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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/06

SPONSOR Lujan, B. LAST UPDATED \_\_\_\_\_ HB 864

SHORT TITLE Transfer of Duties to Gaming Control Board SB \_\_\_\_\_

ANALYST Francis

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Gaming Control Board  
State Racing Commission

### SUMMARY

#### Synopsis of Bill

House Bill 864 makes significant changes to the way horse racing is operated in New Mexico. The bill transfers significant duties enumerated in the Horse Racing Act from the state racing commission to the gaming control board. These duties include licensing, pari-mutuel wagering, and simulcasting as they pertain to horse racing

Changes to the Horse Racing Act:

1. Adds definitions.
2. Attaches the state racing commission to the tourism department.
3. Stipulates that at least three of the members of the state racing commission are breeders.
4. Removes authority for licensing, supervision and enforcement of pari-mutuel wagering activities from the state racing commission.
5. Directing the state racing commission to work with the gaming control board to develop rules and procedures for supervision and enforcement of horse racetrack activities.
6. Directs the state racing commission to establish rules and issue work permits for horse racetrack employees who are not licensed by the gaming control board.

Changes to the Gaming Control Act:

1. Expands the definitions to include horse racetracks and wagering on horse races whether live or simulcast.
2. Defines pari-mutuel wagering.
3. Stipulates that one member of the gaming control board must be a public member of the state racing commission and is counted as the public member of the gaming control board. The public member who is the state racing commission member shall not receive a salary.
4. Provides the gaming control board the authority to license horse racetrack gaming operations.
5. Allows simulcast horse races as long as there is a live race going on at the track and the track where the simulcast race has at least 17 days of live racing.
6. Commission rates are established for licensees.

**FISCAL IMPLICATIONS**

There will be no additional fiscal impacts due to this change. The taxes indicated in HB 864 are being moved from the Horse Racing Act to the Gaming Control Act. There will be a new racing suspense fund that is created to accept payments and make distributions but neither the existing taxes nor the existing distributions change.

**SIGNIFICANT ISSUES**

The State Racing Commission reports that there would be savings that result from the consolidation of duties and authorities. The elimination of the deputy director position, being able to consolidate the investigations at race tracks and the elimination of contracted auditors. This would streamline service to the public with regard to licensing, background checks, regulation and supervision of race tracks.

The Gaming Control Board reports that the transfer of duties to the control board would need to come with a joint powers agreement to ensure that they have sufficient budget to absorb the additional responsibilities. If there is no reallocation of personnel and monies to the Gaming Control Board, the Board will be hampered in fulfilling the mandated duties assigned by this bill. This bill eliminates two agencies from duplicating their efforts, particularly as it pertains to licensing. The implementation of the bill will streamline the licensing aspects of the racetracks as well as strengthen the regulatory oversight.

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