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FISCAL IMPACT REPORT

ORIGINAL DATE 3/06/07

SPONSOR HJC LAST UPDATED _____ HB 1333/HJCS
 Public Peace. Health. Safety & Welfare
 (Clarifying Procedures for Background
 SHORT TITLE Investigation by Gaming Control Board) SB _____

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB664

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		.01* See Fiscal Impact and Possible Questions			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Gaming Control Board
 State Racing Commission

SUMMARY

Synopsis of Bill

House Bill 1333 amends Section 60-2E-7 NMSA 1978 to allow the Gaming Control Board to conduct background investigations pursuant to the Horse Racing Act and updates language to reflect the applicant's or licensee's documents and records may be audited, photocopied and

examined in order for GCB to implement the state's policy on gaming. It also requires an applicant for a license, certification of finding or suitability or a work permit to supply GCB with two sets of fingerprints. The application will constitute consent to a national criminal background check of the applicant. It adds that GCB's law enforcement officers may request criminal history information from the FBI or any law enforcement agency.

FISCAL IMPLICATIONS

In its analysis of HB664, which also addresses Gaming Control Board conducting background investigations for the State Racing Commission, the State Racing Commission states that anyone currently involved in both racing and gaming must obtain two licenses and two backgrounds, which results in a negative fiscal impact. However, if duplication of services is eliminated and background investigations a done by one agency there will be a significant savings to the public.

According to the Gaming Control Board HB664 analysis, there will an increased financial responsibility on the Gaming Control Board. Hard costs for each background check is approximately \$25 per person and the Racing Commission currently licenses approximately 3500 individuals. These individuals will need background checks conducted by GCB.

SIGNIFICANT ISSUES

It relieves the State Racing Commission from conducting background checks.

The State Racing Commission notes that if the change is adopted it would allow for a more timely background investigations.

ADMINISTRATIVE IMPLICATIONS

The State Racing Commission explains that currently racing participants are required to have licenses for both racing and gaming. This bill will eliminate the duplication of background checks, which will benefit the public. The State Racing Commission will only license concession employees in a restricted area, all other concession employees will not be licensed by the State Racing Commission nor will it approve admission and concession prices.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 664 which makes numerous changes to the current laws regulating horse racing by adopting definitions as they generally exist within the current regulations of the Racing Commission; reorganizing the current statute regulating horse racing; requiring the Gaming Control Board and the Racing Commission to coordinate with each other in conducting background checks for the Racing Commission; raising civil penalties for violations of the Act from a maximum of \$5,000 to \$10,000; raising the licensing fees for race track applicants and secondary license applicants; and creates a new fund.

OTHER SUBSTANTIVE ISSUES

The State Racing Commission explains that the licensing conducted by GCB does not constitute a consolidation of Racing Commission and Gaming Control Board.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Anyone currently involved in both racing and gaming must obtain two licenses and two background checks.

POSSIBLE QUESTIONS

If the intent of the bill is to help avoid duplication of background checks, then how many duplicated background checks will be avoided?

Of those background checks that are not duplicated, how many new background checks will GCB add to its workload?

EO/csd