

## **BILL ANALYSIS**

Senate Research Center

H.B. 254  
By: Hilderbran et al. (Wentworth)  
State Affairs  
5/17/2011  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 254 seeks to promote, develop, and improve horse breeding and related businesses in Texas. Specifically, H.B. 254 requires the Texas Racing Commission (TRC) to establish the Texas Derbies as annual stakes races consisting of one race open to three-year-old Thoroughbreds, one race open to only Texas-bred Thoroughbreds, one race open to three-year-old quarter horses, and one race open to only three-year-old Texas-bred quarter horses.

H.B. 254 provides for the development of race conditions, entrance qualifications, and preference system used to determine the race finalists. This bill establishes the requirements for setting the date and location for each derby, as well as sets forth the prerace examination requirements and other related matters. Finally, this bill would require TRC to establish a Texas Derby escrow purse fund and sets forth other provisions related thereto.

H.B. 254 amends current law relating to establishing the Texas Derbies.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Racing Commission in SECTION 1 (Sections 9A.002 and 9A.003, V.T.C.S.) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the Texas Racing Act (Article 179e, V.T.C.S.) by adding Article 9A, as follows:

#### ARTICLE 9A. TEXAS DERBIES

Sec. 9A.001. TEXAS DERBIES. (a) Requires the Texas Racing Commission (TRC) to establish as Texas Derbies the following annual stakes races:

- (1) one race open to three-year-old Thoroughbreds;
- (2) one race open only to three-year-old Texas-bred Thoroughbreds;
- (3) one race open to three-year-old quarter horses; and
- (4) one race open only to three-year-old Texas-bred quarter horses.

(b) Requires the respective official state breed registries and the official horsemen's organization, for a Texas Derby open only to Texas-bred horses, to develop the race conditions and entrance qualifications, and the preference system used to determine the race finalists.

(c) Requires that each class 1 racetrack that is awarded a Texas Derby that is not limited to Texas-bred horses to develop for the derby the race conditions and entrance qualifications, and the preference system used to determine the race finalists.

(d) Provides that the race conditions and qualifications and preference systems developed for the Texas Derbies under Subsection (b) or (c) of this section are subject to review and approval by the executive secretary of TRC.

(e) Requires TRC to set the date of and the location for each Texas Derby. Requires that each Texas Derby be held annually at the class 1 racetrack determined by TRC. Requires TRC to determine the location of each Texas Derby in consultation with each class 1 racetrack, the official state breed registries, and the official horsemen's organization.

(f) Authorizes TRC to sell the right to name a Texas Derby. Requires TRC to deposit the proceeds from the sale of the right to name a Texas Derby into the Texas Derby escrow purse fund established under Section 9A.003 of this article.

(g) Prohibits the date of the initial Texas Derby from being earlier than January 1, 2015. Provides that this subsection expires January 1, 2016.

Sec. 9A.002. INSPECTION AND EXAMINATION OF HORSE. (a) Requires TRC, for each Texas Derby, to appoint a state veterinarian to conduct a prerace examination of each horse entered in the race to determine whether the horse is healthy and meets standards set by TRC rule for racing.

(b) Authorizes the examination to include any procedure that the state veterinarian considers necessary to make the determination required by Subsection (a) of this section.

(c) Authorizes the examination to be conducted at any time before the race.

Sec. 9A.003. TEXAS DERBY ESCROW PURSE FUND. (a) Requires TRC to establish a Texas Derby escrow purse fund.

(b) Requires TRC by rule to establish a schedule of entrance fees for participants in each Texas Derby. Requires that a portion determined by TRC of each entrance fee be deposited in the Texas Derby escrow purse fund.

(c) Requires TRC, notwithstanding Section 3.09 of this Act or any other law, by rule to determine a portion of the fees, charges, and other revenue collected under this Act to be deposited to the credit of the Texas Derby escrow purse fund as reasonably necessary to maintain competitive purses for each Texas Derby.

(d) Authorizes TRC by rule to assess under this Act additional charges and fees, including gate fees, to supplement the funds otherwise deposited in the Texas Derby escrow purse fund under this section.

(e) Prohibits other state revenue, other than as provided by this section, from being deposited to the credit of the Texas Derby escrow purse fund.

SECTION 2. Requires TRC, as soon as practicable after the effective date of this Act, to adopt the rules necessary to implement Section 9A.003, Texas Racing Act (Article 179e, V.T.C.S.), as added by this Act.

SECTION 3. Effective date: September 1, 2011.