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AN ACT

RELATING TO HORSE RACING; REMOVING CERTAIN EXCEPTIONS TO  
CONDUCT THAT REQUIRES DENIAL OR REVOCATION OF AN OCCUPATIONAL  
LICENSE; PROVIDING FOR AN EQUINE HEALTH AND TESTING ADVISOR  
TO REPLACE THE OFFICIAL CHEMIST; CLARIFYING THE DESIGNATION  
AND HANDLING OF TESTING SAMPLES; PROVIDING FOR COMPENSATION  
OF THE EQUINE HEALTH AND TESTING ADVISOR FROM THE RACEHORSE  
TESTING FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 60-1A-11 NMSA 1978 (being Laws 2007,  
Chapter 39, Section 11, as amended) is amended to read:

"60-1A-11. GRANTING A LICENSE--STANDARDS--DENIAL AND  
REVOCATION--SUSPENSION AND PENALTIES.--

A. A license shall not be issued or renewed unless  
the applicant has satisfied the commission that the  
applicant:

(1) is of good moral character, is honest  
and has integrity;

(2) does not currently have a license  
suspended by a horse racing licensing authority in another  
jurisdiction;

(3) does not have any prior activities,  
criminal record, reputation, habits or associations that:

(a) pose a threat to the public

1 interest;

2 (b) pose a threat to the effective  
3 regulation and control of horse racing; or

4 (c) create or enhance the dangers of  
5 unsuitable, unfair or illegal practices, methods and  
6 activities in the conduct of horse racing, the business of  
7 operating a horse racetrack licensed pursuant to the Horse  
8 Racing Act or the financial activities incidental to  
9 operating a horse racetrack;

10 (4) is qualified to be licensed consistent  
11 with the Horse Racing Act;

12 (5) has sufficient business probity,  
13 competence and experience in horse racing as determined by  
14 the commission;

15 (6) has proposed financing that is  
16 sufficient for the nature of the license and from a suitable  
17 source that meets the criteria set forth in this subsection;  
18 and

19 (7) is sufficiently capitalized pursuant to  
20 standards set by the commission to conduct the business  
21 covered by the license.

22 B. The commission shall establish by rule  
23 additional qualifications for a licensee as it deems in the  
24 public interest.

25 C. A person issued or applying for an occupational

1 license who has positive test results for a controlled  
2 substance or who has been convicted of a violation of a  
3 federal or state controlled substance law shall be denied a  
4 license or shall be subject to revocation of an existing  
5 license unless sufficient evidence of rehabilitation is  
6 presented to the commission.

7 D. The commission may deny or revoke an  
8 occupational license if the applicant or occupational  
9 licensee, for the purpose of stimulating or depressing a  
10 racehorse or affecting its speed or stamina during a race or  
11 workout, is found to have administered, attempted to  
12 administer or conspired to administer to a racehorse,  
13 internally, externally or by injection, a drug, chemical,  
14 stimulant or depressant, or other prohibited substance as  
15 defined by the association of racing commissioners  
16 international, incorporated, or a successor organization or,  
17 if none, by another nationally recognized organization that  
18 has published substantially similar guidelines that are  
19 generally accepted in the horse racing industry as determined  
20 by the commission.

21 E. In addition to its authority to deny or revoke  
22 an occupational license for the conduct described in  
23 Subsection D of this section, the commission may suspend a  
24 license and impose fines on a licensee. For suspensions and  
25 fines, the commission shall adopt as its own rules the model

1 rules for the imposition of penalties for the use of  
2 prohibited substances published by the association of racing  
3 commissioners international, incorporated, or a successor  
4 organization or, if none, by another nationally recognized  
5 organization that has published substantially similar rules  
6 that are generally accepted in the horse racing industry as  
7 determined by the commission.

8 F. The commission shall revoke for a period not to  
9 exceed five years an occupational license if the occupational  
10 licensee used, attempted to use or conspired with others to  
11 use an electrical or mechanical device, implement or  
12 instrument for the purpose of affecting the speed or stamina  
13 of a racehorse.

14 G. The burden of proving the qualifications of an  
15 applicant or licensee to be issued a license or have a  
16 license renewed shall be on the applicant or licensee."

17 SECTION 2. Section 60-1A-13 NMSA 1978 (being Laws 2007,  
18 Chapter 39, Section 13) is amended to read:

19 "60-1A-13. EQUINE HEALTH AND TESTING ADVISOR--  
20 QUALIFICATIONS--DUTIES.--The commission shall hire or  
21 contract with an equine health and testing advisor. An  
22 equine health and testing advisor shall be a doctor of  
23 veterinary medicine or shall hold a doctorate degree in  
24 chemistry or a related field and shall be knowledgeable and  
25 experienced in the techniques used for testing the specimens

1 collected pursuant to Section 60-1A-14 NMSA 1978. The equine  
2 health and testing advisor shall exercise the duties  
3 prescribed by rules of the commission."

4 SECTION 3. Section 60-1A-14 NMSA 1978 (being Laws 2007,  
5 Chapter 39, Section 14, as amended) is amended to read:

6 "60-1A-14. TESTING SPECIMENS.--

7 A. The commission shall adopt rules applying to  
8 the handling of pre- and post-race, out-of-competition and  
9 necropsy testing of blood serum plasma, urine or other  
10 appropriate test samples identified by the commission to be  
11 taken from racehorses, following guidelines that meet or  
12 exceed the standards established in model rules published by  
13 the association of racing commissioners international,  
14 incorporated, or a successor organization or, if none, by  
15 another nationally recognized organization that has published  
16 substantially similar guidelines that are generally accepted  
17 in the horse racing industry as determined by the commission.

18 B. Each specimen taken from a racehorse shall be  
19 divided into two or more samples, and:

20 (1) one sample, designated as the "official  
21 sample", shall be tested by the commission or its designated  
22 laboratory in order to detect the presence of unauthorized  
23 drugs, chemicals, stimulants, depressants or other prohibited  
24 substances as defined in guidelines published by the  
25 association of racing commissioners international,

1 incorporated, or a successor organization or, if none, by  
2 another nationally recognized organization that has published  
3 substantially similar guidelines that are generally accepted  
4 in the horse racing industry as determined by the commission;  
5 and

6 (2) the remaining samples, each designated  
7 as a "split sample", may be forwarded by the commission to  
8 the scientific laboratory division of the department of  
9 health or maintained by the commission in a manner that meets  
10 or exceeds the guidelines identified in Paragraph (1) of this  
11 subsection.

12 C. After a positive test result on the official  
13 sample tested by the commission or its designated laboratory  
14 and upon a written request from the president, executive  
15 director or manager of the New Mexico horsemen's association  
16 on forms designated by the commission, a corresponding split  
17 sample shall be transferred to an independent laboratory in a  
18 manner prescribed by commission rule.

19 D. All samples shall be kept in a controlled  
20 environment for a period of time specified by the commission  
21 in each case.

22 E. The commission shall contract with an  
23 independent laboratory to maintain a quality assurance  
24 program. The laboratory shall meet or exceed the current  
25 national laboratory standards for the testing of drugs or

1 other foreign substances in a horse, as established by the  
2 association of racing commissioners international,  
3 incorporated, or of a successor organization or, if none, of  
4 another nationally recognized organization that has published  
5 substantially similar guidelines that are generally accepted  
6 in the horse racing industry."

7 SECTION 4. Section 60-1A-14.1 NMSA 1978 (being Laws  
8 2013, Chapter 102, Section 1, as amended) is amended to read:

9 "60-1A-14.1. RACEHORSE TESTING FUND--CREATED--  
10 PURPOSE.--The "racehorse testing fund" is created in the  
11 state treasury. The purpose of the fund is to ensure the  
12 testing of racehorses at a laboratory that meets or exceeds  
13 the current national laboratory standards for the testing of  
14 drugs or other foreign substances not naturally occurring in  
15 a horse, as established by the association of racing  
16 commissioners international, incorporated, or of a successor  
17 organization or, if none, of another nationally recognized  
18 organization that has published substantially similar  
19 guidelines that are generally accepted in the horse racing  
20 industry. The fund consists of one-half of the daily capital  
21 outlay tax appropriated and transferred pursuant to Paragraph  
22 (4) of Subsection A of Section 60-1A-20 NMSA 1978 and  
23 appropriations, gifts, grants and donations made to the fund.  
24 Income from investment of the fund shall be credited to the  
25 fund. The commission shall administer the racehorse testing

1 fund, and money in the fund is appropriated to the commission  
2 for the handling of pre- and post-race, out-of-competition  
3 and necropsy testing of blood serum plasma, urine or other  
4 appropriate test samples taken from racehorses pursuant to  
5 Section 60-1A-14 NMSA 1978 and to compensate the equine  
6 health and testing advisor employed or selected pursuant to  
7 Section 60-1A-13 NMSA 1978. Any unexpended or unencumbered  
8 balance remaining in the racehorse testing fund at the end of  
9 a fiscal year in excess of six hundred thousand dollars  
10 (\$600,000) shall revert to the general fund. Expenditures  
11 from the fund shall be made on warrant of the secretary of  
12 finance and administration pursuant to vouchers signed by the  
13 executive director of the commission."

14 SECTION 5. EFFECTIVE DATE.--The effective date of the  
15 provisions of this act is July 1, 2017. \_\_\_\_\_

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