

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Date 1/13/24

Original **Amendment** _____
Correction _____ **Substitute** _____

Prepared: _____
Bill No: House Bill 99

Sponsor: Representative Elizabeth Thomson

Agency Name and Code Tourism 418
Number: _____

Short Title: No Smoking in Racinos

Person Writing Victoria Gregg
fsdfs Analysis: _____
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 _____ :

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
None	None	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
			N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 99 (HB 99) modifies the Dee Johnson Clean Indoor Air Act to prohibit smoking at a racetrack licensed by the state racing commission with a gaming operator’s license issued by the gaming control board.

FISCAL IMPLICATIONS

HB 99 could have fiscal implications for the six racetrack and casinos in New Mexico and tourism in these areas. According to the 2023 Annual Report of the New Mexico Control Board, five racetrack casinos in New Mexico brought in \$70,130,338 in revenue in gaming tax, with \$54,584,223 paid into horse racing purse.

The prohibition of smoking at racetracks could result in reductions of patrons to racetracks, the lower attendance could result in less tax revenue, reducing general fund and purses for horse racing, thereby impacting tourism.

However, the CDC reports that cigarette smoking is on the decline in the United States, by 11.5% nationwide in 2021, which could make participation in racetrack activities more attractive to visitors. This could result in no impact or an increase in participation and revenue.

SIGNIFICANT ISSUES

There are six racetrack casinos licensed by the New Mexico Racing Commission (NMRC) in New Mexico: Sunray Park & Casino, The Downs Racetrack & Casino, Expo New Mexico, Ruidoso Downs Race Track, Zia Park Racetrack & Casino, and Sunland Park Racetrack & Casino. The racetracks and casinos are encompassed within the same businesses and have substantial tourism impacts in their areas. Negative or positive impacts of visitation and revenue due to the prohibition of smoking at racetracks are of interest to the New Mexico Tourism Department (NMTD) in its support of businesses and communities.

HB 99 only calls out prohibition of smoking at racetracks. Smoking would still be allowed within the casinos at these businesses, which would have operational and enforcement impacts for these businesses and oversight agencies such as the Gaming Control Board (GCB) and the NMRC.

HB 99 would support the Dee Johnson Clean Indoor Air Act by reducing smoking and reducing second-hand smoke, which would be a public health benefit to both visitors and employees of racetracks.

PERFORMANCE IMPLICATIONS

Performance implications for the NMTD as related to HB 99 would include monitoring data as related to visitation and revenue related to racetracks and casinos as impacted by the smoking prohibition.

ADMINISTRATIVE IMPLICATIONS

Administration of the prohibition of smoking at racetracks would fall to the six racetracks and casinos, the GCD and the NMRC.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Smoking would not be prohibited at a racetrack licensed by the state racing commission with a gaming operator's license issued by the gaming control board.