTRICTIONS ON EMPLOYMENT; CONTRACTING.

SECTION 1.005. Sections 2022.052(a) and (c), Occupations Code, are amended to read as follows:

(a) The commission shall hire employees or contract with persons as necessary to administer this subtitle.

(c) The commission may not employ or continue to employ or contract with or continue to contract with a person who:

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

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

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

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

(5) resides with or is related within the first degree by affinity or consanguinity to a person subject to a disqualification prescribed by this subsection.

SECTION 1.006. Subchapter B, Chapter 2022, Occupations Code, is amended by adding Section 2022.0516 to read as follows:

Sec. 2022.0516. GRANTS. The executive director may apply

for and receive any grant applicable to the implementation or enforcement of this subtitle or a rule adopted under this subtitle.

SECTION 1.007. Chapter 2022, Occupations Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. TEXAS EQUINE EDUCATION AND RESEARCH COUNCIL AND ESCROW ACCOUNT

Sec. 2022.151. DEFINITIONS. In this subchapter:

(1) "Council" means the Texas equine education and research council.

(2) "Escrow account" means the Texas equine education and research escrow account.

Sec. 2022.152. TEXAS EQUINE EDUCATION AND RESEARCH ESCROW ACCOUNT. The Texas equine education and research escrow account is a special account in the general revenue fund. Money deposited to the credit of the escrow account may be used only for the purposes described in this subchapter.

Sec. 2022.153. TEXAS EQUINE EDUCATION AND RESEARCH COUNCIL.

(a) The Texas equine education and research council is composed of:

(1) the executive director; and

(2) one representative designated by each of the following entities:

(A) Texas A&M Veterinary Medical Diagnostic Laboratory;

(B) Texas A&M AgriLife Extension Service;

(C) Texas A&M School of Veterinary Medicine & Biomedical Sciences;

(D) Texas Animal Health Commission; and

1 (E) Department of State Health Services.

2 (b) The executive director serves as the council's
3 presiding officer.

4 SECTION 1.008. Section 2023.053(f), Occupations Code, is
5 amended to read as follows:

6 (f) This section does not apply to money deposited into the
7 Texas-bred escrow account [~~incentive fund~~] established under
8 Section 2028.301.

9 SECTION 1.009. Section 2023.061(a), Occupations Code, is
10 amended to read as follows:

11 (a) Not later than January 31 of each year, the commission
12 may [~~shall~~] file a report with the governor, lieutenant governor,
13 and speaker of the house of representatives. The report may
14 include, to the extent the commission considers appropriate:

15 (1) descriptions of changes to commission programs;
16 and

17 (2) recommendations to the governor and the
18 legislature.

19 SECTION 1.010. Section 2024.055(b), Occupations Code, is
20 amended to read as follows:

21 (b) This section does not apply to money deposited into the
22 Texas-bred escrow account [~~incentive fund~~] established under
23 Section 2028.301.

24 SECTION 1.011. Section 2025.103(a), Occupations Code, is
25 amended to read as follows:

26 (a) After a racetrack association has been granted a license
27 to operate a racetrack and before the completion of construction at

1 the designated place for which the license was issued, the
2 commission may, on application by the racetrack association, issue
3 a temporary license that authorizes the racetrack association to
4 conduct races at a location in the same county until the earlier of:

5 (1) the fifth [~~second~~] anniversary of the date of
6 issuance of the temporary license; or

7 (2) the completion of the permanent facility.

8 SECTION 1.012. Section 2025.262, Occupations Code, is
9 amended to read as follows:

10 Sec. 2025.262. GROUNDS FOR DENIAL, REVOCATION, AND
11 SUSPENSION OF OCCUPATIONAL LICENSE. The commission may refuse to
12 issue any original or renewal license under this subchapter or may
13 revoke or suspend the license if, after notice and hearing, the
14 commission finds that the applicant or license holder, as
15 appropriate:

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

19 (2) has been convicted of a felony [~~or a crime~~
20 ~~involving moral turpitude~~] that is reasonably related to the
21 person's present fitness to hold a license under this subtitle;

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

26 (4) is unqualified, by experience or otherwise, to
27 perform the duties required of a license holder under this

1 subtitle;

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

4 (6) fails to disclose the true ownership or interest
5 in a horse ~~[or greyhound]~~ as required by commission rules;

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

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

11 (9) is in the habit of using alcoholic beverages to an
12 excess or uses a controlled substance as defined in Chapter 481,
13 Health and Safety Code, or a dangerous drug as defined in Chapter
14 483, Health and Safety Code, or is mentally incapacitated;

15 (10) may be excluded from an enclosure under this
16 subtitle;

17 (11) has improperly used a temporary pass, license
18 certificate, credential, or identification card issued under this
19 subtitle;

20 (12) resides with a person whose license was revoked
21 for cause during the 12 months preceding the date of the present
22 application;

23 (13) has failed or refused to furnish a true copy of
24 the application to the commission's district office in the district
25 in which the premises for which the license is sought are located;
26 or

27 (14) is engaged or has engaged in activities or

practices that are detrimental to the best interests of the public and the sport of horse racing [~~or greyhound racing~~].

SECTION 1.013. Section 2026.008(b), Occupations Code, is amended to read as follows:

(b) The commission shall adopt rules relating to:

(1) the approval of plans and specifications;

(2) the contents of plans and specifications, including a requirement that a plan incorporate proposals for the racetrack to support state emergency management activities under Chapter 418, Government Code;

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

(4) the content and filing of construction progress reports by the racetrack association to the commission;

(5) the inspection by the commission or others;

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

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

SECTION 1.014. Section 2026.051, Occupations Code, is amended to read as follows:

Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR EJECTION. The commission shall adopt rules providing for the exclusion or ejection from an enclosure where horse [~~or greyhound~~] races are conducted, or from specified portions of an enclosure, of a person:

(1) who has engaged in bookmaking, touting, or illegal

1 wagering;

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

4 (3) who has been convicted of a violation of this
5 subtitle;

6 (4) who has been convicted of theft;

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

10 (6) who has committed a corrupt or fraudulent act in
11 connection with horse ~~[or greyhound]~~ racing or pari-mutuel wagering
12 or who has committed any act tending or intended to corrupt horse
13 ~~[or greyhound]~~ racing or pari-mutuel wagering;

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

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

23 (9) who has been convicted of committing a lewd or
24 lascivious act ~~[or other crime involving moral turpitude]~~;

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

27 (11) who is an agent or habitual associate of a person

excludable under this section; or

(12) who has been convicted of a felony.

SECTION 1.015. Sections 2028.103(a) and (a-1), Occupations Code, are amended to read as follows:

(a) A horse racetrack association shall set aside for the Texas-bred program and pay to the commission an amount equal to one percent of a live multiple two wagering pool and a live multiple three wagering pool. From the set-aside amounts:

(1) the greater of two percent or \$50,000 shall be set aside for purposes of Subchapter D, Chapter 2022 [~~F, Chapter 88, Education Code~~]; and

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

(A) 10 percent may be used by the appropriate state horse breed registry for administration; and

(B) the remainder shall be used for awards.

(a-1) The commission shall deposit money paid to the commission under Subsection (a) into the Texas-bred escrow account [~~incentive fund~~] established under Section 2028.301. The commission shall distribute the money collected under this section and deposited into the fund to the appropriate state horse breed registries for the Texas-bred program in accordance with rules adopted under Subsection (c).

SECTION 1.016. Sections 2028.105(d) and (d-1), Occupations Code, are amended to read as follows:

(d) The horse racetrack association shall pay to the commission for deposit into the Texas-bred escrow account

1 ~~[incentive fund]~~ established under Section 2028.301 and
2 distribution to the appropriate state horse breed registry the
3 remaining 80 percent of the total breakage to be allocated as
4 follows:

5 (1) 40 percent to the owners of the accredited
6 Texas-bred horses that finish first, second, or third;

7 (2) 40 percent to the breeders of accredited
8 Texas-bred horses that finish first, second, or third; and

9 (3) 20 percent to the owner of the stallion standing in
10 this state at the time of conception whose Texas-bred get finish
11 first, second, or third.

12 (d-1) The commission shall deposit the portions of total
13 breakage paid to the commission under Subsections (b) and (d) into
14 the Texas-bred escrow account ~~[incentive fund]~~ established under
15 Section 2028.301. The commission shall distribute the money
16 collected under this section and deposited into the fund to the
17 appropriate state horse breed registries in accordance with this
18 section and with rules adopted by the commission under Section
19 2028.103.

20 SECTION 1.017. Section 2028.202(a-1), Occupations Code, is
21 amended to read as follows:

22 (a-1) A racetrack association shall pay to the commission
23 for deposit into the Texas-bred escrow account ~~[incentive fund]~~
24 established under Section 2028.301 the shares to be distributed
25 under Subsections (a)(3) and (a)(4) for the Texas-bred program.
26 The commission shall distribute the money collected under this
27 section and deposited into the fund to the appropriate state breed

registries for use under the Texas-bred program.

SECTION 1.018. Section 2028.301, Occupations Code, is amended to read as follows:

Sec. 2028.301. TEXAS-BRED ESCROW ACCOUNT [~~INCENTIVE FUND~~].

(a) The comptroller [~~commission~~] shall deposit the state's share of the simulcast pari-mutuel pool [~~money set aside for the Texas-bred program or set aside~~] for use by state breed registries under this chapter into a trust fund [~~an escrow account~~] in the state treasury [~~in the registry of the commission~~] to be known as the Texas-bred escrow account. Money in the account may not be appropriated for state expenditure [~~incentive fund~~].

(b) The commission shall distribute money from the Texas-bred escrow account [~~incentive fund~~] in accordance with this chapter and commission rules.

SECTION 1.019. Subchapter A, Chapter 2029, Occupations Code, is amended by adding Section 2029.0015 to read as follows:

Sec. 2029.0015. TRANSFER OF ALLOCATED RACE DATE. (a) A class 2 racetrack may submit to the commission an application to transfer to a class 1 racetrack a race date the commission allocated to the class 2 racetrack under Section 2029.001. The horsemen's organization must agree to the transfer before the application is submitted.

(b) The commission:

(1) shall approve or disapprove an application submitted under Subsection (a) not later than the 10th day after the date the application is submitted; and

(2) may not charge a fee for the submitted

1 application.

2 SECTION 1.020. Section 2033.002, Occupations Code, is
3 amended to read as follows:

4 Sec. 2033.002. UNLAWFUL RACING. A person commits an
5 offense if:

6 (1) the person participates in, permits, or conducts a
7 horse ~~[or greyhound]~~ race at a racetrack without a permit issued
8 under Chapter 751, Health and Safety Code;

9 (2) the person wagers on the partial or final outcome
10 of the horse ~~[or greyhound]~~ race or knows or reasonably should know
11 that another person is betting on the partial or final outcome of
12 the race; and

13 (3) the race is not part of a performance or race
14 meeting conducted under this subtitle or commission rule.

15 SECTION 1.021. Section 2033.004(a), Occupations Code, is
16 amended to read as follows:

17 (a) A person commits an offense if the person:

18 (1) conducts a horse ~~[or greyhound]~~ race without:

19 (A) a racetrack license; or

20 (B) a permit issued under Chapter 751, Health and
21 Safety Code; and

22 (2) knows or reasonably should know that another
23 person is betting on the final or partial outcome of the race.

24 SECTION 1.022. Section 2033.014, Occupations Code, is
25 amended by adding Subsection (a-1) to read as follows:

26 (a-1) A person commits an offense if the person:

27 (1) seeks to enter, train, or ride a horse for a horse

1 race that is part of a performance or race meeting conducted under
2 this subtitle or commission rule; and

3 (2) knows or reasonably should know that the horse has
4 participated in a performance or race meeting in this state that was
5 not conducted:

6 (A) under this subtitle or commission rule; or

7 (B) under a permit issued under Chapter 751,
8 Health and Safety Code.

9 SECTION 1.023. Sections 2033.101(a) and (b), Occupations
10 Code, are amended to read as follows:

11 (a) The executive director may issue a cease and desist
12 order if the executive director reasonably believes a person
13 ~~[racetrack association or other license holder]~~ is engaging or is
14 likely to engage in conduct that violates this subtitle or a
15 commission rule.

16 (b) On issuance of a cease and desist order, the executive
17 director shall serve a proposed cease and desist order on the person
18 ~~[racetrack association or other license holder]~~ by personal
19 delivery or registered or certified mail, return receipt requested,
20 to the person's last known address.

21 SECTION 1.024. Section 2033.104, Occupations Code, is
22 amended to read as follows:

23 Sec. 2033.104. EMERGENCY CEASE AND DESIST ORDER; SEIZURE OF
24 AFFECTED ANIMALS. (a) The executive director may issue an
25 emergency cease and desist order if the executive director
26 reasonably believes a person ~~[racetrack association or other~~
27 ~~license holder]~~ is engaged in a continuing activity that:

1 (1) violates this subtitle or a commission rule in a
2 manner that threatens immediate and irreparable public harm;or

3 (2) involves suspected cruelty to an animal in
4 violation of commission rule or Section 42.09 or 42.092, Penal
5 Code.

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

14 (c) On issuance of an emergency cease and desist order, the
15 executive director may authorize the seizure of any animal
16 suspected of being or to have been subject to cruelty to an animal
17 in violation of commission rule or Section 42.09 or 42.092, Penal
18 Code. An emergency cease and desist order issued under Subsection
19 (a)(2) satisfies the evidence requirement for a showing of probable
20 cause for purposes of Section 821.022, Health and Safety Code.

21 SECTION 1.025. Section 2034.001(c), Occupations Code, is
22 amended to read as follows:

23 (c) The commission's rules must require state-of-the-art
24 testing methods. The testing may:

25 (1) be conducted [~~prerace or postrace~~] as determined
26 by the commission; and

27 (2) be by an invasive or noninvasive method.

SECTION 1.026. The following provisions of the Occupations Code are repealed:

- (1) Section 2021.003(19);
- (2) Sections 2023.061(b) and (c);
- (3) Section 2025.001(a);
- (4) Section 2026.011; and
- (5) Section 2028.2041(c).

SECTION 1.027. Section 2021.006, Occupations Code, as amended by this Act, applies only to a cause of action that accrues on or after the effective date of this Act.

SECTION 1.028. The term of a person who is serving as a member of the Texas Racing Commission immediately before the effective date of this Act and who is ineligible for appointment under Section 2022.004(e), Occupations Code, as amended by this Act, expires on the effective date of this Act.

SECTION 1.029. On September 1, 2025, money in the Texas-bred incentive fund is transferred to the Texas-bred escrow account, and the Texas-bred incentive fund is abolished.

SECTION 1.030. The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

ARTICLE 2. PROHIBITION ON CONDUCT OF GREYHOUND AND OTHER DOG RACING
AS LIVE EVENTS

SECTION 2.001. Section 481.172(a), Government Code, is amended to read as follows:

(a) The office shall:

(1) as the primary state governmental entity responsible for out-of-state tourism marketing and promotion efforts, promote and advertise within the United States and in foreign countries, by radio, television, newspaper, the Internet, and other means considered appropriate, tourism in this state by non-Texans, including persons from foreign countries, and distribute promotional materials through appropriate distribution channels;

(2) represent the state in domestic and international travel trade shows, trade missions, and seminars;

(3) encourage travel by Texans to this state's scenic, historical, cultural, natural, agricultural, educational, recreational, and other attractions;

(4) conduct a public relations campaign to create a responsible and accurate national and international image of this state;

(5) use current market research to develop a tourism marketing plan to increase travel to the state by domestic and international visitors;

(6) develop methods to attract tourist attractions to the state;

(7) assist communities to develop tourist

1 attractions;

2 (8) not later than December 31, 2003, enter into a
3 memorandum of understanding with the Parks and Wildlife Department,
4 the Texas Department of Transportation, the Texas Historical
5 Commission, and the Texas Commission on the Arts to direct the
6 efforts of those agencies in all matters relating to tourism;

7 (9) promote and encourage the horse racing [~~and~~
8 ~~greyhound racing~~] industry, if funds are appropriated for the
9 promotion or encouragement; and

10 (10) promote the sports industry and related
11 industries in this state, including promoting this state as a host
12 for national and international amateur athletic competition and
13 promoting sports or fitness programs for the residents of this
14 state, if funds are appropriated for the promotion.

15 SECTION 2.002. The heading to Section 751.0021, Health and
16 Safety Code, is amended to read as follows:

17 Sec. 751.0021. APPLICABILITY TO CERTAIN HORSE [~~AND~~
18 ~~GREYHOUND~~] RACES.

19 SECTION 2.003. Section 751.0021(a), Health and Safety Code,
20 is amended to read as follows:

21 (a) This chapter applies to a horse [~~or greyhound~~] race that
22 attracts or is expected to attract at least 100 persons, except that
23 this chapter does not apply if the race is held at a location at
24 which pari-mutuel wagering is authorized under Subtitle A-1, Title
25 13, Occupations Code (Texas Racing Act).

26 SECTION 2.004. Section 2021.002, Occupations Code, is
27 amended to read as follows:

1 Sec. 2021.002. PURPOSE. The purpose of this subtitle is to
2 provide for the strict regulation of horse racing [~~and greyhound~~
3 ~~racing~~] and the control of pari-mutuel wagering in connection with
4 that racing.

5 SECTION 2.005. Sections 2021.003(30), (34), (41), (42),
6 (44), and (54), Occupations Code, are amended to read as follows:

7 (30) "Outstanding ticket" means a pari-mutuel ticket
8 not presented for payment before the end of the horse racing day [~~or~~
9 ~~greyhound racing day~~] for which the ticket was purchased.

10 (34) "Pari-mutuel wagering" means the form of wagering
11 on the outcome of horse racing [~~or greyhound racing~~] in which
12 persons who wager purchase tickets of various denominations on an
13 animal or animals and all wagers for each race are pooled and held
14 by the racetrack association for distribution of the total amount,
15 less the deductions authorized by this subtitle, to holders of
16 tickets on the winning animals.

17 (41) "Racetrack" means a facility licensed under this
18 subtitle for the conduct of pari-mutuel wagering on horse racing
19 [~~or greyhound racing~~].

20 (42) "Racetrack association" means a person licensed
21 under this subtitle to conduct a horse race meeting [~~or a greyhound~~
22 ~~race meeting~~] with pari-mutuel wagering.

23 (44) "Regular wagering" means wagering on a single
24 horse [~~or greyhound~~] in a single race. The term includes wagering on
25 the win pool, the place pool, or the show pool.

26 (54) "Trainer" means a person who is licensed by the
27 commission to train horses [~~or greyhounds~~].

SECTION 2.006. Chapter 2021, Occupations Code, is amended by adding Section 2021.010 to read as follows:

Sec. 2021.010. GREYHOUND RACING PROHIBITED. Greyhound racing conducted as a live racing event, or any other form of dog racing, is prohibited in this state.

SECTION 2.007. Section 2022.001(c), Occupations Code, is amended to read as follows:

(c) Of the appointed commission members:

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

(2) one additional member must have special knowledge or experience related to horse racing[~~, and~~

~~[(3) one additional member must have special knowledge or experience related to greyhound racing].~~

SECTION 2.008. Section 2022.004(b), Occupations Code, is amended to read as follows:

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

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

(2) the person's spouse is an officer, manager, or paid

consultant of a Texas trade association in the field of horse ~~or~~
~~greyhound~~ racing or breeding.

SECTION 2.009. The heading to Subchapter A, Chapter 2023, Occupations Code, is amended to read as follows:

SUBCHAPTER A. REGULATION, SUPERVISION, AND LICENSING RELATING TO
HORSE RACING ~~[AND GREYHOUND RACING]~~

SECTION 2.010. Section 2023.001, Occupations Code, is amended to read as follows:

Sec. 2023.001. LICENSING, REGULATION, AND SUPERVISION OF HORSE RACING ~~[AND GREYHOUND RACING]~~. (a) Notwithstanding any contrary provision in this subtitle, the commission may license and regulate all aspects of horse racing ~~[and greyhound racing]~~ in this state, regardless of whether that racing involves pari-mutuel wagering.

(b) The commission, in adopting rules and in the supervision and conduct of racing, shall consider the effect of a proposed commission action on the state's agricultural, horse breeding, and horse training~~[, greyhound breeding, and greyhound training]~~ industry.

SECTION 2.011. Section 2023.002, Occupations Code, is amended to read as follows:

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

1 (b) The commission shall adopt rules, issue licenses, and
2 take any other necessary action relating exclusively to horse
3 racing [~~or greyhound racing~~].

4 SECTION 2.012. Section 2023.004(a), Occupations Code, is
5 amended to read as follows:

6 (a) The commission shall adopt:

7 (1) rules for conducting horse racing [~~or greyhound~~
8 ~~racing~~] in this state that involves wagering; and

9 (2) rules for administering this subtitle in a manner
10 consistent with this subtitle.

11 SECTION 2.013. Section 2023.101, Occupations Code, is
12 amended to read as follows:

13 Sec. 2023.101. EMPLOYMENT OF STEWARDS [~~AND JUDGES~~]. (a) A
14 horse race meeting must be supervised by three stewards[, ~~and a~~
15 ~~greyhound race meeting must be supervised by three judges~~].

16 (b) The commission shall employ each steward [~~and judge~~] for
17 the supervision of a horse race [~~or greyhound race~~] meeting.

18 (c) The commission shall designate one steward [~~or judge, as~~
19 ~~appropriate~~] as the presiding steward [~~or judge~~] for each race
20 meeting.

21 (d) Following the completion of a race meeting, a racetrack
22 association may submit to the commission for the commission's
23 review written comments regarding the job performance of the
24 stewards [~~and judges~~]. A racetrack association's comments
25 submitted under this section are not binding, in any way, on the
26 commission.

27 SECTION 2.014. Section 2024.055(a), Occupations Code, is

1 amended to read as follows:

2 (a) The comptroller shall deposit the state's share of each
3 pari-mutuel pool from horse racing [~~and greyhound racing~~] in the
4 general revenue fund.

5 SECTION 2.015. Section 2025.051, Occupations Code, is
6 amended to read as follows:

7 Sec. 2025.051. RACETRACK LICENSE REQUIRED; CRIMINAL
8 PENALTY. A person may not conduct wagering on a horse [~~or~~
9 ~~greyhound~~] race meeting without first obtaining a racetrack license
10 issued by the commission. A person who violates this section
11 commits an offense.

12 SECTION 2.016. Section 2025.053(b), Occupations Code, is
13 amended to read as follows:

14 (b) The commission shall set application fees in amounts
15 reasonable and necessary to cover the costs of administering this
16 subtitle. The commission by rule shall establish a schedule of
17 application fees for the various types and classifications of
18 racetracks using minimum application fees. The minimum application
19 fee[+]

20 [~~(1) for a horse racetrack~~] is:

21 (1) [~~(A)~~] \$15,000 for a class 1 racetrack;

22 (2) [~~(B)~~] \$7,500 for a class 2 racetrack;

23 (3) [~~(C)~~] \$2,500 for a class 3 racetrack; and

24 (4) [~~(D)~~] \$1,500 for a class 4 racetrack[~~, and~~

25 [~~(2) for a greyhound racetrack is \$20,000~~].

26 SECTION 2.017. Section 2025.101(c), Occupations Code, is
27 amended to read as follows:

1 (c) The commission may not issue a license to operate a
2 class 1 or class 2 racetrack [~~or a greyhound racetrack~~] to a
3 corporation unless:

4 (1) the corporation is incorporated under the laws of
5 this state; and

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

9 SECTION 2.018. Section 2025.102(b), Occupations Code, is
10 amended to read as follows:

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

13 (1) the applicant's financial stability;

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

16 (3) the location of the proposed racetrack;

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

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

21 (6) facilities for race animals;

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

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

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

27 (10) the anticipated effect of the race meeting on the

1 horse [~~or greyhound~~] breeding industry in this state; and

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

5 SECTION 2.019. Sections 2025.201(a) and (c), Occupations
6 Code, are amended to read as follows:

7 (a) The commission may refuse to issue a racetrack license
8 or may revoke or suspend a license if, after notice and hearing, the
9 commission finds that the applicant or license holder, as
10 appropriate:

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

14 (2) has been convicted of a felony or a crime involving
15 moral turpitude, including a conviction for which the punishment
16 received was a suspended sentence, probation, or a nonadjudicated
17 conviction, that is reasonably related to the person's present
18 fitness to hold a license under this subtitle;

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

23 (4) is unqualified, by experience or otherwise, to
24 perform the duties required of a license holder under this
25 subtitle;

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

1 (6) fails to disclose the true ownership or interest
2 in a horse [~~or greyhound~~] as required by commission rules;

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

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

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

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

14 (11) may be excluded from an enclosure under this
15 subtitle;

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

19 (13) has improperly used a credential, including a
20 license certificate or identification card, issued under this
21 subtitle;

22 (14) resides with a person whose license was revoked
23 for cause during the 12 months preceding the date of the present
24 application;

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

1 (16) is engaged or has engaged in activities or
2 practices the commission determines are detrimental to the best
3 interests of the public and the sport of horse racing [~~or greyhound~~
4 ~~racing~~]; or

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

7 (c) The commission may refuse to issue a license or may
8 suspend or revoke a license of a license holder under this
9 subchapter who knowingly or intentionally allows access to an
10 enclosure where horse races [~~or greyhound races~~] are conducted to a
11 person:

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

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

16 (3) who has been convicted of a violation of this
17 subtitle.

18 SECTION 2.020. Section 2026.003(a), Occupations Code, is
19 amended to read as follows:

20 (a) The commission by rule shall require that each racetrack
21 association that holds a license for a class 1 racetrack or [7] class
22 2 racetrack [~~7 or greyhound racetrack~~] annually file with the
23 commission a detailed financial 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

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

SECTION 2.021. Section 2026.004(a), Occupations Code, is amended to read as follows:

(a) Except as provided by this section, Section 2026.005, or Section 2025.103, a racetrack association may not conduct horse racing [~~or greyhound racing~~] at any place other than the place designated in the license.

SECTION 2.022. Section 2027.001(a), Occupations Code, is amended to read as follows:

(a) The commission shall adopt rules to regulate wagering on horse races [~~and greyhound races~~] under the system known as pari-mutuel wagering.

SECTION 2.023. Section 2027.006(a), Occupations Code, is amended to read as follows:

(a) A person who claims to be entitled to any part of a distribution from a pari-mutuel pool may, not later than the first anniversary of the day the ticket was purchased, file with the appropriate racetrack association a claim for the money accompanied by a substantial portion of the pari-mutuel ticket sufficient to identify the racetrack association, race, or horse [~~or greyhound~~] involved, amount wagered, and type of ticket.

SECTION 2.024. Section 2028.051, Occupations Code, is amended to read as follows:

Sec. 2028.051. SET-ASIDE FROM LIVE PARI-MUTUEL POOL. A horse [~~or greyhound~~] racetrack association shall set aside for this state from each live pari-mutuel pool at the racetrack an amount

1 equal to:

2 (1) one percent of each live pari-mutuel pool from the
3 total amount of all of the racetrack association's live pari-mutuel
4 pools in a calendar year in excess of \$100 million but less than
5 \$200 million;

6 (2) two percent of each live pari-mutuel pool from the
7 total amount of all of the racetrack association's live pari-mutuel
8 pools in a calendar year in excess of \$200 million but less than
9 \$300 million;

10 (3) three percent of each live pari-mutuel pool from
11 the total amount of all of the racetrack association's live
12 pari-mutuel pools in a calendar year in excess of \$300 million but
13 less than \$400 million;

14 (4) four percent of each live pari-mutuel pool from
15 the total amount of all of the racetrack association's live
16 pari-mutuel pools in a calendar year in excess of \$400 million but
17 less than \$500 million; and

18 (5) five percent of each live pari-mutuel pool from
19 the total amount of all of the racetrack association's live
20 pari-mutuel pools in a calendar year in excess of \$500 million.

21 SECTION 2.025. Section 2028.202(a), Occupations Code, is
22 amended to read as follows:

23 (a) A racetrack association shall distribute from the total
24 amount deducted as provided by Section [~~Sections~~] 2028.101 [~~and~~
25 ~~2028.152~~] from each simulcast pari-mutuel pool and each simulcast
26 cross-species pari-mutuel pool the following shares:

27 (1) an amount equal to one percent of each simulcast

1 pari-mutuel pool to the commission for the administration of this
2 subtitle;

3 (2) an amount equal to 1.25 percent of each simulcast
4 cross-species pari-mutuel pool to the commission for the
5 administration of this subtitle;

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

10 ~~[(4) for a greyhound racetrack association, an amount~~
11 ~~equal to one percent of a multiple two wagering pool or a multiple~~
12 ~~three wagering pool as the amount set aside for the Texas-bred~~
13 ~~program for greyhound races, to be distributed and used in~~
14 ~~accordance with commission rules adopted to promote greyhound~~
15 ~~breeding in this state,] and~~

16 (4) ~~[(5)]~~ the remainder as the amount set aside for
17 purses, expenses, the sending track, and the receiving location
18 under a contract approved by the commission between the sending
19 track and the receiving location.

20 SECTION 2.026. The heading to Chapter 2030, Occupations
21 Code, is amended to read as follows:

22 CHAPTER 2030. TEXAS-BRED HORSES ~~[AND GREYHOUNDS]~~

23 SECTION 2.027. Section 2035.001(a), Occupations Code, is
24 amended to read as follows:

25 (a) The commission may not issue a racetrack license or
26 accept a license application for a racetrack to be located in a
27 county until the commissioners court has certified to the secretary

1 of state 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 SECTION 2.028. Section 2035.002, Occupations Code, is
5 amended to read as follows:

6 Sec. 2035.002. INITIATION OF LEGALIZATION ELECTION. The
7 commissioners court:

8 (1) may, on its own motion by a majority vote of its
9 members, order an election to approve the legalization of
10 pari-mutuel wagering on horse races [~~or greyhound races~~]; and

11 (2) shall order an election on presentation of a
12 petition meeting the requirements of this chapter.

13 SECTION 2.029. Section 2035.005, Occupations Code, is
14 amended to read as follows:

15 Sec. 2035.005. CONTENTS OF PETITION APPLICATION. To be
16 valid, the petition application must contain:

17 (1) a heading, as follows: "Application for a Petition
18 for a Local Option Election to Approve the Legalization of
19 Pari-mutuel Wagering on Horse Races" [~~or "Application for a~~
20 ~~Petition for a Local Option Election to Approve the Legalization of~~
21 ~~Pari-mutuel Wagering on Greyhound Races," as appropriate~~];

22 (2) a statement of the issue to be voted on, as
23 follows: "Legalizing pari-mutuel wagering on horse races in
24 _____ County" [~~or "Legalizing pari-mutuel wagering on~~
25 ~~greyhound races in _____ County," as appropriate~~];

26 (3) a statement immediately above the signatures of
27 the applicants, as follows: "It is the hope, purpose, and intent of

1 the applicants whose signatures appear below that pari-mutuel
2 wagering on horse races be legalized in _____ County" [~~or "It~~
3 ~~is the hope, purpose, and intent of the applicants whose signatures~~
4 ~~appear below that pari-mutuel wagering on greyhound races be~~
5 ~~legalized in _____ County," as appropriate]~~; and

6 (4) the printed name, signature, residence address,
7 and voter registration certificate number of each applicant.

8 SECTION 2.030. Section 2035.006, Occupations Code, is
9 amended to read as follows:

10 Sec. 2035.006. CONTENTS OF PETITION. To be valid, the
11 petition must contain:

12 (1) a heading, as follows: "Petition for a Local
13 Option Election to Approve the Legalization of Pari-mutuel Wagering
14 on Horse Races" [~~or "Petition for a Local Option Election to Approve~~
15 ~~the Legalization of Pari-mutuel Wagering on Greyhound Races," as~~
16 ~~appropriate]~~;

17 (2) a statement of the issue to be voted on, in the
18 same words used in the application;

19 (3) a statement immediately above the signatures of
20 the petitioners, as follows: "It is the hope, purpose, and intent of
21 the petitioners whose signatures appear below that pari-mutuel
22 wagering on horse races be legalized in _____ County" [~~or "It~~
23 ~~is the hope, purpose, and intent of the petitioners whose~~
24 ~~signatures appear below that pari-mutuel wagering on greyhound~~
25 ~~races be legalized in _____ County," as appropriate]~~;

26 (4) lines and spaces for the names, signatures,
27 addresses, and voter registration certificate numbers of the

1 petitioners; and

2 (5) the date of issuance, the serial number, and the
3 seal of the county clerk on each page.

4 SECTION 2.031. Section 2035.015, Occupations Code, is
5 amended to read as follows:

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 on
9 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.

13 SECTION 2.032. Section 2035.016, Occupations Code, is
14 amended to read as follows:

15 Sec. 2035.016. CERTIFICATION OF ELECTION RESULTS. If a
16 majority of the votes cast in the election favor the legalization of
17 pari-mutuel wagering on horse races [~~or greyhound races~~] in the
18 county, or the authorization of pari-mutuel wagering on simulcast
19 races in the county, as appropriate, the commissioners court shall
20 certify that fact to the secretary of state not later than the 10th
21 day after the date of the canvass of the returns.

22 SECTION 2.033. Section 2035.105, Occupations Code, is
23 amended to read as follows:

24 Sec. 2035.105. BALLOT PROPOSITION. The ballots for an
25 election under this subchapter shall be printed to permit voting
26 for or against the proposition: "Rescinding the legalization of
27 pari-mutuel wagering on horse races in _____ County" [~~or~~

1 ~~"Rescinding the legalization of pari-mutuel wagering on greyhound~~
2 ~~racers in _____ County," as appropriate].~~

3 SECTION 2.034. Section 11.23(h), Tax Code, is amended to
4 read as follows:

5 (h) County Fair Associations. A county fair association
6 organized to hold agricultural fairs and encourage agricultural
7 pursuits is entitled to an exemption from taxation of the land and
8 buildings that it owns and uses to hold agricultural fairs. An
9 association that holds a license issued after January 1, 2001,
10 under Subtitle A-1, Title 13, Occupations Code (Texas Racing Act),
11 to conduct a horse race meeting ~~[or a greyhound race meeting]~~ with
12 pari-mutuel wagering is not entitled to an exemption under this
13 subsection. Land or a building used to conduct a horse race meeting
14 ~~[or a greyhound race meeting]~~ with pari-mutuel wagering under a
15 license issued after January 1, 2001, under that subtitle may not be
16 exempted under this subsection. To qualify for an exemption under
17 this subsection, a county fair association must:

18 (1) be a nonprofit corporation governed by Chapter 22,
19 Business Organizations Code;

20 (2) be exempt from federal income taxes as an
21 organization described by Section 501(c)(3), (4), or (5), Internal
22 Revenue Code of 1986;

23 (3) qualify for an exemption from the franchise tax
24 under Section 171.060; and

25 (4) meet the requirements of a charitable organization
26 provided by Sections 11.18(e) and (f), for which purpose the
27 functions for which the association is organized are considered to

be charitable functions.

SECTION 2.035. The following provisions of the Occupations Code are repealed:

- (1) Sections 2021.003(15), (16), (17), (22), and (35);
- (2) Section 2023.054;
- (3) Subchapter D, Chapter 2025;
- (4) Section 2026.010;
- (5) Section 2027.056;
- (6) Subchapter D, Chapter 2028;
- (7) Sections 2028.202(b), (c), (d), and (e);
- (8) Section 2028.205;
- (9) Subchapter B, Chapter 2029; and
- (10) Subchapter B, Chapter 2030.

SECTION 2.036. (a) Greyhound purse funds held by any greyhound racetrack association on September 1, 2025, shall be transferred to the Texas Racing Commission for deposit into an escrow account in the commission's registry. Any horse breed registry that holds greyhound purse funds on September 1, 2025, shall retain those funds, and those funds may only be used for live horse race purses. The commission by rule shall determine the allocation of greyhound purse funds transferred to the commission under this subsection.

(b) A racetrack association conducting live horse racing in this state on or after September 1, 2025, may apply to the Texas Racing Commission for allocation of purse funds described by Subsection (a) of this section to be used for purses at the association's racetrack during the calendar year for which the

1 purse funds are requested. A commission decision relating to the
2 allocation of purse funds is final.

3 SECTION 2.037. (a) On or before January 1, 2026, a
4 greyhound racetrack association may submit an application to the
5 Texas Racing Commission to convert the association's greyhound
6 racetrack license to a class 2 or class 3 racetrack license, as
7 classified under Subchapter C, Chapter 2026, Occupations Code, for
8 horse racing.

9 (b) The Texas Racing Commission shall approve an
10 application submitted under Subsection (a) of this section if:

11 (1) the applicant is in good standing with the
12 commission;

13 (2) information related to the applicant on file with
14 the commission is current, complete, and accurate; and

15 (3) the applicant pays a fee of \$25,000 for the
16 commission's review of the application.

17 (c) An applicant approved under this section must complete
18 the conversion of the greyhound racetrack facility to a horse
19 racetrack facility not later than December 31, 2029.

20 SECTION 2.038. As soon as practicable after the effective
21 date of this Act, the Texas Racing Commission shall adopt the rules
22 necessary to implement this article.

23 ARTICLE 3. EFFECTIVE DATE

24 SECTION 3.001. This Act takes effect September 1, 2025.