

By: Cain

H.B. No. 5013

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Racing Commission and the regulation of dog races, including greyhound races, as live events in this state and of simulcast wagering on greyhound races conducted out of state.

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

SECTION 1. 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;

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

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

6           (7) assist communities to develop tourist  
7 attractions;

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

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

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

21       SECTION 2. The heading to Section 751.0021, Health and  
22 Safety Code, is amended to read as follows:

23       Sec. 751.0021. APPLICABILITY TO CERTAIN HORSE [~~AND~~  
24 ~~GREYHOUND~~] RACES.

25       SECTION 3. Section 751.0021(a), Health and Safety Code, is  
26 amended to read as follows:

27       (a) This chapter applies to a horse [~~or greyhound~~] race that

1 attracts or is expected to attract at least 100 persons, except that  
2 this chapter does not apply if the race is held at a location at  
3 which pari-mutuel wagering is authorized under Subtitle A-1, Title  
4 13, Occupations Code (Texas Racing Act).

5 SECTION 4. Section 2021.002, Occupations Code, is amended  
6 to read as follows:

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

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

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

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

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

26 (42) "Racetrack association" means a person licensed  
27 under this subtitle to conduct a horse race meeting [~~or a greyhound~~

1 ~~race meeting~~] with pari-mutuel wagering.

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

5 (45) "Sending track" means any licensed track for  
6 horse ~~[or greyhound]~~ racing in this state or another state from  
7 which a race is transmitted.

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

10 SECTION 6. Chapter 2021, Occupations Code, is amended by  
11 adding Section 2021.010 to read as follows:

12 Sec. 2021.010. DOG RACING PROHIBITED. Any form of dog  
13 racing, including greyhound racing, conducted as a live racing  
14 event in this state is prohibited.

15 SECTION 7. Section 2022.001(c), Occupations Code, is  
16 amended to read as follows:

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; and

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

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

25 SECTION 8. Section 2022.004(b), Occupations Code, is  
26 amended to read as follows:

27 (b) A person may not be a commission member and may not be a

1 commission employee employed in a "bona fide executive,  
2 administrative, or professional capacity," as that phrase is used  
3 for purposes of establishing an exemption to the overtime  
4 provisions of the federal Fair Labor Standards Act of 1938 (29  
5 U.S.C. Section 201 et seq.), if:

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

9 (2) the person's spouse is an officer, manager, or paid  
10 consultant of a Texas trade association in the field of horse ~~[or~~  
11 ~~greyhound]~~ racing or breeding.

12 SECTION 9. Section 2022.052(c), Occupations Code, is  
13 amended to read as follows:

14 (c) The commission may not employ or continue to employ a  
15 person who:

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

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

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

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

27 (5) resides with or is related within the first degree

1 by affinity or consanguinity to a person subject to a  
2 disqualification prescribed by this subsection.

3 SECTION 10. The heading to Subchapter [A](#), Chapter [2023](#),  
4 Occupations Code, is amended to read as follows:

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

7 SECTION 11. Section [2023.001](#), Occupations Code, is amended  
8 to read as follows:

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

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

20 SECTION 12. Section [2023.002](#), Occupations Code, is amended  
21 to read as follows:

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

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

SECTION 13. Section 2023.004(a), Occupations Code, is amended to read as follows:

(a) The commission shall adopt:

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

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

SECTION 14. Section 2023.056(a), Occupations Code, is amended to read as follows:

(a) The commission shall:

(1) cooperate with a district attorney, a criminal district attorney, a county attorney, the Department of Public Safety, the attorney general, or a peace officer in enforcing this subtitle; and

(2) investigate, or assist a local law enforcement agency in the investigation of, an unlawful dog race conducted in this state.

SECTION 15. Section 2023.061(b), Occupations Code, is amended to read as follows:

(b) The report must cover the operations of the commission and the condition of horse breeding and racing ~~[and greyhound breeding and racing]~~ during the previous year.

SECTION 16. Section 2023.101, Occupations Code, is amended to read as follows:

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

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

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

9           (d) Following the completion of a race meeting, a racetrack  
10 association may submit to the commission for the commission's  
11 review written comments regarding the job performance of the  
12 stewards [~~and judges~~]. A racetrack association's comments  
13 submitted under this section are not binding, in any way, on the  
14 commission.

15           SECTION 17. Section [2024.055](#)(a), Occupations Code, is  
16 amended to read as follows:

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

20           SECTION 18. Section [2025.051](#), Occupations Code, is amended  
21 to read as follows:

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

27           SECTION 19. Section [2025.053](#)(b), Occupations Code, is



1 amended to read as follows:

2 (b) The commission shall set application fees in amounts  
3 reasonable and necessary to cover the costs of administering this  
4 subtitle. The commission by rule shall establish a schedule of  
5 application fees for the various [~~types and~~] classifications of  
6 racetracks using minimum application fees. The minimum application  
7 fee[÷

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

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

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

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

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

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

14 SECTION 20. Section 2025.101(c), Occupations Code, is  
15 amended to read as follows:

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

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

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

24 SECTION 21. Section 2025.102(b), Occupations Code, is  
25 amended to read as follows:

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

- 1 (1) the applicant's financial stability;
- 2 (2) the applicant's resources for supplementing the
- 3 purses for races for various breeds;
- 4 (3) the location of the proposed racetrack;
- 5 (4) the effect of the proposed racetrack on traffic
- 6 flow;
- 7 (5) facilities for patrons and occupational license
- 8 holders;
- 9 (6) facilities for race animals;
- 10 (7) availability to the racetrack of support services
- 11 and emergency services;
- 12 (8) the experience of the applicant's employees;
- 13 (9) the potential for conflict with other licensed
- 14 race meetings;
- 15 (10) the anticipated effect of the race meeting on the
- 16 horse ~~or greyhound~~ breeding industry in this state; and
- 17 (11) the anticipated effect of the race meeting on the
- 18 state and local economy from tourism, increased employment, and
- 19 other sources.

20 SECTION 22. Sections [2025.201](#)(a) and (c), Occupations Code,

21 are amended to read as follows:

22 (a) The commission may refuse to issue a racetrack license

23 or may revoke or suspend a license if, after notice and hearing, the

24 commission finds that the applicant or license holder, as

25 appropriate:

26 (1) has been convicted of a violation of this subtitle

27 or a commission rule, or has aided, abetted, or conspired to commit

1 a violation of this subtitle or a commission rule;

2 (2) has been convicted of a felony or a crime involving  
3 moral turpitude, including a conviction for which the punishment  
4 received was a suspended sentence, probation, or a nonadjudicated  
5 conviction, 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 falsely or incorrectly  
15 answered a question in an 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 not at least the minimum age necessary to  
24 purchase alcoholic beverages in this state;

25 (10) is in the habit of using alcoholic beverages to an  
26 excess or uses a controlled substance as defined by Chapter 481,  
27 Health and Safety Code, or a dangerous drug as defined in Chapter

1 483, Health and Safety Code, or is mentally incapacitated;

2 (11) may be excluded from an enclosure under this  
3 subtitle;

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

7 (13) has improperly used a credential, including a  
8 license certificate or identification card, issued under this  
9 subtitle;

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

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

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

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

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

27 (1) who has engaged in bookmaking, toutting, or illegal

1     wagering;

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

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

6                 SECTION 23.   Section [2025.262](#), Occupations Code, is amended  
7     to read as follows:

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

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

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

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

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

27                (5)     failed to answer or has falsely or incorrectly

1 answered a question in an original or renewal application;

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

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

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

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

13 (10) may be excluded from an enclosure under this  
14 subtitle;

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

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

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

25 (14) is engaged or has engaged in activities or  
26 practices that are detrimental to the best interests of the public  
27 and the sport of horse racing [~~or greyhound racing~~].

SECTION 24. Section 2026.003(a), Occupations Code, is amended to read as follows:

(a) The commission by rule shall require that each racetrack association that holds a license for a class 1 racetrack or ~~class 2 racetrack[, or greyhound racetrack]~~ annually file with the commission a detailed financial statement that:

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

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

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

SECTION 25. 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 26. Sections 2026.011 and 2026.051, Occupations Code, are amended to read as follows:

Sec. 2026.011. AUTOMOBILE RACING FACILITY PROHIBITED NEAR RACETRACK IN CERTAIN COUNTIES. An automobile racing facility may not be located within 10,000 feet of a horse ~~[or greyhound]~~ racetrack that is located in a county with a population of 2.1 million or more.

Sec. 2026.051. COMMISSION RULES REGARDING EXCLUSION OR EJECTION. The commission shall adopt rules providing for the

1 exclusion or ejection from an enclosure where horse ~~[or greyhound]~~  
2 races are conducted, or from specified portions of an enclosure, of  
3 a person:

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

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

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

10 (4) who has been convicted of theft;

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

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

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

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

27 (9) who has been convicted of committing a lewd or



1 lascivious act or other crime involving moral turpitude;

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

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

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

7 SECTION 27. Section 2027.001(a), Occupations Code, is  
8 amended to read as follows:

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

12 SECTION 28. Sections 2027.002(b) and (d), Occupations Code,  
13 are amended to read as follows:

14 (b) A person may not accept, in person, by telephone, or  
15 over the Internet, a wager for a horse [~~or greyhound~~] race conducted  
16 inside or outside this state from a person in this state unless the  
17 wager is authorized under this subtitle.

18 (d) Except as provided by Subsection (c), a person may not  
19 place, in person, by telephone, or over the Internet, a wager for a  
20 horse [~~or greyhound~~] race conducted inside or outside this state.

21 SECTION 29. Section 2027.006(a), Occupations Code, is  
22 amended to read as follows:

23 (a) A person who claims to be entitled to any part of a  
24 distribution from a pari-mutuel pool may, not later than the first  
25 anniversary of the day the ticket was purchased, file with the  
26 appropriate racetrack association a claim for the money accompanied  
27 by a substantial portion of the pari-mutuel ticket sufficient to

1 identify the racetrack association, race, horse [~~or greyhound~~]  
2 involved, amount wagered, and type of ticket.

3 SECTION 30. Sections 2027.102(a) and (b), Occupations Code,  
4 are amended to read as follows:

5 (a) A person may not wager on the result of a horse [~~or~~  
6 ~~greyhound~~] race in this state except as authorized by this  
7 subtitle.

8 (b) A person other than a racetrack association may not  
9 accept from a Texas resident while the resident is in this state a  
10 wager on the result of a horse [~~or greyhound~~] race conducted inside  
11 or outside this state.

12 SECTION 31. Section 2028.051, Occupations Code, is amended  
13 to read as follows:

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

18 (1) one percent of each live pari-mutuel pool from the  
19 total amount of all of the racetrack association's live pari-mutuel  
20 pools in a calendar year in excess of \$100 million but less than  
21 \$200 million;

22 (2) two percent of each live pari-mutuel pool from the  
23 total amount of all of the racetrack association's live pari-mutuel  
24 pools in a calendar year in excess of \$200 million but less than  
25 \$300 million;

26 (3) three percent of each live pari-mutuel pool from  
27 the total amount of all of the racetrack association's live

1 pari-mutuel pools in a calendar year in excess of \$300 million but  
2 less than \$400 million;

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

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

10 SECTION 32. Sections 2028.202(a) and (a-1), Occupations  
11 Code, are amended to read as follows:

12 (a) A racetrack association shall distribute from the total  
13 amount deducted as provided by Section ~~[Sections]~~ 2028.101 ~~[and~~  
14 ~~2028.152]~~ from each simulcast pari-mutuel pool ~~[and each simulcast~~  
15 ~~cross-species pari-mutuel pool]~~ the following shares:

16 (1) an amount equal to one percent of each simulcast  
17 pari-mutuel pool to the commission for the administration of this  
18 subtitle;

19 ~~(2) [an amount equal to 1.25 percent of each simulcast~~  
20 ~~cross-species pari-mutuel pool to the commission for the~~  
21 ~~administration of this subtitle,~~

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

26 ~~[(4) for a greyhound racetrack association, an amount~~  
27 ~~equal to one percent of a multiple two wagering pool or a multiple~~

1 ~~three wagering pool as the amount set aside for the Texas-bred~~  
2 ~~program for greyhound races, to be distributed and used in~~  
3 ~~accordance with commission rules adopted to promote greyhound~~  
4 ~~breeding in this state,]~~ and

5           (3) ~~[(5)]~~ the remainder as the amount set aside for  
6 purses, expenses, the sending track, and the receiving location  
7 under a contract approved by the commission between the sending  
8 track and the receiving location.

9           (a-1) A racetrack association shall pay to the commission  
10 for deposit into the Texas-bred incentive fund established under  
11 Section 2028.301 the shares to be distributed under Subsection  
12 (a)(2) ~~[Subsections (a)(3) and (a)(4)]~~ for the Texas-bred program.  
13 The commission shall distribute the money collected under this  
14 section and deposited into the fund to the appropriate state breed  
15 registries for use under the Texas-bred program.

16           SECTION 33. The heading to Chapter 2030, Occupations Code,  
17 is amended to read as follows:

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

19           SECTION 34. Section 2033.002, Occupations Code, is amended  
20 to read as follows:

21           Sec. 2033.002. UNLAWFUL RACING. A person commits an  
22 offense if:

23           (1) the person participates in, permits, or conducts a  
24 horse ~~[or greyhound]~~ race at a racetrack;

25           (2) the person wagers on the partial or final outcome  
26 of the horse ~~[or greyhound]~~ race or knows or reasonably should know  
27 that another person is betting on the partial or final outcome of

1 the race; and

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

4 SECTION 35. Section 2033.003(a), Occupations Code, is  
5 amended to read as follows:

6 (a) A person commits an offense if, without a license, the  
7 person in any capacity participates or is otherwise involved in  
8 horse racing [~~or greyhound racing~~] with pari-mutuel wagering.

9 SECTION 36. Section 2033.004(a), Occupations Code, is  
10 amended to read as follows:

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

12 (1) conducts a horse [~~or greyhound~~] race without a  
13 racetrack license; and

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

16 SECTION 37. Section 2033.008(a), Occupations Code, is  
17 amended to read as follows:

18 (a) A person commits an offense if the person knowingly  
19 wagers on the result of a horse [~~or greyhound~~] race conducted in  
20 this state that:

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

23 (2) is not held under the supervision of the  
24 commission under rules adopted under this subtitle.

25 SECTION 38. Section 2033.013(a), Occupations Code, is  
26 amended to read as follows:

27 (a) A person commits an offense if, with an intent to

1 deceive and an intent to obtain a benefit, the person knowingly:

2 (1) makes a false statement about a horse [~~or~~  
3 ~~greyhound~~] race to another person; or

4 (2) offers, agrees to convey, or conveys false  
5 information about a horse [~~or greyhound~~] race to another person.

6 SECTION 39. Sections 2033.014(a) and (b), Occupations Code,  
7 are amended to read as follows:

8 (a) A person commits an offense if, with the intent to  
9 influence or affect the outcome of a race in a manner contrary to  
10 this subtitle or a commission rule, the person offers, confers, or  
11 agrees to confer on another person, or solicits, accepts, or agrees  
12 to accept from another person, any benefit as consideration for the  
13 actions of a person who receives the benefit relating to the  
14 conduct, decision, opinion, recommendation, vote, or exercise of  
15 discretion as a license holder or other person associated with or  
16 interested in any stable, [~~kennel~~] horse, [~~greyhound~~] or horse  
17 [~~or greyhound~~] race.

18 (b) An offense under this section is a state jail felony  
19 unless the recipient of the benefit is a steward, judge, or other  
20 racetrack official exercising authority over a horse [~~or greyhound~~]  
21 race that the person providing or offering the benefit intended to  
22 influence, in which event the offense is a felony of the third  
23 degree.

24 SECTION 40. Sections 2033.015(b) and (c), Occupations Code,  
25 are amended to read as follows:

26 (b) A person commits an offense if, with the intent to  
27 influence or affect a horse [~~or greyhound~~] race in a manner contrary

1 to this subtitle or a commission rule, the person uses or offers to  
2 use:

3 (1) a prohibited device; or

4 (2) a prohibited substance.

5 (c) An offense under Subsection (a) is a Class A misdemeanor  
6 unless the actor possessed the prohibited device or prohibited  
7 substance with the intent to influence or affect the outcome of a  
8 horse ~~[or greyhound]~~ race in a manner contrary to this subtitle or a  
9 commission rule, in which event the offense is a state jail felony.

10 SECTION 41. Section 2033.016, Occupations Code, is amended  
11 to read as follows:

12 Sec. 2033.016. CRIMINAL CONFLICT OF INTEREST. A person who  
13 is a commission member commits an offense if the person:

14 (1) accepts, directly or indirectly, employment or  
15 remuneration from a racetrack, racetrack association, or other  
16 license holder, including a racetrack, racetrack association, or  
17 license holder located or residing in another state;

18 (2) wagers or causes a wager to be placed on the  
19 outcome of a horse ~~[or greyhound]~~ race conducted in this state; or

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

22 SECTION 42. Section 2035.001(a), Occupations Code, is  
23 amended to read as follows:

24 (a) The commission may not issue a racetrack license or  
25 accept a license application for a racetrack to be located in a  
26 county until the commissioners court has certified to the secretary  
27 of state that the qualified voters of the county have approved the

1 legalization of pari-mutuel wagering on horse races [~~or greyhound~~  
2 ~~races~~] in the county at an election held under this chapter.

3 SECTION 43. Section 2035.002, Occupations Code, is amended  
4 to read as follows:

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

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

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

12 SECTION 44. Section 2035.003, Occupations Code, is amended  
13 to read as follows:

14 Sec. 2035.003. ELECTION TO APPROVE WAGERING ON SIMULCAST  
15 RACES. The commissioners court of a county in which a racetrack is  
16 conducting live racing may, on its own motion by a majority vote of  
17 its members, order an election to approve pari-mutuel wagering on  
18 simulcast horse races [~~or greyhound races~~].

19 SECTION 45. Section 2035.005, Occupations Code, is amended  
20 to read as follows:

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

23 (1) a heading, as follows: "Application for a Petition  
24 for a Local Option Election to Approve the Legalization of  
25 Pari-mutuel Wagering on Horse Races" [~~or "Application for a~~  
26 ~~Petition for a Local Option Election to Approve the Legalization of~~  
27 ~~Pari-mutuel Wagering on Greyhound Races," as appropriate~~];



1           (2) a statement of the issue to be voted on, as  
2 follows: "Legalizing pari-mutuel wagering on horse races in  
3 \_\_\_\_\_ County" [~~or "Legalizing pari-mutuel wagering on~~  
4 ~~greyhound races in \_\_\_\_\_ County," as appropriate~~];

5           (3) a statement immediately above the signatures of  
6 the applicants, as follows: "It is the hope, purpose, and intent of  
7 the applicants whose signatures appear below that pari-mutuel  
8 wagering on horse races be legalized in \_\_\_\_\_ County" [~~or "It~~  
9 ~~is the hope, purpose, and intent of the applicants whose signatures~~  
10 ~~appear below that pari-mutuel wagering on greyhound races be~~  
11 ~~legalized in \_\_\_\_\_ County," as appropriate~~]; and

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

14       SECTION 46. Section 2035.006, Occupations Code, is amended  
15 to read as follows:

16       Sec. 2035.006. CONTENTS OF PETITION. To be valid, the  
17 petition must contain:

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

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

25           (3) a statement immediately above the signatures of  
26 the petitioners, as follows: "It is the hope, purpose, and intent of  
27 the petitioners whose signatures appear below that pari-mutuel

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

5 (4) lines and spaces for the names, signatures,  
6 addresses, and voter registration certificate numbers of the  
7 petitioners; and

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

10 SECTION 47. Section 2035.015, Occupations Code, is amended  
11 to read as follows:

12 Sec. 2035.015. BALLOT PROPOSITION. The ballots for an  
13 election under this subchapter shall be printed to permit voting  
14 for or against the proposition: "Legalizing pari-mutuel wagering on  
15 horse races in \_\_\_\_\_ County," [~~"Legalizing pari-mutuel~~  
16 ~~wagering on greyhound races in \_\_\_\_\_ County,"~~] or "Authorizing  
17 pari-mutuel wagering on simulcast races in \_\_\_\_\_ County," as  
18 appropriate.

19 SECTION 48. Section 2035.016, Occupations Code, is amended  
20 to read as follows:

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

SECTION 49. Section 2035.105, Occupations Code, is amended to read as follows:

Sec. 2035.105. BALLOT PROPOSITION. The ballots for an election under this subchapter shall be printed to permit voting for or against the proposition: "Rescinding the legalization of pari-mutuel wagering on horse races in \_\_\_\_\_ County" ~~or "Rescinding the legalization of pari-mutuel wagering on greyhound races in \_\_\_\_\_ County," as appropriate~~.

SECTION 50. Section 11.23(h), Tax Code, is amended to read as follows:

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

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

(2) be exempt from federal income taxes as an organization described by Section 501(c)(3), (4), or (5), Internal

1 Revenue Code of 1986;

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

4 (4) meet the requirements of a charitable organization  
5 provided by Sections 11.18(e) and (f), for which purpose the  
6 functions for which the association is organized are considered to  
7 be charitable functions.

8 SECTION 51. The following provisions of the Occupations  
9 Code are repealed:

10 (1) Sections 2021.003(12), (15), (16), (17), (22), and  
11 (35);

12 (2) Section 2023.054;

13 (3) Subchapter D, Chapter 2025;

14 (4) Section 2026.010;

15 (5) Section 2027.052(b);

16 (6) Sections 2027.054(a) and (b);

17 (7) Section 2027.055;

18 (8) Section 2027.056;

19 (9) Subchapter D, Chapter 2028;

20 (10) Sections 2028.202(b), (c), (d), and (e);

21 (11) Section 2028.204(a);

22 (12) Subchapter B, Chapter 2029; and

23 (13) Subchapter B, Chapter 2030.

24 SECTION 52. As soon as practicable after the effective date  
25 of this Act, the Texas Racing Commission shall adopt the rules  
26 necessary to comply with Subtitle A-1, Title 13, Occupations Code  
27 (Texas Racing Act), as amended by this Act.

1           SECTION 53. (a) Not later than September 1, 2030, a  
2 greyhound racetrack association may submit an application to the  
3 Texas Racing Commission to convert the association's greyhound  
4 racetrack license to a class 2 or class 3 racetrack license, as  
5 classified under Subchapter C, Chapter 2026, Occupations Code, for  
6 horse racing.

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

9                   (1) the applicant is in good standing with the  
10 commission; and

11                   (2) information related to the applicant on file with  
12 the commission is current, complete, and accurate.

13           SECTION 54. (a) The changes in law made by this Act apply  
14 only to conduct that occurs on or after the effective date of this  
15 Act. Conduct that occurs before the effective date of this Act is  
16 governed by the law in effect on the date the conduct occurred, and  
17 the former law is continued in effect for that purpose.

18           (b) The changes in law made by this Act apply only to an  
19 offense committed on or after the effective date of this Act. An  
20 offense committed before the effective date of this Act is governed  
21 by the law in effect on the date the offense was committed, and the  
22 former law is continued in effect for that purpose. For purposes of  
23 this section, an offense was committed before the effective date of  
24 this Act if any element of the offense occurred before that date.

25           SECTION 55. This Act takes effect September 1, 2025.