



State of New Mexico

Gaming Control Board

Gaming trends

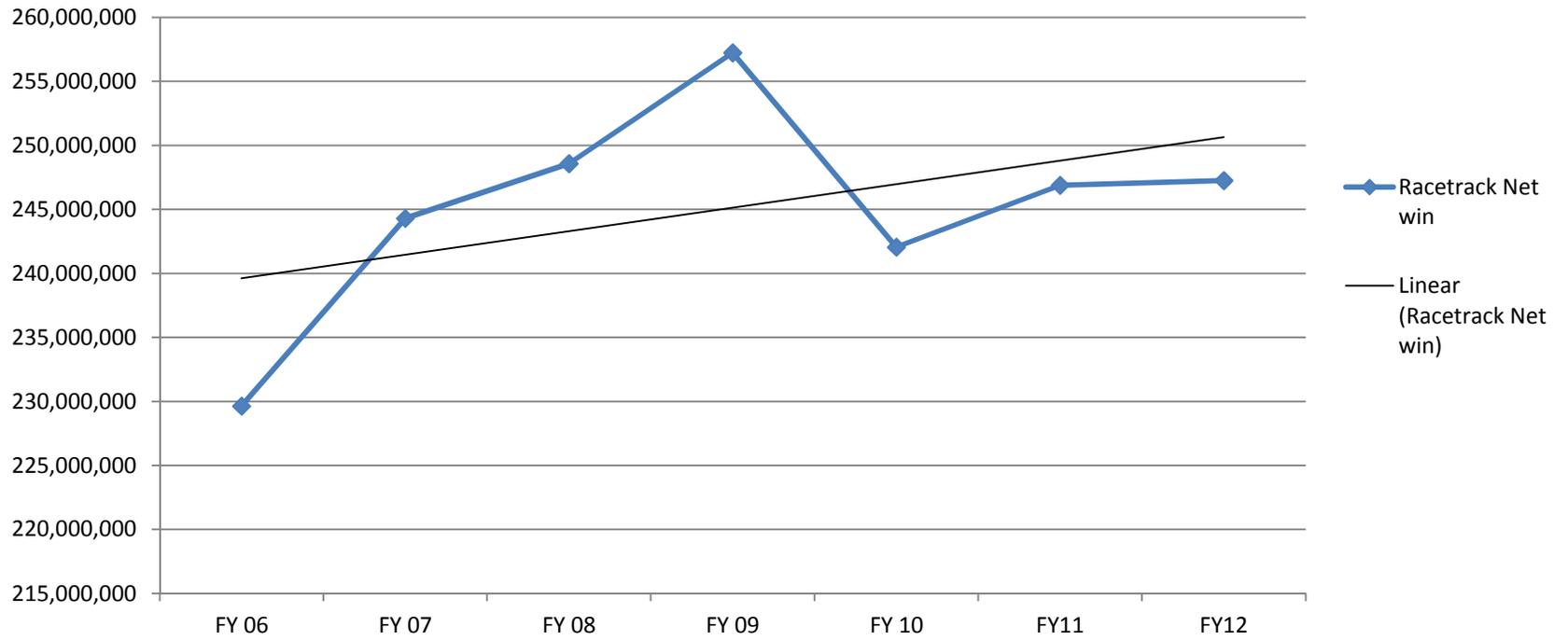
Revenue Stabilization and Tax policy Committee

17-Sep-12

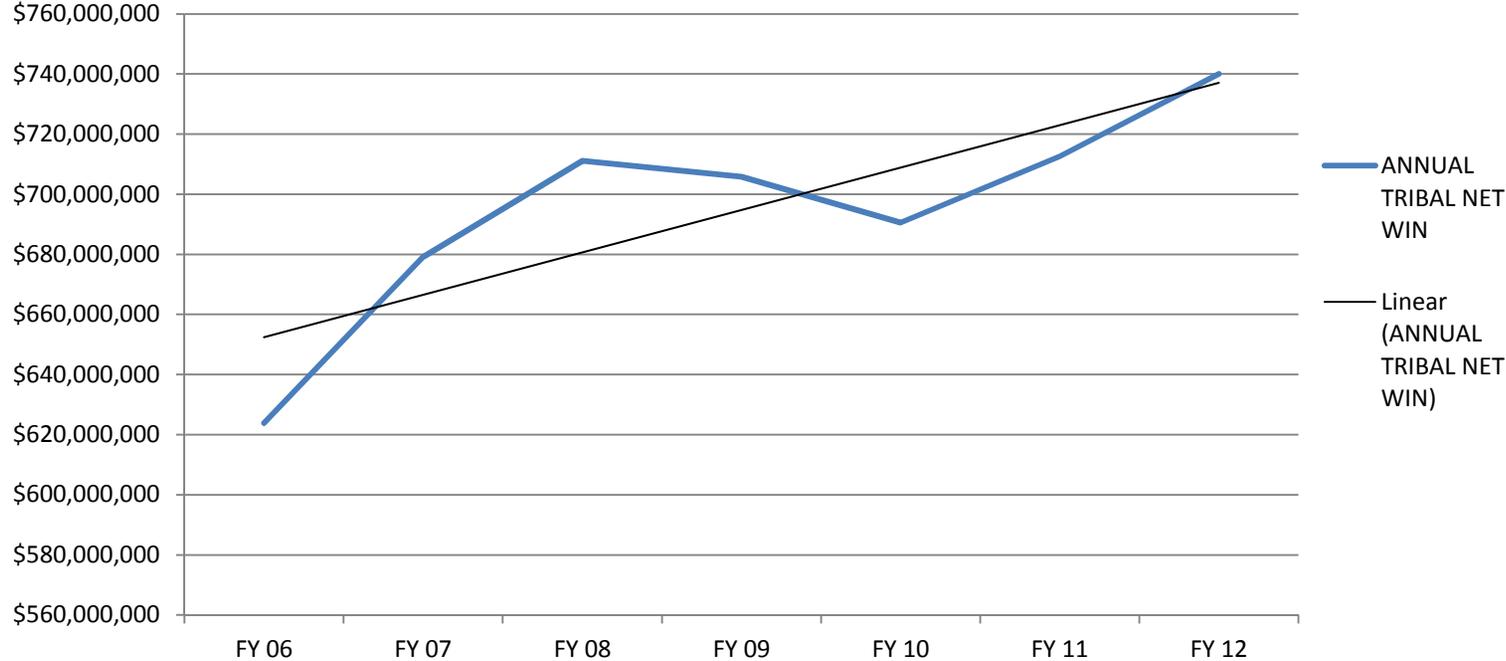
NMGCB REVENUE TO GENERAL FUND



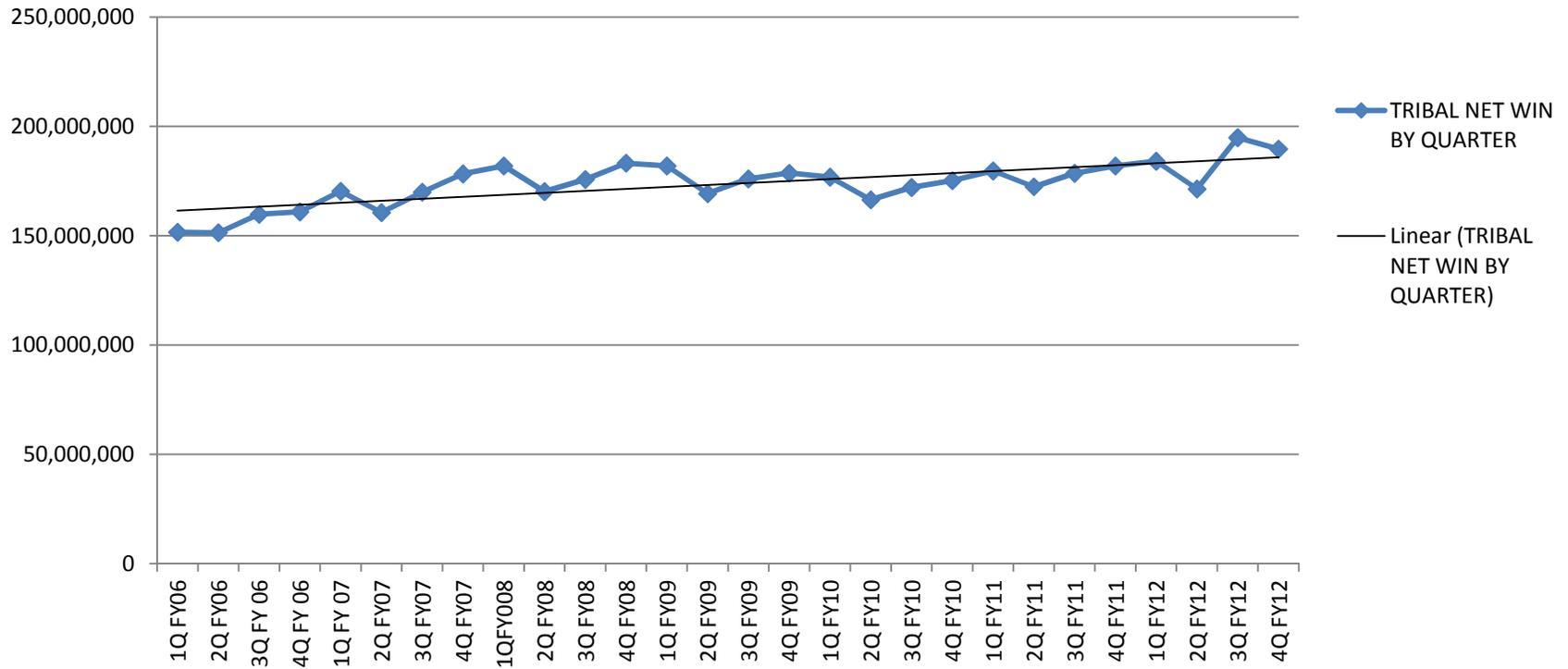
RACETRACK NET WIN FY 06 - FY 12



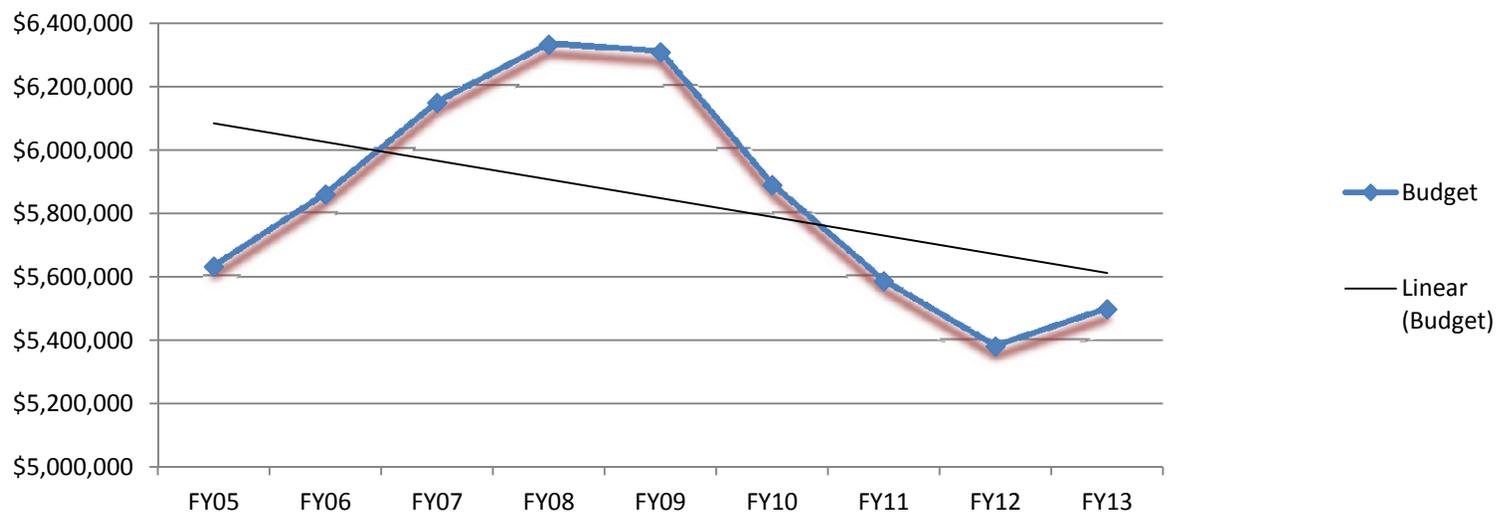
TRIBAL NET WIN BY FY 06 - FY 12



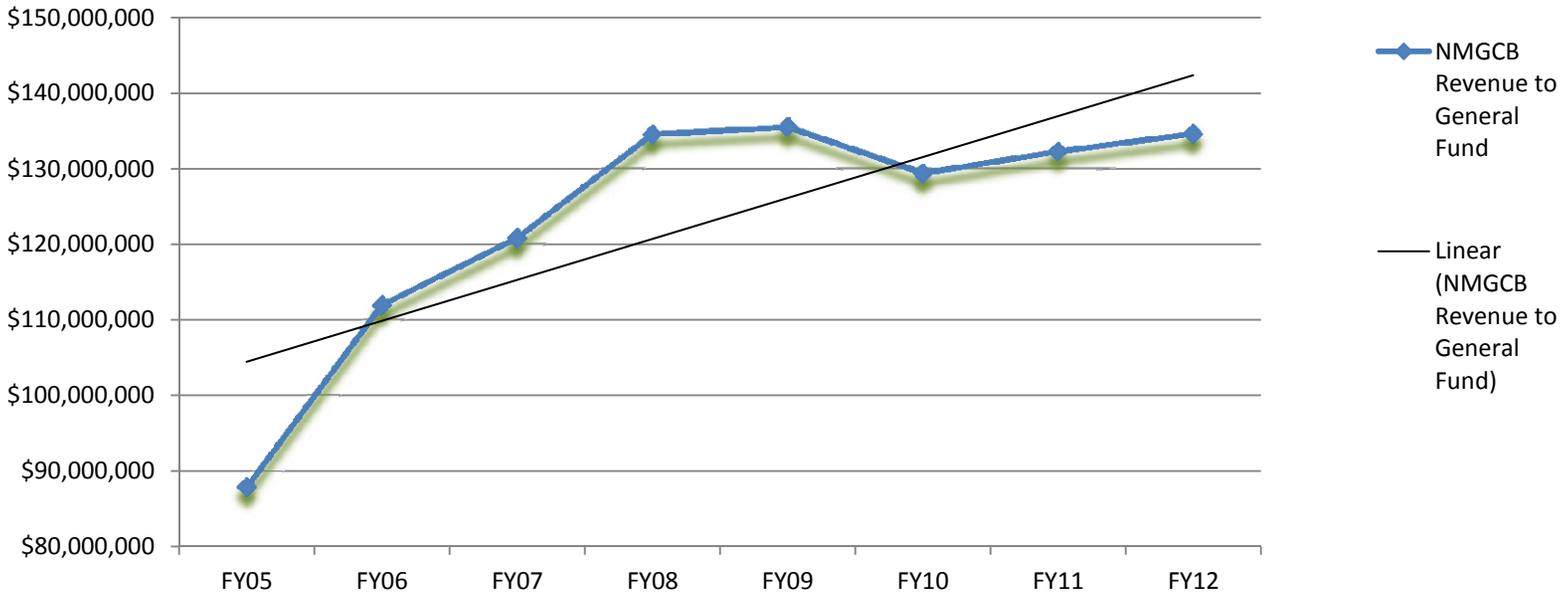
SEASONALITY OF GAMING TRIBAL NET WIN BY QUARTER FY06 - FY 12



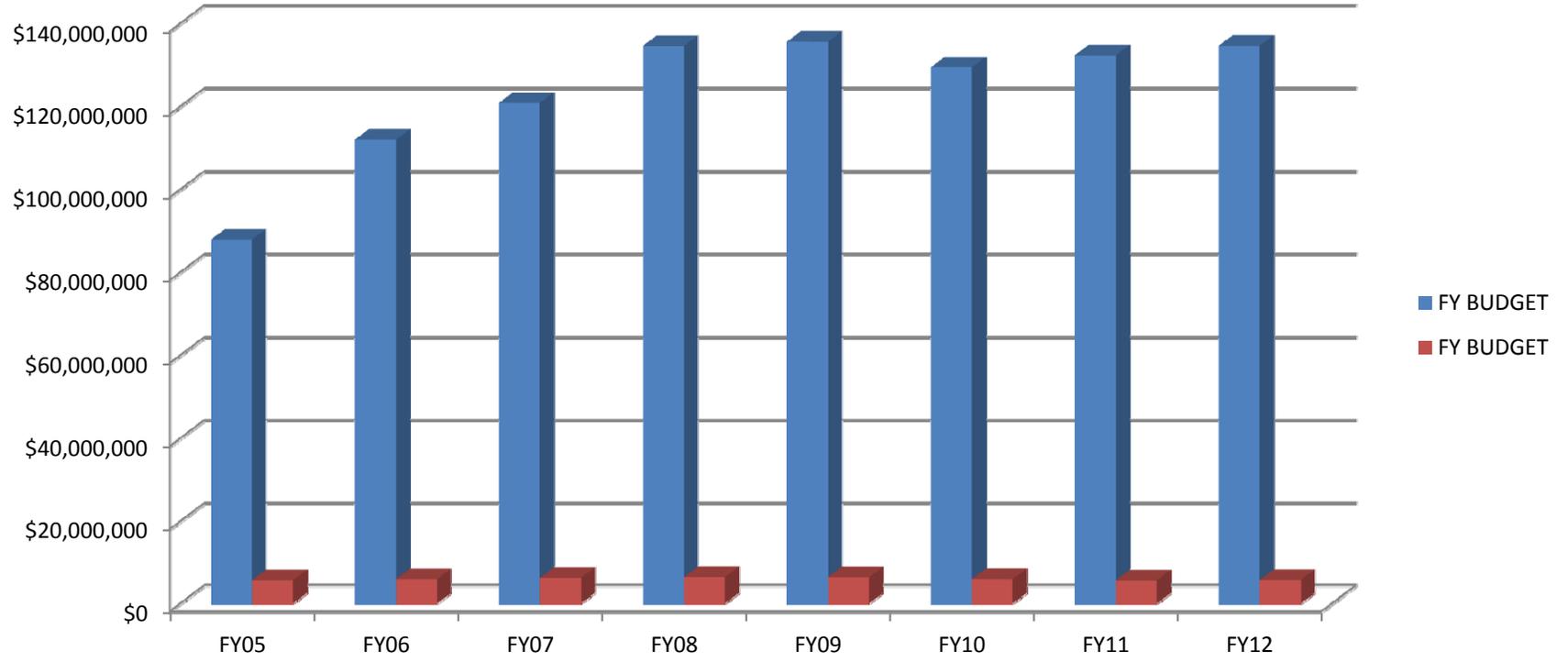
Budget



NMGCB Revenue to General Fund



NMGCB RETURN ON EXPENDITURES FY05 THROUGH FY12



**ESTIMATED NON-TRIBAL GAMING TAX REVENUE
FY13**

PERCENT INCREASE	FY12 TAX REVENUE	ESTIMATED FY13 TAX REVENUE	ESTIMATED CHANGE IN PURSE CONTRIBUTION
-0.50%	\$ 66,329,233	\$ 65,997,587	\$ (66,329)
-0.25%	\$ 66,329,233	\$ 66,163,410	\$ (33,165)
0.00%	\$ 66,329,233	\$ 66,329,233	\$ -
0.25%	\$ 66,329,233	\$ 66,495,056	\$ 33,165
0.50%	\$ 66,329,233	\$ 66,660,879	\$ 66,329
0.75%	\$ 66,329,233	\$ 66,826,702	\$ 99,494
1.00%	\$ 66,329,233	\$ 66,992,525	\$ 132,658
1.25%	\$ 66,329,233	\$ 67,158,348	\$ 165,823
1.50%	\$ 66,329,233	\$ 67,324,171	\$ 198,988
1.75%	\$ 66,329,233	\$ 67,489,995	\$ 232,152
2.00%	\$ 66,329,233	\$ 67,655,818	\$ 265,317

SHADED AREA IS MOST LIKELY RANGE

INCLUDES RACE TRACK GAMING TAX AT 26% AND MANUFACTURERS AND DISTRIBUTORS GAMING TAX AT 10%

**ESTIMATED TRIBAL REVENUE SHARE AND REGULATORY FEES
FY13**

PERCENT INCREASE	ACTUAL FY12 REVENUE	ESTIMATED FY13 REVENUE
4.00%	\$68,149,908	\$70,875,904
4.50%	\$68,149,908	\$71,216,654
4.75%	\$68,149,908	\$71,387,029
5.00%	\$68,149,908	\$71,557,403
5.25%	\$68,149,908	\$71,727,778
5.50%	\$68,149,908	\$71,898,153
5.75%	\$68,149,908	\$72,068,528

SHADED AREA IS MOST LIKELY RANGE

FY 13 REGULATORY FEES ESTIMATED AT \$ 1,000,000

**NMGCB ESTIMATED TOTAL REVENUE
FY13**

TRIBAL	NON-TRIBAL	OTHER	ESTIMATED FY13 TOTAL REVENUE
\$70,875,904	\$65,997,587	\$400,000	\$137,273,491
\$71,216,654	\$66,163,410	\$400,000	\$137,780,064
\$71,387,029	\$66,329,233	\$400,000	\$138,116,262

ABOVE BASED ON MOST LIKELY SCENARIOS

OTHER INCLUDES ESTIMATED BINGO AND RAFFLE TAXES AND ESTIMATED FINES

COMPARISON OF NMGCB FY 13 ESTIMATED REVENUE TO FY 12 ACTUAL

<u>FY 12 ACTUAL</u>	<u>Est FY 13</u>	<u>Percent Change</u>
\$ 134,651,770	\$137,273,491	1.9%
\$ 134,651,770	\$137,780,064	2.3%
\$ 134,651,770	\$138,116,262	2.6%

**ANNUAL IMPACT ON STATE REVENUE AND PURSES OF CHANGING PLAY
FROM RACETRACKS TO TRIBAL CASINOS**

PERCENT OF NET WIN SHIFTED	AMOUNT OF NET WIN SHIFTED	REDUCTION IN GENERAL FUND PAYMENTS	REDUCTION IN PURSE CONTRIBUTIONS
30.0%	(\$15,000,000)	(\$2,700,000)	(\$3,000,000)
35.0%	(\$17,500,000)	(\$3,150,000)	(\$3,500,000)
40.0%	(\$20,000,000)	(\$3,600,000)	(\$4,000,000)
45.0%	(\$22,500,000)	(\$4,050,000)	(\$4,500,000)
50.0%	(\$25,000,000)	(\$4,500,000)	(\$5,000,000)

EXAMPLE BASED ON RACETRACK WITH \$ 50 MILLION IN ANNUAL NET WIN BEFORE CHANGES

New Mexico Gaming Control Board
 Analysis of Enforcement Department Inspections and Citations
 FYE 2008 through FYE 2012

	<u>Number of Inspections</u>	<u>Number of Citations</u>	<u>Percentage</u>
FYE 08	1514	73	4.82%
FYE 09	1079	59	5.47%
FYE 10	665	128	19.25%
FYE 11	794	89	11.21%
FYE12	1023	65	6.35%

Summary:

Licensee adherence to the statute and rules are directly related to the number of inspections performed during any given year. As Enforcement efforts decline due to budgetary constraints, Licensee compliance with applicable statute and rules will decrease resulting in an increase in citations for known offenses.

New Mexico Gaming Control Board
 Analysis of Audit Department Fieldwork
 FY 2008 through FY 2012

	<u>Number of NFP Field Audits</u>	<u>Number of Racino Field Audits</u>	<u>Number of Regular Tribal Inspections</u>	<u>Number of Special Tribal Inspections/ meetings**</u>
FY 08	63	19	10	
FY 09	101	17	12	
FY 10	97	13	10	
FY 11	80	10	17	
FY 12	102	10	14	15

**includes special document reviews and special audit/exec management meetings with tribal officials &/or attorneys