

1-1 By: Anchia (Senate Sponsor - Hinojosa) H.B. No. 2271
1-2 (In the Senate - Received from the House April 12, 2011;
1-3 April 14, 2011, read first time and referred to Committee on
1-4 Government Organization; April 29, 2011, reported adversely, with
1-5 favorable Committee Substitute by the following vote: Yeas 5,
1-6 Nays 0; April 29, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2271 By: Hegar

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the continuation and functions of the Texas Racing
1-11 Commission, the abolishment of the Equine Research Account Advisory
1-12 Committee, and the authority of Texas AgriLife Research; providing
1-13 an administrative penalty.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Section 1.03, Texas Racing Act (Article 179e,
1-16 Vernon's Texas Civil Statutes), is amended by amending Subdivision
1-17 (52) and adding Subdivisions (80) and (81) to read as follows:

1-18 (52) "Performance" means the consecutive running of a
1-19 specified number of greyhound races as determined by the commission
1-20 [not more than 13 greyhound races].

1-21 (80) "Active license" means a racetrack license
1-22 designated by the commission as active.

1-23 (81) "Inactive license" means a racetrack license
1-24 designated by the commission as inactive.

1-25 SECTION 2. Section 2.071, Texas Racing Act (Article 179e,
1-26 Vernon's Texas Civil Statutes), is amended to read as follows:

1-27 Sec. 2.071. CONFLICT OF INTEREST. (a) A person may not be
1-28 a member of the commission and may not be a commission employee
1-29 employed in a "bona fide executive, administrative, or professional
1-30 capacity," as that phrase is used for purposes of establishing an
1-31 exemption to the overtime provisions of the federal Fair Labor
1-32 Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

1-33 (1) the person is an [An] officer, employee, or paid
1-34 consultant of a Texas trade association in the field of horse or
1-35 greyhound racing or breeding; or

1-36 (2) the person's [may not be a member of the commission
1-37 or an employee of the commission who is exempt from the state's
1-38 position classification plan or is compensated at or above the
1-39 amount prescribed by the General Appropriations Act for step 1,
1-40 salary group 17, of the position classification salary schedule.

1-41 [(b) A person who is the] spouse is [or] an officer,
1-42 manager, or paid consultant of a Texas trade association in the
1-43 field of horse or greyhound racing or breeding [may not be a member
1-44 of the commission and may not be an employee of the commission who
1-45 is exempt from the state's position classification plan or is
1-46 compensated at or above the amount prescribed by the General
1-47 Appropriations Act for step 1, salary group 17, of the position
1-48 classification salary schedule].

1-49 (b) A person may not be a member of the commission or act as
1-50 the general counsel to the commission if the person is required to
1-51 register as a lobbyist under Chapter 305, Government Code, because
1-52 of the person's activities for compensation on behalf of a
1-53 profession related to the operation of the commission.

1-54 (c) In [For the purposes of] this section, "Texas trade
1-55 association" means [a Texas trade association is] a cooperative and
1-56 voluntarily joined statewide [nonprofit] association of business
1-57 or professional competitors in this state designed to assist its
1-58 members and its industry or profession in dealing with mutual
1-59 business or professional problems and in promoting their common
1-60 interest.

1-61 SECTION 3. Article 2, Texas Racing Act (Article 179e,
1-62 Vernon's Texas Civil Statutes), is amended by adding Section 2.25
1-63 to read as follows:

2-1 Sec. 2.25. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE
 2-2 RESOLUTION PROCEDURES. (a) The commission shall develop and
 2-3 implement a policy to encourage the use of:

2-4 (1) negotiated rulemaking procedures under Chapter
 2-5 2008, Government Code, for the adoption of commission rules; and
 2-6 (2) appropriate alternative dispute resolution
 2-7 procedures under Chapter 2009, Government Code, to assist in the
 2-8 resolution of internal and external disputes under the commission's
 2-9 jurisdiction.

2-10 (b) The commission's procedures relating to alternative
 2-11 dispute resolution shall conform, to the extent possible, to any
 2-12 model guidelines issued by the State Office of Administrative
 2-13 Hearings for the use of alternative dispute resolution by state
 2-14 agencies.

2-15 (c) The commission shall:
 2-16 (1) coordinate the implementation of the policy
 2-17 adopted under Subsection (a) of this section;
 2-18 (2) provide training as needed to implement the
 2-19 procedures for negotiated rulemaking or alternative dispute
 2-20 resolution; and
 2-21 (3) collect data concerning the effectiveness of those
 2-22 procedures.

2-23 SECTION 4. Sections 3.07(b) and (e), Texas Racing Act
 2-24 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
 2-25 as follows:

2-26 (b) The commission shall make rules specifying the
 2-27 authority and the duties of each official, including the power of
 2-28 stewards or judges to impose penalties for unethical practices or
 2-29 violations of racing rules. A penalty imposed by the stewards or
 2-30 judges may include a fine of not more than \$5,000, a suspension for
 2-31 not more than one year, or both a fine and suspension. Before
 2-32 imposing a penalty under this subsection, the stewards and judges
 2-33 shall conduct a hearing that is consistent with constitutional due
 2-34 process. A hearing conducted by a steward or judge under this
 2-35 subsection is not subject to Chapter 2001, Government Code. A
 2-36 decision of a steward or judge is subject to review by the executive
 2-37 director, who may modify the penalty. A penalty modified by the
 2-38 executive director under this section may include a fine not to
 2-39 exceed \$10,000, a suspension not to exceed two years, or both a fine
 2-40 and a suspension. A decision of a steward or judge that is not
 2-41 reviewed or modified by the executive director is a final decision.
 2-42 Any decision of a steward or judge may be appealed under Section
 2-43 3.08(a) of this Act regardless of whether the decision is modified
 2-44 by the executive director. [If, in the opinion of the stewards or
 2-45 judges, the allowable penalties are not sufficient, the stewards or
 2-46 judges may refer the case to the commission for further action.]

2-47 (e) To pay the charges associated with the medication or
 2-48 drug testing, an association may use the money held by the
 2-49 association to pay outstanding tickets and pari-mutuel vouchers.
 2-50 If additional amounts are needed to pay the charges, the
 2-51 association shall pay those additional amounts. [If the amount
 2-52 held exceeds the amount needed to pay the charges, the association
 2-53 shall pay the excess to the commission in accordance with Section
 2-54 11.08 of this Act.]

2-55 SECTION 5. Section 3.09(b), Texas Racing Act (Article 179e,
 2-56 Vernon's Texas Civil Statutes), is amended to read as follows:

2-57 (b) The commission shall deposit the money it collects under
 2-58 this Act in the State Treasury to the credit of a special fund to be
 2-59 known as the Texas Racing Commission fund. The Texas Racing
 2-60 Commission fund may be appropriated only for the administration and
 2-61 enforcement of this Act. Any unappropriated money exceeding
 2-62 \$750,000 that remains [remaining] in the [that special] fund at the
 2-63 close of each fiscal biennium shall be transferred to the General
 2-64 Revenue Fund and may be appropriated for any legal purpose. The
 2-65 legislature may also appropriate money from the General Revenue
 2-66 Fund for the administration and enforcement of this Act. Any amount
 2-67 of general revenue appropriated for the administration and
 2-68 enforcement of this Act in excess of the cumulative amount
 2-69 deposited in the Texas Racing Commission fund shall be reimbursed

3-1 from the Texas Racing Commission fund not later than one year after
 3-2 the date on which the general revenue funds are appropriated, with
 3-3 ~~[12 percent interest per year until August 31, 1993, and]~~ 6-3/4
 3-4 percent interest ~~[thereafter]~~ with all payments first attributable
 3-5 to interest.

3-6 SECTION 6. Sections 5.03(a) and (c), Texas Racing Act
 3-7 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
 3-8 as follows:

3-9 (a) An applicant for any license or license renewal under
 3-10 this Act must, except as allowed under Section 7.10 of this Act,
 3-11 submit to the commission a complete set of fingerprints of the
 3-12 individual natural person applying for the license or license
 3-13 renewal or, if the applicant is not an individual natural person, a
 3-14 complete set of fingerprints of each officer or director and of each
 3-15 person owning an interest of at least five percent in the applicant.
 3-16 The Department of Public Safety may request any person owning any
 3-17 interest in an applicant for a racetrack license to submit a
 3-18 complete set of fingerprints.

3-19 (c) A peace officer of this or any other state, or any
 3-20 district office of the commission, shall take the fingerprints of
 3-21 an applicant for a license or license renewal on forms approved and
 3-22 furnished by the Department of Public Safety and shall immediately
 3-23 deliver them to the commission.

3-24 SECTION 7. Article 6, Texas Racing Act (Article 179e,
 3-25 Vernon's Texas Civil Statutes), is amended by adding Section 6.032
 3-26 to read as follows:

3-27 Sec. 6.032. BOND. (a) The commission at any time may
 3-28 require a holder of a racetrack license or an applicant for a
 3-29 racetrack license to post security in an amount reasonably
 3-30 necessary, as provided by commission rule, to adequately ensure the
 3-31 license holder's or applicant's compliance with substantive
 3-32 requirements of this Act and commission rules.

3-33 (b) Cash, cashier's checks, surety bonds, irrevocable bank
 3-34 letters of credit, United States Treasury bonds that are readily
 3-35 convertible to cash, or irrevocable assignments of federally
 3-36 insured deposits in banks, savings and loan institutions, and
 3-37 credit unions are acceptable as security for purposes of this
 3-38 section. The security must be:

3-39 (1) conditioned on compliance with this Act and
 3-40 commission rules adopted under this Act; and
 3-41 (2) returned after the conditions of the security are
 3-42 met.

3-43 SECTION 8. The heading to Section 6.04, Texas Racing Act
 3-44 (Article 179e, Vernon's Texas Civil Statutes), is amended to read
 3-45 as follows:

3-46 Sec. 6.04. ISSUANCE OF LICENSE ~~[+ BOND]~~.

3-47 SECTION 9. Section 6.04, Texas Racing Act (Article 179e,
 3-48 Vernon's Texas Civil Statutes), is amended by adding Subsections
 3-49 (a-1) and (a-2) to read as follows:

3-50 (a-1) When all of the requirements of licensure for the
 3-51 applicant described in this article have been satisfied, the
 3-52 commission shall notify the applicant that the application is
 3-53 complete.

3-54 (a-2) The commission shall make a determination with
 3-55 respect to a pending application not later than the 120th day after
 3-56 the date on which the commission provided to the applicant the
 3-57 notice required under Subsection (a-1) of this section.

3-58 SECTION 10. Section 6.06(k), Texas Racing Act (Article
 3-59 179e, Vernon's Texas Civil Statutes), is amended to read as
 3-60 follows:

3-61 (k) The commission shall review the ownership and
 3-62 management of an active ~~[a]~~ license issued under this article every
 3-63 five years beginning on the fifth anniversary of the issuance of the
 3-64 license. In performing the review, the commission may require the
 3-65 license holder to provide any information that would be required to
 3-66 be provided in connection with an original license application
 3-67 under Article 5 of this Act or this article. The commission shall
 3-68 charge fees for the review in amounts sufficient to implement this
 3-69 subsection.

4-1 SECTION 11. Article 6, Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes), is amended by adding Sections 4-2 6.0601, 6.0602, and 6.0603 to read as follows:

4-4 Sec. 6.0601. DESIGNATION OF ACTIVE AND INACTIVE RACETRACK
4-5 LICENSES. (a) The commission shall designate each racetrack
4-6 license as an active license or an inactive license. The commission
4-7 may change the designation of a racetrack license as appropriate.

4-8 (b) The commission shall designate a racetrack license as an
4-9 active license if the license holder:

- 4-10 (1) holds live racing events at the racetrack; or
4-11 (2) makes good faith efforts to conduct live racing.

4-12 (c) The commission by rule shall provide guidance on what
4-13 actions constitute, for purposes of this Act, good faith efforts to
4-14 conduct live racing.

4-15 (d) Before the first anniversary of the date a new racetrack
4-16 license is issued, the commission shall conduct an evaluation of
4-17 the license to determine whether the license is an active or
4-18 inactive license.

4-19 (e) An active license is effective until the license is
4-20 designated as an inactive license or is surrendered, suspended, or
4-21 revoked under this Act.

4-22 Sec. 6.0602. RENEWAL OF INACTIVE RACETRACK LICENSE; FEES.
4-23 (a) The commission by rule shall establish an annual renewal
4-24 process for inactive licenses and may require the license holder to
4-25 provide any information required for an original license
4-26 application under this Act. An inactive license holder must
4-27 complete the annual renewal process established under this section
4-28 until the commission:

- 4-29 (1) designates the license as an active license; or
4-30 (2) refuses to renew the license.

4-31 (b) In determining whether to renew an inactive license, the
4-32 commission shall consider:

- 4-33 (1) the inactive license holder's:

- 4-34 (A) financial stability;
- 4-35 (B) ability to conduct live racing;
- 4-36 (C) ability to construct and maintain a racetrack

4-37 facility; and (D) other good faith efforts to conduct live
4-38 racing; and (2) other necessary factors considered in the issuance
4-39 of the original license.

4-40 (c) The commission may refuse to renew an inactive license
4-41 if, after notice and a hearing, the commission determines that:
4-42 (1) renewal of the license is not in the best interests
4-43 of the racing industry or the public; or
4-44 (2) the license holder has failed to make a good faith
4-45 effort to conduct live racing.

4-46 (d) The commission shall consult with members of the racing
4-47 industry and other key stakeholders in developing the license
4-48 renewal process under this section.
4-49 (e) The commission shall set and collect renewal fees in
4-50 amounts reasonable and necessary to cover the costs of
4-51 administering and enforcing this section.

4-52 (f) The commission by rule shall establish criteria to make
4-53 the determinations under Subsections (c)(1) and (2).

4-54 Sec. 6.0603. DISCIPLINARY ACTION. (a) The commission by
4-55 rule shall establish procedures for disciplinary action against a
4-56 racetrack license holder.

4-57 (b) If, after notice and hearing, the commission finds that
4-58 a racetrack license holder or a person employed by the racetrack has
4-59 violated this Act or a commission rule or if the commission finds
4-60 during a review or renewal that the racetrack is ineligible for a
4-61 license under this article, the commission may:

- 4-62 (1) revoke, suspend, or refuse to renew the racetrack
4-63 license;
- 4-64 (2) impose an administrative penalty as provided under
4-65 Section 15.03 of this Act; or
- 4-66 (3) take any other action as provided by commission
4-67 rule.

5-1 (c) The commission may not revoke an active license unless
 5-2 the commission reasonably determines that other disciplinary
 5-3 actions are inadequate to remedy the violation.

5-4 SECTION 12. Section 6.08(h), Texas Racing Act (Article
 5-5 179e, Vernon's Texas Civil Statutes), is amended to read as
 5-6 follows:

5-7 (h) Two percent of the breakage shall be allocated to the
 5-8 equine research account under Subchapter F, Chapter 88 [51],
 5-9 Education Code. The remaining 98 percent of the breakage shall
 5-10 constitute "total breakage" and shall be allocated pursuant to
 5-11 Subsections (i) and (j) of this section.

5-12 SECTION 13. The heading to Section 6.18, Texas Racing Act
 5-13 (Article 179e, Vernon's Texas Civil Statutes), is amended to read
 5-14 as follows:

5-15 Sec. 6.18. ANNUAL FEE FOR RACETRACK [TERM OF] LICENSE [+
 5-16 RESTRICTIONS ON RACETRACKS].

5-17 SECTION 14. Section 6.18(b), Texas Racing Act (Article
 5-18 179e, Vernon's Texas Civil Statutes), is amended to read as
 5-19 follows:

5-20 (b) The commission may prescribe a reasonable annual fee to
 5-21 be paid by each racetrack licensee. The fee must be in an amount
 5-22 sufficient to provide that the total amount of fees imposed under
 5-23 this section, together with the license fees prescribed under
 5-24 Section 5.01(b) of this Act and the renewal fees prescribed under
 5-25 Section 6.0602(e) of this Act, is sufficient to pay the costs of
 5-26 administering and enforcing this Act.

5-27 SECTION 15. Section 7.01, Texas Racing Act (Article 179e,
 5-28 Vernon's Texas Civil Statutes), is amended to read as follows:

5-29 Sec. 7.01. LICENSE REQUIRED. (a) Except as provided by
 5-30 this section, a [A] person may not participate in racing with
 5-31 pari-mutuel wagering other than as a spectator or as a person
 5-32 placing a wager without first obtaining a license from the
 5-33 commission. A person may not engage in any occupation for which
 5-34 commission rules require a license under this Act without first
 5-35 obtaining a license from the commission.

5-36 (b) The commission by rule shall categorize the occupations
 5-37 of racetrack employees and determine the occupations that afford
 5-38 the employee an opportunity to influence racing with pari-mutuel
 5-39 wagering. The rules must require the following employees to be
 5-40 licensed under this Act:

5-41 (1) an employee who works in an occupation determined
 5-42 by the commission to afford the employee an opportunity to
 5-43 influence racing with pari-mutuel wagering; or

5-44 (2) an employee who will likely have significant
 5-45 access to the backside of a racetrack or to restricted areas of the
 5-46 frontside of a racetrack.

5-47 (c) A racetrack licensed under this Act is responsible for
 5-48 ensuring that its employees comply with this Act and commission
 5-49 rules. The commission may impose disciplinary action against a
 5-50 licensed racetrack for violations of this Act and commission rules
 5-51 by its employees as provided by Section 6.0603 of this Act.

5-52 SECTION 16. Section 7.07, Texas Racing Act (Article 179e,
 5-53 Vernon's Texas Civil Statutes), is amended by amending Subsection
 5-54 (a) and adding Subsection (a-1) to read as follows:

5-55 (a) A license issued under this article is valid for a
 5-56 period set by the commission not to exceed 36 months following the
 5-57 date of its issuance. It is renewable on application, satisfactory
 5-58 results of a criminal history information record check, and payment
 5-59 of the fee in accordance with the rules of the commission.

5-60 (a-1) The commission shall obtain criminal history record
 5-61 information on each applicant renewing an occupational license
 5-62 under this article. The commission shall ensure that criminal
 5-63 history record information is obtained on each license holder at
 5-64 least once every 36 months.

5-65 SECTION 17. Section 11.01, Texas Racing Act (Article 179e,
 5-66 Vernon's Texas Civil Statutes), is amended by amending Subsection
 5-67 (a) and adding Subsection (a-1) to read as follows:

5-68 (a) The commission shall adopt rules to regulate wagering on
 5-69 greyhound races and horse races under the system known as

6-1 pari-mutuel wagering. Wagering may be conducted only by an
 6-2 association within its enclosure. A person may not accept, in
 6-3 person, by telephone, or over the Internet, a wager for a horse race
 6-4 or greyhound race conducted inside or outside this state from a
 6-5 person in this state unless the wager is authorized under this Act.

6-6 (a-1) The commission may commission as many investigators
 6-7 as the commission determines necessary to enforce this Act and the
 6-8 rules of the commission. Each investigator shall take the
 6-9 constitutional oath of office and file it with the commission. Each
 6-10 commissioned investigator has the powers of a peace officer.

6-11 SECTION 18. Sections 11.04(a) and (c), Texas Racing Act
 6-12 (Article 179e, Vernon's Texas Civil Statutes), are amended to read
 6-13 as follows:

6-14 (a) Only a person inside the enclosure where both live and
 6-15 simulcast race meetings are authorized may wager on the result of a
 6-16 live or simulcast race presented by the association in accordance
 6-17 with commission rules. Except as provided by this section, a person
 6-18 may not place, in person, by telephone, or over the Internet, a
 6-19 wager for a horse race or greyhound race conducted inside or outside
 6-20 this state. The commission shall adopt rules to prohibit wagering
 6-21 by employees of the commission and to regulate wagering by persons
 6-22 licensed under this Act.

6-23 (c) The commission shall adopt rules prohibiting an
 6-24 association from accepting a wager made on credit and shall adopt
 6-25 rules providing for the use of automatic banking machines within
 6-26 the enclosure. The commission shall limit the use of an automatic
 6-27 banking machine to [+]

6-28 [+] allow a person to have access to only the
 6-29 person's checking account at a bank or other financial
 6-30 institution[+ and]

6-31 [+] deliver no more than \$200].

6-32 SECTION 19. Section 11.05, Texas Racing Act (Article 179e,
 6-33 Vernon's Texas Civil Statutes), is amended to read as follows:

6-34 Sec. 11.05. UNLAWFUL WAGERING. A person shall not wager on
 6-35 the result of a greyhound race or horse race in this state except as
 6-36 permitted by this Act. A person who is not an association under
 6-37 this Act may not accept from a Texas resident while the resident is
 6-38 in this state a wager on the result of a greyhound race or horse race
 6-39 conducted inside or outside this state.

6-40 SECTION 20. Section 18.01(a), Texas Racing Act (Article
 6-41 179e, Vernon's Texas Civil Statutes), is amended to read as
 6-42 follows:

6-43 (a) The Texas Racing Commission is subject to Chapter 325,
 6-44 Government Code (Texas Sunset Act). Unless continued in existence
 6-45 as provided by that chapter, and except as provided by Subsections
 6-46 (b) and (c) of this section, the commission is abolished and this
 6-47 Act expires September 1, 2017 [2011].

6-48 SECTION 21. Section 88.521(2), Education Code, is amended
 6-49 to read as follows:

6-50 (2) "Director" means the executive director of Texas
 6-51 AgriLife Research, formerly known as the Texas Agricultural
 6-52 Experiment Station.

6-53 SECTION 22. Sections 88.522(b), (c), (f), and (g),
 6-54 Education Code, are amended to read as follows:

6-55 (b) The director shall administer the account through
 6-56 established procedures of Texas AgriLife Research, formerly known
 6-57 as the Texas Agricultural Experiment Station.

6-58 (c) The comptroller shall periodically transfer the amounts
 6-59 specified by Sections [Section] 6.08(f) and (h), Texas Racing Act
 6-60 (Article 179e, Vernon's Texas Civil Statutes), to the account.

6-61 (f) Not more than 10 percent of the account may be spent each
 6-62 year on the cost incurred in the operation or administration of the
 6-63 [advisory committee or] account.

6-64 (g) All money received by [the advisory committee or] the
 6-65 account under this chapter is subject to Subchapter F, Chapter 404,
 6-66 Government Code.

6-67 SECTION 23. Section 88.525, Education Code, is amended by
 6-68 adding Subsections (a-1) and (b-1) and amending Subsection (b) to
 6-69 read as follows:

7-1 (a-1) In awarding grants under this section, the director
 7-2 shall comply with the conflict of interest provisions of The Texas
 7-3 A&M University System.

7-4 (b) ~~The [With the advice of the advisory committee, the]~~
 7-5 director shall develop annually a request for proposals for equine
 7-6 research grants. Each proposal received may ~~must~~ be evaluated by
 7-7 a peer review committee appointed by the director and ~~and~~ subject
 7-8 matter experts as necessary to evaluate the proposal. The peer
 7-9 review committee shall consider the applicant's research capacity
 7-10 and the relevance and scientific merit of the proposal and make
 7-11 recommendations to the director.

7-12 (b-1) The director may award a grant to an applicant who
 7-13 proposes to commingle grant money awarded under this section with
 7-14 other sources of funding or proposes to conduct research that
 7-15 includes equine research.

7-16 SECTION 24. Section 88.526(a), Education Code, is amended
 7-17 to read as follows:

7-18 (a) The director shall prepare an annual report on equine
 7-19 research funded under this subchapter. The director shall
 7-20 distribute the report to the Texas Racing Commission and ~~[the]~~
 7-21 members of the Texas horse racing industry ~~[advisory committee]~~.
 7-22 The director shall make copies of the report available to
 7-23 interested parties.

7-24 SECTION 25. Section 88.527, Education Code, is amended to
 7-25 read as follows:

7-26 Sec. 88.527. CONFERENCE. Texas AgriLife Research ~~[The~~
 7-27 ~~Texas Agricultural Extension Service]~~ shall conduct an annual
 7-28 conference on equine research. Money from the equine research
 7-29 account shall be used to defray the costs of the conference. The
 7-30 conference must be designed to bring to the attention of the Texas
 7-31 horse racing industry the latest research results and technological
 7-32 developments in equine research. The director shall make the
 7-33 report created under Section 88.526 available at the conference.

7-34 SECTION 26. The following sections of the Texas Racing Act
 7-35 (Article 179e, Vernon's Texas Civil Statutes) are repealed:

- 7-36 (1) Section 2.072;
- 7-37 (2) Section 6.04(b);
- 7-38 (3) Section 6.18(a); and
- 7-39 (4) Section 7.02(a).

7-40 SECTION 27. The following sections of the Education Code
 7-41 are repealed:

- 7-42 (1) Section 88.521(1);
- 7-43 (2) Section 88.523;
- 7-44 (3) Section 88.5231;
- 7-45 (4) Section 88.5232;
- 7-46 (5) Section 88.524;
- 7-47 (6) Section 88.5245; and
- 7-48 (7) Section 88.525(c).

7-49 SECTION 28. (a) Not later than September 1, 2012, the Texas
 7-50 Racing Commission shall designate each racetrack license as active
 7-51 or inactive as required by Section 6.0601, Texas Racing Act
 7-52 (Article 179e, Vernon's Texas Civil Statutes), as added by this
 7-53 Act.

7-54 (b) The Texas Racing Commission by rule shall establish a
 7-55 staggered schedule and the procedure for the review of licenses
 7-56 required under Section 6.06(k), Texas Racing Act (Article 179e,
 7-57 Vernon's Texas Civil Statutes), as amended by this Act.

7-58 (c) The Texas Racing Commission may adjust license renewal
 7-59 and review fees pursuant to the commission's authority to adjust
 7-60 fees under Section 5.01, Texas Racing Act (Article 179e, Vernon's
 7-61 Texas Civil Statutes), and Section 6.0602, Texas Racing Act
 7-62 (Article 179e, Vernon's Texas Civil Statutes), as added by this
 7-63 Act, to recover any money lost by the change in law made by this Act
 7-64 to Section 3.07(e), Texas Racing Act (Article 179e, Vernon's Texas
 7-65 Civil Statutes).

7-66 (d) As soon as practicable, the executive director of Texas
 7-67 AgriLife Research shall submit a report to the Texas Racing
 7-68 Commission as required by Section 88.526, Education Code, as
 7-69 amended by this Act.

SECTION 29. This Act takes effect September 1, 2011.

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