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AN ACT

RELATING TO HORSE RACING; EXTENDING THE SUNSET DATE FOR THE STATE RACING COMMISSION; PROVIDING FOR A DELAYED CHANGE IN DISTRIBUTION OF A PORTION OF THE DAILY CAPITAL OUTLAY TAX FROM THE STATE FAIR COMMISSION TO THE GENERAL FUND.

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

SECTION 1. Section 60-1A-20 NMSA 1978 (being Laws 2007, Chapter 39, Section 20) is amended to read:

"60-1A-20. DAILY CAPITAL OUTLAY TAX--CAPITAL OUTLAY OFFSET--STATE FAIR COMMISSION DISTRIBUTION--DAILY LICENSE FEES.--

A. A "daily capital outlay tax" of two and three-sixteenths percent is imposed on the gross amount wagered each day at a racetrack where horse racing is conducted on the premises of a racetrack licensee and also on the gross amount wagered each day when a racetrack licensee is engaged in simulcasting pursuant to the Horse Racing Act. After deducting the amount of offset allowed pursuant to this section, any remaining daily capital outlay tax shall be paid by the commission to the taxation and revenue department from the retainage of a racetrack licensee from on-site wagers made on the licensed premises of the racetrack licensee for deposit in the general fund. Of the daily capital outlay tax imposed pursuant to this subsection:

1 (1) for a class A racetrack licensee, not
2 more than one-half of the daily capital outlay tax imposed on
3 the first two hundred fifty thousand dollars (\$250,000) of
4 the daily handle may be offset by the amount that the class A
5 racetrack licensee expends for capital improvements or for
6 long-term financing of capital improvements at the racetrack
7 licensee's existing facility;

8 (2) for a class B racetrack licensee, not
9 more than one-half of the daily capital outlay tax imposed on
10 the first two hundred fifty thousand dollars (\$250,000) of
11 the daily handle may be offset:

12 (a) in an amount not to exceed one-half
13 of the offset allowed, the amount expended by the class B
14 racetrack licensee for capital improvements; and

15 (b) in an amount not to exceed one-half
16 of the offset allowed, the amount expended by the class B
17 racetrack licensee for advertising, marketing and promoting
18 horse racing in the state;

19 (3) through December 31, 2014, for both
20 class A and class B racetrack licensees, an amount equal to
21 one-half of the daily capital outlay tax is appropriated and
22 transferred to the state fair commission for expenditure on
23 capital improvements at the state fairgrounds and for
24 expenditure on debt service on negotiable bonds issued for
25 the state fairgrounds' capital improvements; and

1 (4) on and after January 1, 2015, for both
2 class A and class B racetrack licensees, an amount equal to
3 one-half of the daily capital outlay tax is appropriated and
4 transferred to the general fund.

5 B. An additional daily license fee of five hundred
6 dollars (\$500) shall be paid to the commission by the
7 racetrack licensee for each day of live racing on the
8 premises of the racetrack licensee.

9 C. Accurate records shall be kept by the racetrack
10 licensee to show gross amounts wagered, retainage, breakage
11 and amounts received from interstate common pools and
12 distributions from gross amounts wagered, retainage, breakage
13 and amounts received from interstate common pools, as well as
14 other information the commission may require. Records shall
15 be open to inspection and shall be audited by the commission,
16 its authorized representatives or an independent auditor
17 selected by the commission. The commission may prescribe the
18 method in which records shall be maintained. A racetrack
19 licensee shall keep records that are accurate, legible and
20 easy to understand.

21 D. Notwithstanding any other provision of law, a
22 political subdivision of the state shall not impose an
23 occupational tax on a horse racetrack owned or operated by a
24 racetrack licensee. A political subdivision of the state
25 shall not impose an excise tax on a horse racetrack owned or

1 operated by a racetrack licensee. Local option gross
2 receipts taxes authorized by the state may be imposed to the
3 extent authorized and imposed by a subdivision of the state
4 on a horse racetrack owned or operated by a racetrack
5 licensee."

6 SECTION 2. Section 60-1A-29 NMSA 1978 (being Laws 2007,
7 Chapter 39, Section 29) is amended to read:

8 "60-1A-29. TERMINATION OF AGENCY LIFE--DELAYED
9 REPEAL.--The state racing commission is terminated on
10 July 1, 2017 pursuant to the Sunset Act. The commission
11 shall continue to operate according to the provisions of
12 Chapter 60, Article 1A NMSA 1978 until July 1, 2018.
13 Effective July 1, 2018, Chapter 60, Article 1A NMSA 1978 is
14 repealed."

15 SECTION 3. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2011. _____

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