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FISCAL IMPACT REPORT

ORIGINAL DATE 02/15/13
 SPONSOR Ezzell LAST UPDATED 03/04/13 HB 509/a HJC
 SHORT TITLE Horse Racing Definitions and Investigations SB _____
 ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

State Racing Commission (SRC)

Department of Public Safety (DPS)

SUMMARY

Synopsis of the HJC Amendment

The House Judiciary Committee Amendment does the following:

On page 8, lines 1 and 2, strike “in conjunction with an official investigation being conducted by a law enforcement agency.”

Synopsis of Original Bill

House Bill 509 amends the Horse Racing Act Section 1 (Definitions) by redefining “racehorse” means ~~a quarter horse or thoroughbred that is bred and trained to compete in horse races~~ any horse engaged in a horse race as defined in the Horse Racing Act. And creates a new subsection of Section 2 (Commission-Powers-Duties) to read investigate the operation of a public horse race or a race meet for profit or gain suspected to be operating in violation of Subsection A of Section 60-1A-8 NMSA 1978 in conjunction with an official investigation being conducted by a law enforcement agency all in an effort to grant the State Racing Commission the jurisdiction to begin to investigate illegal racetracks.

FISCAL IMPLICATIONS

No Fiscal Impact

SIGNIFICANT ISSUES

The State Racing Commission (SRC) has reported a proliferation of illegal racetracks. Illegal racetracks are known to exist across the state in cities such as Grants, Anthony, Ruidoso, Los Lunas, and Hobbs, yet the agency only has statutory enforcement authority at licensed facilities. The LFC Committee has recommended the agency seek expanded enforcement powers or work with the Department of Public Safety to begin an investigation process to shut down illegal racetracks.

In a four month investigation local media station KRQE13 investigative reporter Larry Barker uncovered that these illegal racetracks have become so popular that people are driving hundreds of miles, often across the Mexican border to participate. These illegal tracks will see hundreds of thousands of dollars exchange hands; through entrance fees, illegal sales of alcohol, and wagering. The DEA also confirms that the Mexican Cartels have a heavy presence at these illegal tracks. The SRC Executive Director states that horses that run at illegal racetracks are being heavily doped, and then race at licensed tracks where the state picks up the tab on the investigations.

The State Racing Commission comments:

The current language of the Racing Act on illegal horse racing reads that horses participating in these types of races must be registered race horses. It does not allow New Mexico Racing Commission to work outside of the sanctioned race tracks, thereby not allowing investigators to work with law enforcement at suspected illegal race tracks. Without the language revision of the Racing Act, prosecution of suspected race tracks will be difficult for investigators.

The State Racing Commission (SRC) is concerned that House Bill 509 does not clearly define the expansion of statewide jurisdictional authority of the investigative responsibility of the SRC.

ALTERNATIVES

DPS comments:

An alternative which should be considered is the following: If the intention of the bill is to provide unquestioned authority for the Racing Commission to investigate any act of horseracing, whether licensed or not then consideration should be given to deleting lines 1 and 2 on page 8, and placing a “period” after 1978. Thus, the Commission would have unquestioned authority regardless of the participation of law enforcement.

RM/blm