

1 SENATE BILL 491

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Mary Kay Papen

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10 AN ACT

11 RELATING TO HORSE RACING; AMENDING HOW HORSE BREEDERS ARE PAID
12 INCENTIVE AND MERIT AWARDS; REQUIRING MEMBERSHIP IN THE NEW
13 MEXICO HORSE BREEDERS' ASSOCIATION TO RECEIVE MERIT AND
14 INCENTIVE REWARDS; ADDRESSING FIDUCIARY BONDS, FAILURE TO
15 NEGOTIATE AN AWARD CHECK AND FAILURE TO PROVIDE TAX-REPORTING
16 INFORMATION.

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

19 SECTION 1. Section 60-1A-24 NMSA 1978 (being Laws 2007,
20 Chapter 39, Section 24) is amended to read:

21 "60-1A-24. BREEDERS' AWARDS.--

22 A. The New Mexico horse breeders' association shall
23 create a fund to pay horse breeders of New Mexico-bred horses
24 merit and incentive awards.

25 B. A racetrack licensee shall pay into a fund

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1 created by the New Mexico horse breeders' association an amount
2 equal to ten percent of the first money of a purse won, except
3 for stakes-race purses, at a horse race in New Mexico by a
4 horse registered with the New Mexico horse breeders'
5 association as a New Mexico-bred horse. From stakes-race
6 purses, a racetrack licensee shall pay into the fund created by
7 the New Mexico horse breeders' association an amount equal to
8 ten percent of the added money.

9 C. The money deposited with the New Mexico horse
10 breeders' association by a racetrack licensee pursuant to
11 Subsection B of this section shall be paid weekly to the ~~owner~~
12 ~~of the dam of the horse at the time that the animal was foaled~~
13 ~~upon certification of the commission and the New Mexico horse~~
14 ~~breeders' association]~~ breeder of record as recorded by the New
15 Mexico horse breeders' association upon certification of the
16 commission.

17 D. In addition to the money distributed pursuant to
18 Subsection B of this section, the New Mexico horse breeders'
19 association shall distribute the money allocated to the New
20 Mexico horse breeders' association pursuant to Subsections B, C
21 and D of Section 60-1A-19 NMSA 1978 in the following manner and
22 pursuant to rules adopted by the commission:

23 (1) forty-five percent of the money to the
24 ~~[owners at the time the winners were foaled of the dams of the~~
25 ~~first-place winners]~~ breeders of record as recorded by the New

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1 Mexico horse breeders' association of the first-, second- and
2 third-place finishers;

3 (2) seven percent of the money to the owners
4 [~~at the time the winners were foaled of the studs that sired~~
5 ~~the first-place winners~~] of the stallions that sired the first-
6 place winners at the time the winners were conceived;

7 (3) no more than eight percent of the money to
8 be retained by the New Mexico horse breeders' association for
9 the purpose of administering the distribution program set forth
10 in this section; and

11 (4) the remaining money to be divided among
12 the owners of the first-, second- and third-place finishers
13 during each race meet, provided that the first-, second- and
14 third-place finishers are registered as New Mexico-bred horses
15 with the New Mexico horse breeders' association and the owners
16 are members of the association.

17 E. The New Mexico horse breeders' association shall
18 file a fiduciary bond with the commission in a face amount
19 equal to the total money distributed during the previous
20 calendar year pursuant to Subsection C of this section. The
21 bond shall be executed by a surety company authorized to do
22 business in New Mexico; provided that the fiduciary bond shall
23 be in an amount not less than [~~two million dollars~~
24 ~~(\$2,000,000)~~] one million dollars (\$1,000,000); provided that
25 if a fiduciary bond as required in this subsection is not

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1 available, the commission shall determine and require another
2 manner for the New Mexico horse breeders' association to ensure
3 its fiduciary responsibility.

4 F. A check or other negotiable instrument
5 representing a payment pursuant to Subsection D of this section
6 that is not negotiated within one year from the date of
7 issuance is no longer valid and negotiable. The money
8 represented by the check or other negotiable instrument shall
9 revert to the fund created pursuant to Subsection A of this
10 section and the recipient shall no longer be eligible for the
11 payment.

12 G. A person otherwise eligible for a payment
13 pursuant to Subsection D of this section shall not be eligible
14 if the person does not provide within ninety days of
15 eligibility for a merit and incentive award information
16 necessary for the New Mexico horse breeders' association to
17 comply with state and federal tax law."