# MINUTES
## of the
## FOURTH MEETING IN 2011
## of the
## REVENUE STABILIZATION AND TAX POLICY COMMITTEE

**October 24-25, 2011**
**Room 322, State Capitol**
**Santa Fe**

The fourth meeting of the Revenue Stabilization and Tax Policy Committee (RSTP) for 2011 was called to order by Senator Tim Eichenberg, chair, on Monday, October 24, 2011, at 9:45 a.m. in Room 322 of the State Capitol in Santa Fe.

**Present**
Sen. Tim Eichenberg, Chair
Rep. Edward C. Sandoval, Vice Chair
Sen. Mark Boitano
Rep. Donald E. Bratton
Sen. Carlos R. Cisneros
Rep. Anna M. Crook
Sen. Clinton D. Harden, Jr.
Sen. Timothy M. Keller (10/25)
Sen. Gay G. Kernan
Rep. Ben Lujan, Speaker of the House
Rep. Rodolpho "Rudy" S. Martinez
Sen. Howie C. Morales (10/25)
Rep. Henry Kiki Saavedra
Sen. John Arthur Smith
Rep. Thomas C. Taylor
Rep. Jim R. Trujillo
Rep. Bob Wooley

**Absent**
Sen. Timothy Z. Jennings, Senate President Pro Tempore

**Designees**
Sen. Nancy Rodriguez

Sen. Rod Adair
Rep. Ray Begaye
Sen. William F. Burt
Rep. Zachary J. Cook
Rep. Brian F. Egolf, Jr.
Rep. Miguel P. Garcia
Rep. Thomas A. Garcia
Rep. Roberto "Bobby" J. Gonzales
Sen. Eric G. Griego
Sen. Phil A. Griego
Rep. Sandra D. Jeff

Rep. Antonio Lujan
Rep. Antonio "Moe" Maestas
Sen. George K. Munoz
Sen. Steven P. Neville
Rep. Debbie A. Rodella
Sen. Bernadette M. Sanchez
Sen. John M. Sapien
Sen. William E. Sharer
Rep. James R.J. Strickler
Rep. Don L. Tripp
Rep. Luciano "Lucky" Varela
Sen. Peter Wirth

(Attendance dates are noted for members not present for the entire meeting.)

**Staff**
Pam Ray, Staff Attorney, Legislative Council Service (LCS)
Ric Gaudet, LCS
Damian Lara, Staff Attorney, LCS
Pam Stokes, Staff Attorney, LCS

**Guests**
The guest list is in the meeting file.

**Handouts**
Handouts and other written testimony are in the meeting file.

**Monday, October 24**

**Revenue Estimate**
Demesia Padilla, secretary of taxation and revenue, Clinton Turner, chief economist, Taxation and Revenue Department (TRD), and Elisa Walker-Moran, chief economist, Legislative Finance Committee (LFC), briefed the committee on the October 2011 consensus revenue estimate prepared by the career economists at the TRD, Department of Finance and Administration (DFA), Department of Transportation and LFC. Mr. Turner said that fiscal year 2011 revenue was $113 million higher than predicted in the July estimate, and fiscal year 2012 revenues are expected to be $22 million lower than previously estimated. Assuming a $110 million appropriation to cover a Medicaid deficiency, fiscal year 2012 revenues are expected to close at $456 million. Fiscal year 2013 revenues were also lowered from the July forecast by $123 million. This leaves $245 million in "new money" for fiscal year 2013, which is defined as fiscal year 2013 expected revenues less fiscal year 2012 recurring appropriations.

One-third of fiscal year 2011 revenue growth can be attributed to statutory changes passed during the 2010 legislative session. The mining sector contributed significantly to the increase in gross receipts tax (GRT) revenue, and severance taxes and mineral leases added $103 million to the state's revenues.

The economic outlook for New Mexico for fiscal years 2012 and 2013 is very slow growth in the state's gross domestic product and employment rate. In the energy sector, oil prices are expected to remain near $82.00 per barrel, with continued increases in oil production in the Permian Basin. Natural gas prices are expected to decline slightly in fiscal year 2012 and then increase over the next few fiscal years. Gas volumes, however, have been declining for several years and will continue to decline in the near future.

Ms. Walker-Moran said that one potential increase to state expenditures for fiscal year 2012 is that the increased employee contribution levels recently enacted may be canceled if the state reserve level is maintained at five percent of appropriations or higher. That trigger, which will effectively return public employee salaries to their 2010 levels, will cost the state $50 million. That cost will decrease the amount of new money available for fiscal year 2013.

Questions and comments from committee members included the following:

- The current natural gas price is $.75 per thousand cubic feet lower than the consensus forecast level. The natural gas price predictions have consistently estimated gas prices higher than actual levels. The predicted warmer than normal winter in the United States will further depress gas prices. Mr. Turner said that volatility in the oil and gas sector is always the biggest risk factor in the revenue forecast.

- LFC staff was requested to provide a comparison of reserve levels of other western states.

- Mining sector activities and revenues should be tracked by the consensus revenue economists separately from the oil and gas sector so that a better picture of the economic impact of the mining industry can be determined.

- Has the potential loss of $20 million to $40 million in Master Settlement Agreement revenue from tobacco manufacturers been factored into the revenue forecast? Ms. Walker-Moran said that potential revenue loss has not been calculated in the current forecast, since the national arbitration panel has not yet determined whether New Mexico will lose any money.

- Has the governor changed her mind about vetoing a bill to clarify the escrow payment requirements of nonparticipating tobacco manufacturers? Secretary Padilla said that the legal counsel at the TRD does not believe that the state will lose any Master Settlement Agreement revenue.

- The state needs to provide for accelerated permit approval for new uranium mining activity in order to create much-needed jobs.

- Why are the cash balance sheets of the LFC and the DFA so different? Leila Burrows, economist, LFC, said that the economists are currently working to resolve those discrepancies, most of which is attributed to differences in the accounting for the Tax Stabilization Reserve.

- How many oil and gas rigs are currently operating in the state? Mr. Turner said that there are 70 oil rigs and 50 gas rigs in operation.

- Will the governor propose legislation to fix the property tax valuation problem? Secretary Padilla said that property tax legislation will be part of the governor's overall tax reform package to be considered during the 2012 legislative session.

**Revenue Impacts of Hold Harmless Provisions**

William Fulginiti, executive director, New Mexico Municipal League, Paul Gutierrez, executive director, New Mexico Association of Counties, and Mr. Turner discussed with the committee effects of GRT revenue distributions to local governments designed to offset changes in the taxation of food and medical services. Mr. Turner began by discussing the revenue impacts to the state of the provisions over the past few fiscal years. The food and medical deductions from the state GRT are expected to cost the state $167 million in fiscal year 2012, and the distributions to counties and municipalities to offset the revenue loss from those deductions will cost the state $142 million. This amount does not factor in the .5 percent credit that municipalities used to get for the GRT, so the total cost to the state from the provisions is less than the sum of those two numbers. In 2004, the municipal credit was repealed in an attempt to make the food and medical deductions revenue neutral overall to the state. In fact, the changes have cost the state much more than anticipated. In fiscal year 2011, for example, the net loss to the state from the food and medical deductions was $125.5 million.

Legislation enacted in 2007 froze the hold harmless distribution rates for large municipalities and counties, so that increases in local option GRT rates would not increase the state's liability for food and medical deductions. However, the statute merely froze the distribution rates at their 2007 levels and did not take into account future rate reductions enacted by local governments. In 2009, Albuquerque reduced its municipal GRT rates below the 2007 levels, and as a result, has received $7.29 million in excess distributions.

Mr. Fulginiti said that 75 percent of municipal revenue typically comes from the GRT. When the food and medical deductions were proposed in 2004, local governments and counties needed the hold harmless provisions in order to keep their operating budgets from collapsing. Additionally, much of the GRT revenue had already been bonded against, and the state was required to replace the revenue that had been pledged for bond repayment.

Mr. Gutierrez said that counties have been relying more on GRT revenues for their budgets. Most of the counties have already reached their property tax mill levy maximum. He said that the state should continue to honor the hold harmless distribution pledge made in 2004.

Questions and comments from committee members included the following:

- Local governments until recently enjoyed extra revenues from the state's construction boom, and most governments put the extra revenue into recurring operations. The hold harmless distributions should be phased out over a 15-year period to allow local governments time to adjust to the revenue changes.

- The legislature voted in 2010 to repeal the GRT food deduction, but that bill was vetoed by former Governor Richardson. TRD staff was directed to provide the foregone revenue impact from that bill.

- Counties should be given the option to impose higher property taxes since GRT revenues have been declining.

The minutes from the August 25-26 meeting of the committee were adopted.

**Liquor Excise Tax Distribution for Drug Courts**

Arthur Pepin, director, Administrative Office of the Courts (AOC), Peter Bochert, statewide drug court coordinator, AOC, and Mr. Gutierrez presented a proposal to the committee for a dedicated revenue stream to fund the operations of drug courts. The proposed bill would distribute 3.5 percent of liquor excise tax revenues to the AOC to partially fund the drug courts. The courts have seen $3.6 million in cuts since fiscal year 2009, which has resulted in the closing of some drug courts. The distribution from the liquor excise tax would partially offset those cuts in fiscal year 2013, raising about $1.6 million.

There are currently 43 drug courts in New Mexico serving 960 active participants. More than 7,000 participants have graduated from the courts since 1994, with a very low recidivism rate of 6.5 percent. The drug courts save the state and local governments money since the average cost per day of a drug court participant is $19.18, compared to the average cost to incarcerate a prisoner of $113.03.

Mr. Gutierrez said that in 2007, legislation to dedicate a portion of the liquor excise tax did not pass the legislature. Instead, the AOC received a special appropriation to pay for the courts.

Questions and comments from committee members included the following:

- Counties should provide matching funds to help pay for the drug courts. Mr. Bochert said that drug courts are funded completely by the state. An average of $19 million has been distributed to the counties for DWI prevention programs. The drug court proposal would leave that distribution level intact. Mr. Pepin said that he is not aware of any municipality or county that has budgeted money for drug courts.

- Some of the recurring money allocated for DWI prevention programs should be used for operation of drug courts. Mr. Bochert said that the DWI program funding is a program for local governments to provide local programs to combat DWI. The drug court program is administered by the AOC and should be funded separately.

- Lea County recently lost its drug court. How can that court be reopened? Mr. Pepin said that the chief judge in that district determined that the court did not have enough money to fund the drug court. The district could apply to the AOC, in a competitive grant process, to open the court again. However, the AOC has limited amounts of money to fund the courts.

- The liquor excise tax was originally intended to fund problems arising from alcohol consumption. Now it is being used to supplement the general fund and to combat drug problems.

- How many New Mexico drug courts are losing federal funding? Mr. Bochert said that most drug courts had federal funding. Now only six are funded by the federal government and that funding will expire in 2013.

- Drug courts have been a big success. If money is not spent on the drug court program, even more money will be spent incarcerating offenders.

- Although drug courts play a vital role in the state, they should not be funded through a dedicated revenue stream. Those programs tend not to receive the scrutiny that other programs funded through the normal appropriation process receive.

- Why is liquor excise tax revenue flat? Mr. Turner said that alcoholic beverages are taxed by volume and not by price.

**Horse Racing Update**

Vincent Mares, acting executive director, State Racing Commission (SRC), Beverly Bourget, commissioner, SRC, and Ray Willis, commissioner, SRC, gave an update to the committee on the horse racing industry in the state. Mr. Mares said that the SRC oversees all horse racing activities in the state, and it is responsible for equine drug testing, licensing of racetracks and individuals involved in the industry and investigations of potential violations. There are currently five racetracks in the state, with one potential track and casino in litigation. There are 11,000 licensed individuals in the horse racing industry in New Mexico.

Mr. Willis said that he has been serving on the SRC for six years. He said that drug contaminants in feed, especially cocaine, are common. The SRC is establishing baseline levels of drug content so that inadvertent contamination is not a cause of action against a horse owner. He said that horse racing is experiencing a nationwide decline, but that the industry in the state is still doing reasonably well. He said that without the presence of the gaming industry, the only viable racetrack would be Ruidoso Downs.

Ms. Bourget said that the SRC ensures that horse racing is safe. She said she understands that there are some doping problems in the industry, and she wants the commission's procedures to become more transparent. The SRC will need an appropriation from the state in order to allow for its records to be better automated. One concern she has is that the smaller operators, trainers and other workers have not been well-represented. The racetrack owners and big operators still get preferential treatment.

Questions and comments from committee members included the following:

- SRC staff was asked to provide the committee with information regarding whether the SRC has the authority to hire and fire the executive director and what kind of oversight the commission has over the SRC staff. SRC staff was also asked to provide information on the ownership of the state's racetracks.

- The gaming industry was touted as a way of saving the horse racing industry, but now racino operators only seem to care about the gaming side of their businesses.

- The SRC should not share office space with the Gaming Control Board (GCB). Ms. Bourget agreed and said that those entities are too closely situated for their independent functions to operate well.

- The selection of Raton for the state's sixth racino seemed to be preordained. Now, it appears that Tucumcari has been preselected for that racino. Mr. Willis said that the licensee for the Raton racino did not meet performance obligations. The SRC and GCB had no choice but to revoke the licenses.

- The State Fair Commission believes that it has a license to hold 17 horse racing days at the state fairgrounds. Mr. Mares said that the State Fair Commission is not licensed, but that the Downs at Albuquerque has a racing license.

- Independent horse owners sometimes have trouble getting stalls at racetracks.

- Many mistakes and shortcuts were made during the construction of the racetrack in Hobbs. The SRC needs to provide better oversight of the design and construction of racetracks.

- Scott Scanland, representing Sunland Park, said that when Stan Fulton purchased the racino, he invested $20 million in upgrades to the facility. He said that gaming did save the horse racing industry. He said that Sunland Park pays the state about $2 million per month in gaming and racing taxes.

- Ruben Baca, representing the Sun Ray racino in Farmington, said that the owner spent $4 million in recent upgrades. Sun Ray is a small track, with room for only nine horses per race. The Navajo Nation is opening a casino in nearby Fruitland, which will probably reduce Sun Ray's revenues by 30 percent.

**Business Tax Competitiveness Study**

Richard Anklam, president, New Mexico Tax Research Institute, gave an update to the committee about an ongoing study of New Mexico's relative competitiveness in the business sector. The Council on State Taxation (COST) recently commissioned a study with the accounting firm Ernst & Young to determine the state rankings of a hypothetical investment in each state. The study looked at the effective tax rate and return on investment after 30 years. In that study, New Mexico ranked last. The main reasons for the poor ranking were that the state taxes corporations higher than average, it uses an equally weighted income apportionment formula and nearly all business services are subject to the GRT. Mr. Anklam said that the COST study, like other previous tax-burden studies, did not account for state incentives. Taking into account incentives that the state provides would improve New Mexico's ranking.

A coalition of New Mexico private- and public-sector entities decided to fund a more thorough study, comparing New Mexico to several surrounding states, taking into account other factors besides tax burden. The coalition engaged Ernst & Young to expand on the previous study, but limit the scope of the study to eight surrounding states. The study will account for incentives in the tax calculations and add more industries in the scope of the study. The study will then estimate the impacts of several policy options on the state's competitiveness, including changing the GRT or corporate income tax (CIT), providing GRT deductions for manufacturing inputs and services, allowing for single- and double-weighted sales factor elections for calculating corporate income and providing a GRT deduction on manufacturing equipment. The study will attempt to answer several questions about the state's competitiveness, including how New Mexico's tax on new investment compares with other states; which components of the state's taxes are the least competitive; and how policy changes would affect New Mexico's competitiveness.

The committee recessed at 4:55 p.m.

**<u>Tuesday, October 25</u>**

**Economic Development Department Update on Tax Credits and Other Tax Benefit Use**

Jonathan L. Barela, secretary-designate of economic development, and Barbara Brazil, deputy secretary, Economic Development Department (EDD), discussed the importance of tax incentives for economic development. Incentives are necessary because they signal a business-friendly climate. There is fierce competition among the states to attract businesses, and business incentives are an important tool for economic developers to use in attracting new businesses. Secretary Barela said that Texas has no CIT, and Arizona recently lowered its CIT rate by 40 percent. In order for New Mexico to compete, it must strengthen its incentives. The state provides only $34 million in business incentives per year, excluding the film production tax credit. He suggested that the state further empower the EDD's Office of Business Advocacy to help businesses with resolving licensing and regulatory issues.

The state provides several tax incentives to attract and keep businesses, including the rural jobs tax credit, the high-wage jobs tax credit, the investment credit, the technology jobs tax credit, the research and development small business tax credit, the angel investment credit and the film production tax credit. One of the most powerful business incentives, however, is the job training incentive program (JTIP), which provides wage subsidies for job training programs at companies. Since 1972, the JTIP has helped create approximately 52,000 jobs at 1,000 companies. The funding for the JTIP has decreased in the past few years, which has hurt New Mexico's competitiveness. As an example, Arizona's job training program has an $11 million budget and a $25 million "closing fund", which allows for last-minute incentives to be made to close a business deal. New Mexico this year has only $4.2 million for the JTIP and does not have a closing fund.

Questions and comments from committee members included the following:

- Why did New Mexico lose the recent bid for Intel to expand its operations? Secretary Barela said that Arizona, which won the bid, recently enacted a very aggressive set of job creation incentives.

- How is the state planning for economic development from a global market perspective? Secretary Barela said that more manufacturing is coming to the New Mexico-Mexico border. The Ciudad Juarez area is getting billions of dollars in investment, and New Mexico can benefit by establishing distribution and logistics centers. Another sector that the state should develop is energy. New Mexico is poised to be a national energy production and supply center if it develops its renewable and nuclear resources. The state needs to streamline its regulatory structure to allow uranium mining to proceed.

- Why does New Mexico have trouble attracting good manufacturing jobs? Secretary Barela said that the state's tax structure punishes the manufacturing industry. The pyramiding of the GRT on nearly all aspects of the manufacturing process and the traditional equal weighting factors of sales, property and labor in the CIT makes the cost of production too high for many manufacturing companies.

- The JTIP has been funded on an annual basis for several years. Is the governor in favor of providing a dedicated revenue source for the program? Secretary Barela said that the administration is looking at several options for JTIP funding.

- Quality of life and education are more important factors for businesses contemplating relocating to New Mexico than its tax structure. Secretary Barela said that all three factors are important. The quality of the state's work force has not surfaced as the major concern for businesses.

- How is the EDD working to help establish electrical transmission lines for the renewable energy industry in the state? Ms. Brazil said that the EDD has been in contact with the parties involved, including the New Mexico Renewable Energy Transmission Authority and many interested companies. The department is providing regulatory issue assistance and is trying to identify capital available for the projects. She said that most of the contemplated projects are still three to five years from the construction phase, and most projects are looking for investors.

- The administration needs to make the issue of reforming the regulatory process for businesses a top priority.

- The idea that the state should try to attract manufacturing jobs is akin to wanting to invest in typewriters.

- The EDD needs to be more active in trying to recruit The Lone Ranger film production to the state. Tobi Ives, production and incentives manager, New Mexico Film Division, EDD, said that her office is actively working to get that production in the state. She said that the status of the project cannot be divulged because negotiations are still under way.

- What progress has been made at the Antelope Wells port of entry in Hidalgo County? Secretary Barela said that the United States portion of the port has just received major upgrades. There are still two miles of unpaved road on the Mexico side of the border, and the EDD has been working with the Mexican state of Chihuahua to secure funding for that project.

- Is the EDD fully staffed? Ms. Brazil said that the department is authorized for 47 full-time-equivalent (FTE) employees, and three of those positions are currently open.

- Is the EDD involved with the administration's development of a tax reform package? Secretary Barela said the EDD is working with the TRD on the issue. The administration favors a broad-based, low-rate approach to restructuring the state's tax system.

- Is the EDD planning on asking for money for small business incubators? Secretary Barela said that incubators were previously funded around $100,000 annually, but all of that money has been cut.

**County Business Retention GRT — Implementation, Progress and Cost**

JoAnn Chavez, chief, Financial Distributions Bureau, TRD, gave an update to the committee on the county business retention GRT and the county gaming tax credit. The credit and GRT imposition were designed to provide some relief to the relatively small racino in Ruidoso Downs by providing a credit against the gaming tax due. The county gaming tax credit can be claimed against 50 percent of the gaming tax due, not to exceed $750,000 per year. The credit can only be claimed in a county in which the voters have approved a corresponding county business retention GRT, which is mostly distributed to the state general fund to offset the foregone revenue to the state. This arrangement has allowed the taxpayers in Lincoln County, who benefit from the economic activities of the racino, to partially offset the tax liabilities of the racino.

In fiscal year 2011, the GRT imposition generated approximately $380,000, and the racino claimed $387,000 from the credit. The racino then paid back to the state the amount of credit that exceeded the amount of the GRT distributed to the general fund. If the amount of the GRT revenue ever exceeds $750,000 in a fiscal year, the excess will be distributed to the county for post-secondary educational or economic development purposes.

Questions and comments from committee members included the following:

- This special tax arrangement originated when the owner of Ruidoso Downs threatened to relocate the racino to Las Cruces if some sort of tax break were not enacted. Ruidoso Downs was no longer economically viable in Lincoln County due to its small size and small population base.

**Gaming Update**

David Norvell, chair, GCB, and Frank Baca, general counsel and acting executive director, GCB, discussed current issues of the gaming industry with the committee. Mr. Baca said that staffing levels at the GCB have been lower than desired. There is currently a 34 percent vacancy rate at the agency, but it was recently approved to hire four more FTEs. The GCB will be requesting a slight budget increase to be able to hire more staff. The GCB oversaw the collection of gaming revenues of $132 million in fiscal year 2011, with an operating budget of $5.6 million.

Tom Fair, director, Audit and Compliance Division, GCB, said that the opening of the Navajo Edge casino in Fruitland will result in a 30 percent to 40 percent decline in revenues at the nearby Sun Ray racino. That will mean a revenue loss to the general fund, in addition to declines to horsemens' purses at racetracks.

Donovan Lieurance, director, Information Systems Division, GCB, discussed the central monitoring system (CMS) that connects to all non-tribal gaming machines. The CMS has real-time access to all machines and produces daily reports and monthly tax bills for each gaming operator. The CMS also ensures that gaming machines are operated in accordance with state law and GCB rules. The current CMS was developed in 2004, and the contract for it will expire in 2013. The GCB will need additional funding to develop a new system and contract.

Questions and comments from committee members included the following:

- Does the state fair have a racing license? Mr. Norvell said that it has a racing license, but not a gaming license.

- Did the Navajo Nation enter into gaming compacts with the state under the 2007 provisions of the state-tribal agreements? Mr. Norvell said that the state's compact with the Navajo Nation was pursuant to the 2001 provisions, and the compact will expire in 2015.

- Mr. Norvell was asked to discuss revenue-sharing issues from free play at tribal casinos. He said that there is a dispute between the GCB and some tribes about the calculation of net win. The GCB is concerned that some tribes are deducting from net win prizes that are won on machines that are played for free. The GCB contends that if there is no wager made to play a game, winnings from that machine cannot be deducted from net win. The GCB contends that some tribes owe more revenue to the state than they are claiming.

- Has the gaming industry become saturated in New Mexico? Mr. Fair said that there is much more saturation in northern New Mexico than the rest of the state. Since tribes pay a smaller percentage of their net win to the state than state-licensed casinos, he estimated that every dollar spent at a tribal casino instead of a state-licensed casino costs the state $.18 in foregone revenue.

- GCB staff were asked to discuss potential developments at the Downs of Albuquerque. Mr. Fair said that a new casino at the Downs would reduce revenues at nearby tribal casinos, but it would also probably negatively affect the numerous nonprofit organization gaming operators in Albuquerque.

- Can a gaming operator license be transferred and can a casino be relocated? Mr. Baca said that, technically, licenses cannot be transferred, but purchase agreements would typically have a contingency that the new owner be granted a license before the contract is finalized. A gaming operator license is not site-specific. The GCB does regulate the specific physical aspects of a gaming facility. The Horse Racing Act does have geographic requirements for racetracks that can ultimately affect where a casino is located, however.

- How much more money will the GCB need to develop a new CMS? Mr. Lieurance estimated that a new system will cost between $5 million and $7 million.

- Is the GCB aware of potential changes in gaming laws in Texas? Mr. Norvell said that the GCB monitors changes in surrounding states, so it will have an accurate gaming tax revenue estimate for New Mexico.

- Does the CMS monitor tribal gaming machines? Mr. Lieurance said that there is no electronic direct connection to tribal machines. The only access the GCB has is via a paper trail.

- Are tribes required to submit reports of how they calculated net win in relation to free play? Mr. Norvell said that tribes are not required to submit those reports, and most refuse to do so. Mr. Baca said that the GCB probably has the legal authority under the gaming compacts to gather all the necessary information to verify that revenue-sharing is accounted for properly.

- The Supreme Court of California recently ruled that states cannot require that revenue-sharing be a part of a tribal gaming compact. This ruling could have a significant impact in New Mexico in the future.

There being no further business, the committee adjourned at 3:33 p.m.



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