

HOUSE BILL 503

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO HORSE RACING; AMENDING HOW HORSE BREEDERS ARE PAID INCENTIVE AND MERIT AWARDS; REQUIRING MEMBERSHIP IN THE NEW MEXICO HORSE BREEDERS' ASSOCIATION TO RECEIVE MERIT AND INCENTIVE REWARDS; ADDRESSING FIDUCIARY BONDS, FAILURE TO NEGOTIATE AN AWARD CHECK AND FAILURE TO PROVIDE TAX-REPORTING INFORMATION.

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

SECTION 1. Section 60-1A-24 NMSA 1978 (being Laws 2007, Chapter 39, Section 24) is amended to read:

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"60-1A-24. BREEDERS' AWARDS.--

A. The New Mexico horse breeders' association shall create a fund to pay horse breeders of New Mexico-bred horses merit and incentive awards.

B. A racetrack licensee shall pay into a fund created by the New Mexico horse breeders' association an amount equal to ten percent of the first money of a purse won, except for stakes-race purses, at a horse race in New Mexico by a horse registered with the New Mexico horse breeders' association as a New Mexico-bred horse. From stakes-race purses, a racetrack licensee shall pay into the fund created by the New Mexico horse breeders' association an amount equal to ten percent of the added money.

C. The money deposited with the New Mexico horse breeders' association by a racetrack licensee pursuant to Subsection B of this section shall be paid weekly to the ~~owner of the dam of the horse at the time that the animal was foaled upon certification of the commission and the New Mexico horse breeders' association~~ breeder of record as recorded by the New Mexico horse breeders' association upon certification of the commission.

D. In addition to the money distributed pursuant to Subsection B of this section, the New Mexico horse breeders' association shall distribute the money allocated to the New Mexico horse breeders' association pursuant to Subsections B, C

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and D of Section 60-1A-19 NMSA 1978 in the following manner and pursuant to rules adopted by the commission:

(1) forty-five percent of the money to the ~~[owners at the time the winners were foaled of the dams of the first-place winners]~~ breeders of record as recorded by the New Mexico horse breeders' association of the first-, second- and third-place finishers;

(2) seven percent of the money to the owners ~~[at the time the winners were foaled of the studs that sired the first-place winners]~~ of the stallions that sired the first-place winners at the time the winners were conceived;

(3) no more than eight percent of the money to be retained by the New Mexico horse breeders' association for the purpose of administering the distribution program set forth in this section; and

(4) the remaining money to be divided among the owners of the first-, second- and third-place finishers during each race meet, provided that the first-, second- and third-place finishers are registered as New Mexico-bred horses with the New Mexico horse breeders' association and the owners are members of the association.

HCEDC → ~~E. The New Mexico horse breeders' association shall file a fiduciary bond with the commission in a face amount equal to the total money distributed during the previous calendar year pursuant to Subsection C of this section. The~~

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~~bond shall be executed by a surety company authorized to do business in New Mexico; provided that the fiduciary bond shall be in an amount not less than [two million dollars (\$2,000,000)] one million dollars (\$1,000,000); provided that if a fiduciary bond as required in this subsection is not available, the commission shall determine and require another manner for the New Mexico horse breeders' association to ensure its fiduciary responsibility.~~←HCEDC

HCEDC→E. The commission shall establish by rule fiduciary, security and insurance safeguards for the money deposited with and paid out or distributed by the New Mexico horse breeders' association pursuant to the Horse Racing Act.←HCEDC

F. A check or other negotiable instrument representing a payment pursuant to Subsection D of this section that is not negotiated within one year from the date of issuance is no longer valid and negotiable. The money represented by the check or other negotiable instrument shall revert to the fund created pursuant to Subsection A of this section and the recipient shall no longer be eligible for the payment.

G. A person otherwise eligible for a payment pursuant to Subsection D of this section shall not be eligible if the person does not provide within ninety days of eligibility for a merit and incentive award information necessary for the New Mexico horse breeders' association to

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comply with state and federal tax law."