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SENATE BILL 420

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO REVENUE FOR LOTTERY SCHOLARSHIPS; INCREASING THE  
NUMBER OF LICENSED GAMING MACHINES THAT MAY BE OPERATED BY A  
RACETRACK GAMING OPERATOR LICENSEE.

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

Section 1. A new section of the Tax Administration Act,  
Section 7-1-6.37 NMSA 1978, is enacted to read:

"7-1-6.37. [NEW MATERIAL] DISTRIBUTION--GAMING TAX.--A  
distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
made to the lottery tuition fund in an amount equal to the  
revenue submitted as gaming tax from each gaming operator  
licensee that is a racetrack licenced pursuant to the Gaming  
Control Act from the gaming machines operated in excess of  
three hundred gaming machines."

Section 2. Section 60-2E-27 NMSA 1978 (being Laws 1997,  
Chapter 190, Section 29) is amended to read:

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1 "60-2E-27. GAMING OPERATOR LICENSEES--SPECIAL  
2 CONDITIONS FOR RACETRACKS--NUMBER OF GAMING MACHINES--DAYS  
3 AND HOURS OF OPERATIONS.--

4 A. A racetrack licensed by the state racing  
5 commission pursuant to the Horse Racing Act to conduct live  
6 horse races or simulcast races may be issued a gaming  
7 operator's license to operate gaming machines on its premises  
8 where live racing is conducted.

9 B. A racetrack's gaming operator's license shall  
10 automatically become void if:

11 (1) the racetrack no longer holds an active  
12 license to conduct pari-mutuel wagering; or

13 (2) the racetrack fails to maintain a  
14 minimum of three live race days a week with at least nine  
15 live races on each race day during its licensed race meet in  
16 the 1997 calendar year and in the 1998 and subsequent  
17 calendar years, four live race days a week with at least nine  
18 live races on each race day during its licensed race meet.

19 C. A gaming operator licensee that is a racetrack  
20 may have up to [~~three~~] five hundred licensed gaming machines,  
21 but the number of gaming machines to be located on the  
22 licensee's premises shall be specified in the gaming  
23 operator's license.

24 D. Except as provided in Subsection F of this  
25 section, gaming machines on a racetrack gaming operator  
licensee's premises may be played only on days when the  
racetrack is either conducting live horse races or

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1 simulcasting horse race meets. A gaming operator licensee  
2 that is a racetrack shall be permitted to conduct such games  
3 on only the aforementioned days for a daily period not to  
4 exceed twelve hours at the discretion of such licensee.

5 E. Alcoholic beverages shall not be sold, served,  
6 delivered or consumed in the area restricted pursuant to  
7 Subsection F of Section ~~[28 of the Gaming Control Act]~~  
8 60-2E-26 NMSA 1978.

9 F. A gaming operator licensee that is a racetrack  
10 located on state land within the boundaries of a municipality  
11 with a population of more than two hundred thousand persons  
12 according to the 1990 decennial census shall not operate  
13 gaming machines later than 10:00 p.m. on any day of the  
14 year."

15 Section 3. Section 60-2E-47 NMSA 1978 (being Laws 1997,  
16 Chapter 190, Section 49, as amended) is amended to read:

17 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION.--

18 A. An excise tax is imposed on the privilege of  
19 engaging in gaming activities in the state. This tax shall  
20 be known as the "gaming tax".

21 B. The gaming tax is an amount equal to ten  
22 percent of the gross receipts of manufacturer licensees from  
23 the sale, lease or other transfer of gaming devices in or  
24 into the state, except receipts of a manufacturer from the  
25 sale, lease or other transfer to a licensed distributor for  
subsequent sale or lease may be excluded from gross receipts;  
ten percent of the gross receipts of distributor licensees

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1 from the sale, lease or other transfer of gaming devices in  
2 or into the state; and twenty-five percent of the net take of  
3 every gaming operator licensee. For the purposes of this  
4 section, "gross receipts" means the total amount of money or  
5 the value of other consideration received from selling,  
6 leasing or otherwise transferring gaming devices.

7 C. The revenue from the gaming tax imposed on the  
8 first three hundred gaming machines operated by a gaming  
9 operator licensee that is a racetrack shall be deposited in  
10 the general fund; the revenue from the gaming tax imposed on  
11 gaming machines in excess of the first three hundred gaming  
12 machines operated by a gaming operator licensee that is a  
13 racetrack shall be deposited in the lottery tuition fund.

14 ~~[C.]~~ D. The gaming tax imposed on a licensee is in  
15 lieu of all state and local gross receipts taxes on that  
16 portion of the licensee's gross receipts attributable to  
17 gaming activities.

18 ~~[D.]~~ E. The gaming tax is to be paid on or before  
19 the fifteenth day of the month following the month in which  
20 the taxable event occurs. The gaming tax shall be  
21 administered and collected by the taxation and revenue  
22 department in cooperation with the board. The provisions of  
23 the Tax Administration Act apply to the collection and  
24 administration of the tax.

25 ~~[E.]~~ F. In addition to the gaming tax, a gaming  
operator licensee that is a racetrack shall pay twenty  
percent of its net take to purses to be distributed in

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1 accordance with rules adopted by the state racing commission.  
2 A racetrack gaming operator licensee shall spend no less than  
3 one-fourth of one percent of the net take of its gaming  
4 machines to fund or support programs for the treatment and  
5 assistance of compulsive gamblers.

6 [F.] G. A nonprofit gaming operator licensee shall  
7 distribute at least sixty percent of the balance of its net  
8 take, after payment of the gaming tax and any income taxes,  
9 for charitable or educational purposes."