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## FISCAL IMPACT REPORT

SPONSOR Stewart DATE TYPED 03/09/05 HB 966/aHTC

SHORT TITLE Restrict Gaming Establishment Locations SB \_\_\_\_\_

ANALYST Medina

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	Indeterminate	Indeterminate	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Gaming Control Board (GCB)

State Racing Commission (SRC)

### SUMMARY

#### Synopsis of HTC Amendment

The House Transportation Committee Amendment clarifies that the Gaming Control Board is prohibited from issuing a gaming license to a racetrack gaming operator if the proposed gaming establishment is to be located within three hundred yards of an external boundary of the state land on which the racetrack is located in a municipality with a population of more than 300,000 according to the 2000 census.

### Synopsis of Original Bill

House Bill 966 grants the New Mexico State Fair the power to locate a gaming establishment adjacent to the racetrack or in the facility in which seating for the racetrack is located, provided that no gaming establishment is located within three hundred yards of an external boundary of the state fairgrounds.

The bill further amends the Gaming Control Act to prohibit the Gaming Control Board from issuing a gaming license to a gaming operator if the proposed gaming establishment is to be located within three hundred yards of an external boundary of the state land on which the racetrack is located in a municipality with a population of more than 300,000 according to the 2000 census.

Finally, the provisions of the Gaming Control Act making a racetrack operator's license void are amended to include voiding licenses of gaming establishments in the same municipalities that move locations to within three hundred yards of an external boundary of the state land on which the gaming establishment is located.

### Significant Issues

According to GCB, an assessment on any affected racetrack's current location needs to be conducted to ensure that their current location doesn't violate this proposed bill. According to the Racing Commission, the provisions of this bill would enable operators to double the number of slots and can be competitive with other tracks or casinos.

### **ADMINISTRATIVE IMPLICATIONS**

The provisions of this bill would require GCB to consult with the affected municipality zoning authority to ensure that gaming establishments (racetracks) are three hundred yards of an external boundary of the state land on which it is located.

### **TECHNICAL ISSUES**

According to GCB, an assessment on any affected racetrack's current location needs to be conducted to ensure that their current location doesn't violate this proposed bill.

### **ALTERNATIVES**

The Gaming Control Board suggests the following:

“The following new wording in 60-2E-7 (B) (2) could be construed as confusing:

provided that the board shall not issue a license to a gaming operator the gaming establishment of which is to be located within three hundred yards of an external boundary of the state land on which the race track is located in a municipality with a population of greater than three hundred thousand according to the 2000 federal decennial census;

This section, initially, does not address a specific gaming operator until further in the

amendment. This nonspecific language in the beginning could become confusing and nonprofits within the affected area could interpret this change to affect them; therefore the recommended amendment to 60-2E-7 (B) (2) and for consistency 60-2E-27 (B) (3) should read:

provided that the board shall not issue a license to a racetrack gaming operator the gaming establishment of which is to be located within three hundred yards of an external boundary of the state land on which the racetrack is located in a municipality with a population of greater than three hundred thousand according to the 2000 federal decennial census;

This change in language would greatly clarify the intent to limit a specific gaming operator's location.”

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

According to the Racing Commission, the amount of revenue that may be added to purses and to the general fund may be limited.

**DXM/yr:lg**