

underscored material = new  
~~[bracketed material] = delete~~

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 114

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

Mary Kay Papen

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

underscoring material = new  
~~[bracketed material] = delete~~

1       wagered each day when a racetrack licensee is engaged in  
2       simulcasting pursuant to the Horse Racing Act. After deducting  
3       the amount of offset allowed pursuant to this section, any  
4       remaining daily capital outlay tax shall be paid by the  
5       commission to the taxation and revenue department from the  
6       retainage of a racetrack licensee from on-site wagers made on  
7       the licensed premises of the racetrack licensee for deposit in  
8       the general fund. Of the daily capital outlay tax imposed  
9       pursuant to this subsection:

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

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

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

24                               (b) in an amount not to exceed one-half  
25       of the offset allowed, the amount expended by the class B

183666.1

underscored material = new  
[bracketed material] = delete

1 racetrack licensee for advertising, marketing and promoting  
2 horse racing in the state; ~~and~~

3 (3) through December 31, 2014, for both class  
4 A and class B racetrack licensees, an amount equal to one-half  
5 of the daily capital outlay tax is appropriated and transferred  
6 to the state fair commission for expenditure on capital  
7 improvements at the state fairgrounds and for expenditure on  
8 debt service on negotiable bonds issued for the state  
9 fairgrounds' capital improvements; and

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

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

18 C. Accurate records shall be kept by the racetrack  
19 licensee to show gross amounts wagered, retainage, breakage and  
20 amounts received from interstate common pools and distributions  
21 from gross amounts wagered, retainage, breakage and amounts  
22 received from interstate common pools, as well as other  
23 information the commission may require. Records shall be open  
24 to inspection and shall be audited by the commission, its  
25 authorized representatives or an independent auditor selected

183666.1

underscored material = new  
[bracketed material] = delete

1 by the commission. The commission may prescribe the method in  
2 which records shall be maintained. A racetrack licensee shall  
3 keep records that are accurate, legible and easy to understand.

4 D. Notwithstanding any other provision of law, a  
5 political subdivision of the state shall not impose an  
6 occupational tax on a horse racetrack owned or operated by a  
7 racetrack licensee. A political subdivision of the state shall  
8 not impose an excise tax on a horse racetrack owned or operated  
9 by a racetrack licensee. Local option gross receipts taxes  
10 authorized by the state may be imposed to the extent authorized  
11 and imposed by a subdivision of the state on a horse racetrack  
12 owned or operated by a racetrack licensee."

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

15 "60-1A-29. TERMINATION OF AGENCY LIFE--DELAYED REPEAL.--  
16 The state racing commission is terminated on July 1, [~~2011~~]  
17 2017 pursuant to the Sunset Act. The commission shall continue  
18 to operate according to the provisions of Chapter 60, Article  
19 1A NMSA 1978 until July 1, [~~2012~~] 2018. Effective July 1,  
20 [~~2012~~] 2018, Chapter 60, Article 1A NMSA 1978 is repealed."

21 SECTION 3. EFFECTIVE DATE.--The effective date of the  
22 provisions of this act is July 1, 2011.