

LFC Requester:	Brendon Gray
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/30/2024
Bill No: HB159

Sponsor: Martin R. Zamora
Short Title: Removing Allowable Gaming Expenses & Rescinding 7/1/2028 Repeal and Reenactment

Agency Name and Code NM Racing Commission 46900
Number: _____
Person Writing Richard Bustamante
Phone: 505 503 5619 **Email** richardp.bustamante@rc.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The proposed legislation Removing Allowable Gaming Expenses from the net take calculation for non-profit gaming operator licensees; rescinding the July 1, 2027, repeal and reenactment of Section 60-2E-47 NMSA 1978 (Laws 1997, Chapter 190, Section 49, as amended by Laws 2023, Chapter 122, Section 1 and by Laws 2023, Chapter 154, Section 2) by repealing Laws 2023, Chapter 122, Sections 2 and 4.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

The removal of “allowable gaming expenses” from the net take calculation works to restore the calculation such that monies remain which go to taxes, charitable/educational causes, and the licensees’ operation to similar funding as it was prior to the addition of such language. There is the possibility of an additional amount, that being minor—less than one percent—might pass onto the licensees which they can determine within their own discretion to use for its charitable purposes or for club organization operations.

PERFORMANCE IMPLICATIONS

All applicable calculations in effect will remain in effect and as intended.

ADMINISTRATIVE IMPLICATIONS

Such removal of “allowable gaming expenses” will simplify the Net Take calculations performed by the NMGCB.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

The Repeal Reenactment was to apply to changes made to subsections (E) and (F) of the statute, and was never intended to apply to subsection (G) containing gaming revisions for non-profit organizations.

OTHER SUBSTANTIVE ISSUES

The NMRC understands that this was an inadvertent reconciliation of more than one bill concerning Section 60-2E-47 NMSA 1978 from HB253 and SB336, which were part of the 2023 legislative session.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If not enacted, the nonprofit gaming operators will be able to pay allowable gaming expenses prior to distributing its net take as required by law. That, of course, will reduce their 20% of net take for distribution to charitable or educational purposes. The charitable contribution rate will be returned to 60% which might impact the ability of some nonprofit gaming license holders to continue to remain in operation.

AMENDMENTS