

<b>LFC Requester:</b>	<b>Brendon Gray</b>
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.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** 1/31/2024

**Bill No:** HB159CES

**Sponsor:** Martin Zamora  
**Short Title:** Removing Allowable Gaming Expenses from Net Take Calc; Making current Charitable/ Educational % permanent

**Agency Name and Code** NM Gaming Control Board 465

**Number:** \_\_\_\_\_  
**Person Writing** Angela M. Armstrong

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**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)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	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: Removing “allowable gaming expenses” from the net take calculation for Nonprofit Gaming Operator Licensees; Making the existing required distribution percentage for charitable or educational purposes permanent.

**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**

Removing the “allowable gaming expenses” from the net take calculation restores the calculation which keeps the monies going to tax, charitable/education causes and licensees’ operations to similar funding as before the addition of the language. Potentially an additional amount, less than one percent, may pass to licensee which they can use at their discretion for charity purposes or club operations.

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

Net take calculation will be simplified.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

This was an inadvertent reconciliation of multiple bills regarding §60-2E-47 NMSA 1978, from 2023 legislation, HB253 and SB336. The Repeal Reenactment portion of this bill (2023 legislation) was never intended to apply to Nonprofit gaming revisions contained in subsection (G). The Repeal Reenactment was meant to apply to the changes made to subsections (E) and (F), Racetrack Casinos taxes and fees.

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The provision of “allowable gaming expenses” will remain until 2027 at which time it will be removed again. “Allowable gaming expenses” has been an obsolete concept concerning net calculation for the past ten years. If not removed, all nonprofit licensees will be forced to change the way they currently calculate net take and will have to change it again in 2027 which will create significant confusion and accounting issues for the nonprofits. Nonprofits will also be forced to contribute 60% to charity rather than 20% which will likely force most of the nonprofit organizations to close down.

## **AMENDMENTS**