

SUBJECT: Revising provisions related to horse racing and prohibiting dog racing

COMMITTEE: Licensing & Administrative Procedures — committee substitute recommended

VOTE: 7 ayes — K. King, Walle, Goldman, Harless, Herrero, T. King, S. Thompson

2 nays — Schaefer, Shaheen

2 absent — Hernandez, Patterson

WITNESSES: For — Tommy Azopardi, Gulf Coast Racing

Against — None

On — Amy Cook, Texas Racing Commission

BACKGROUND: Some have suggested that after the Sunset review of the Texas Racing Commission during the 87th session, modernization of statutory framework is necessary to address the regulatory structure and fiscal model.

DIGEST: CSHB 4115 would revise certain provisions relating to horse racing, the Texas Racing Commission (TRC), funding, eligibility requirements, and certain offenses. The bill also would prohibit greyhound racing.

Texas Racing Commission. CSHB 4115 would require TRC to contract with people as necessary to administer the Texas Racing Act and would specify that a person contracted by TRC would not be liable for a cause of action that arose out of that person's performance or exercise of discretion in the implementation or enforcement of civil liability provisions if the person acted in good faith. The bill would specify that a person not eligible for appointment to TRC also would not be eligible to be designated to serve as an ex officio member's designee.

TRC would no longer be required to file a report with the governor, lieutenant governor, and speaker of the House, but TRC could elect to do so. The report could include descriptions of changes to TRC programs and recommendations to the governor and the Legislature.

The bill would require TRC to adopt rules that required a racetrack-related construction project plan to incorporate proposals for the racetrack to support state emergency management activities and to comply with state licensing provisions in administering the licensing program.

The executive director of TRC could issue an emergency cease and desist order if the executive director reasonably believed a person was engaged in a continuing activity that involved suspected animal cruelty in violation of TRC rule or other certain provisions. On issuance of an emergency cease and desist order, the executive director could authorize the seizure of any animal involved in the violation.

Funding. The executive director of TRC could apply for and receive any grant applicable to the implementation or enforcement of TRC.

The bill would convert the Texas-bred incentive fund into an escrow account in the general revenue fund. The comptroller would be required to deposit the state's share of the simulcast pari-mutuel pool for use by state breed registries into a trust fund in the state treasury to be known as the Texas-bred escrow account. Money in the account could not be appropriated for state expenditure. The Texas Equine Education and Research Council would be created and composed of an executive director and representatives designated by certain animal health organizations.

The bill would increase the amount of money that could remain in the Texas Racing Commission Fund from \$750,000 to \$2 million. The bill would set a cap of \$50,000 for the amount of money set aside by a horse racetrack association for purposes of TRC.

Eligibility. The bill would remove a committed crime involving moral turpitude from the list of conditions that would make a person:

- ineligible for appointment to TRC;
- eligible for the denial, revocation, or suspension of certain occupational licenses; and
- eligible for the exclusion or ejection of the person from a horse enclosure.

The bill would extend the eligibility period for a temporary racetrack operator's license from two years to five years.

A class two racetrack could submit an application to TRC to transfer to a class one racetrack a race date TRC allocated to the class two racetrack. The horsemen's organization would have to agree to the transfer before the application was submitted. TRC would be required to approve or disapprove an application by the 10th day after the application was submitted and could not charge an application fee.

Offenses. The bill would specify that participating in, permitting, or conducting a horse race at a racetrack would be an offense if the person was not licensed. The bill would create an offense for a person who:

- sought to enter, train, or ride a horse for a horse race that was part of a performance or race meeting; and
- knew or reasonably should have known that the horse had participated in a performance or race meeting in this state that was not conducted under certain provisions or permits.

Prohibiting greyhound racing. The bill would prohibit greyhound and all other dog racing at live events and repeal certain provisions related to dog racing.

Greyhound purse funds held by any greyhound racetrack association on September 1, 2023, would have to be transferred to TRC for deposit into an escrow account in TRC's registry. Any horse breed registry that held greyhound purse funds on September 1, 2023, would be required to retain those funds, and those funds could only be used for live horse race purses. TRC by rule would be required to determine the allocation of greyhound

purse funds transferred to TRC.

A racetrack association conducting live horse racing on or after September 1, 2023, could apply to TRC for allocation of purse funds to be used for purses at the association's racetrack during the calendar year for which the purse funds were requested. A TRC decision relating to the allocation of purse funds would be final.

By January 1, 2024, a greyhound racetrack association could submit an application to TRC to convert the greyhound racetrack license to a class two or three racetrack license for horse racing. An approved applicant would be required to complete the conversion of the greyhound racetrack facility to a horse racetrack facility by December 31, 2027. TRC would be required to approve an application if:

- the applicant was in good standing with TRC;
- information related to the applicant on file with TRC was current, complete, and accurate; and
- the applicant paid a \$25,000 application fee.

As soon as practicable after the bill's effective date, TRC would be required to adopt rules necessary to implement the bill.

The bill would take effect September 1, 2023, and would apply only to an offense committed on or after the effective date.