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SENATE BILL 235

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO GAMING; REQUIRING A GAMING OPERATOR LICENSEE THAT IS A RACETRACK TO SUBMIT AN ANNUAL, INDEPENDENT AUDIT OF THE LICENSEE'S FINANCIAL RECORDS; CHANGING THE NUMBER OF LIVE RACES REQUIRED OF A GAMING OPERATOR LICENSEE THAT IS A RACETRACK; AMENDING SECTIONS OF THE GAMING CONTROL ACT.

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

Section 1. Section 60-2E-8 NMSA 1978 (being Laws 1997, Chapter 190, Section 10) is amended to read:

"60-2E-8. BOARD REGULATIONS--DISCRETIONARY REGULATIONS--PROCEDURE--REQUIRED PROVISIONS.--

A. The board may adopt any regulation:

(1) consistent with the provisions of the Gaming Control Act; and

(2) it decides is necessary to implement the

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1 provisions of the Gaming Control Act.

2 B. No regulation shall be adopted, amended or
3 repealed without a public hearing on the proposed action
4 before the board or a hearing officer designated by it. The
5 public hearing shall be held in Santa Fe. Notice of the
6 subject matter of the regulation, the action proposed to be
7 taken, the time and place of the hearing, the manner in which
8 interested persons may present their views and the method by
9 which copies of the proposed regulation, amendment or repeal
10 may be obtained shall be published once at least thirty days
11 prior to the hearing date in a newspaper of general
12 circulation and mailed at least thirty days prior to the
13 hearing date to all persons who have made a written request
14 for advance notice of hearing. All regulations and actions
15 taken on regulations shall be filed in accordance with the
16 State Rules Act.

17 C. The board shall adopt regulations:

18 (1) prescribing the method and form of
19 application to be followed by an applicant;

20 (2) prescribing the information to be
21 furnished by an applicant or licensee concerning his
22 antecedents, immediate family, habits, character, associates,
23 criminal record, business activities and financial affairs,
24 past or present;

25 (3) prescribing the manner and procedure of

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1 all hearings conducted by the board or a hearing officer;

2 (4) prescribing the manner and method of
3 collection and payment of fees;

4 (5) prescribing the manner and method of the
5 issuance of licenses, permits, registrations, certificates and
6 other actions of the board not elsewhere prescribed in the
7 Gaming Control Act;

8 (6) defining the area, games and gaming
9 devices allowed and the methods of operation of the games and
10 gaming devices for authorized gaming;

11 (7) prescribing under what conditions the
12 nonpayment of winnings is grounds for suspension or revocation
13 of a license of a gaming operator;

14 (8) governing the manufacture, sale,
15 distribution, repair and servicing of gaming devices;

16 (9) prescribing accounting procedures,
17 security, collection and verification procedures required of
18 licensees and matters regarding financial responsibility of
19 licensees;

20 (10) prescribing what shall be considered to
21 be an unsuitable method of operating gaming activities;

22 (11) restricting access to confidential
23 information obtained pursuant to the provisions of the Gaming
24 Control Act and ensuring that the confidentiality of that
25 information is maintained and protected;

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1 (12) prescribing financial reporting and
2 internal control requirements for licensees;

3 (13) prescribing the manner in which
4 winnings, compensation from gaming activities and net take
5 shall be computed and reported by a gaming operator licensee;

6 (14) prescribing the frequency of and the
7 matters to be contained in audits of and periodic financial
8 reports from a gaming operator licensee consistent with
9 standards prescribed by the board; provided that a gaming
10 operator licensee that is a racetrack shall submit to the
11 board an annual, independent audit of the licensee's financial
12 records;

13 (15) prescribing the procedures to be
14 followed by a gaming operator licensee for the exclusion of
15 persons from gaming establishments;

16 (16) establishing criteria and conditions for
17 the operation of progressive systems;

18 (17) establishing criteria and conditions for
19 approval of procurement by the board of personal property
20 valued in excess of twenty thousand dollars (\$20,000),
21 including background investigation requirements for a person
22 submitting a bid or proposal; and

23 (18) establishing an applicant fee schedule
24 for processing applications that is based on costs of the
25 application review incurred by the board whether directly or

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1 through payment by the board for costs charged for
2 investigations of applicants by state departments and agencies
3 other than the board, which regulation shall set a maximum fee
4 of one hundred thousand dollars (\$100,000). "

5 Section 2. Section 60-2E-27 NMSA 1978 (being Laws 1997,
6 Chapter 190, Section 29, as amended) is amended to read:

7 "60-2E-27. GAMING OPERATOR LICENSEES--SPECIAL CONDITIONS
8 FOR RACETRACKS--NUMBER OF GAMING MACHINES--DAYS AND HOURS OF
9 OPERATIONS. --

10 A. A racetrack licensed by the state racing
11 commission pursuant to the Horse Racing Act to conduct live
12 horse races or simulcast races may be issued a gaming
13 operator's license to operate gaming machines on its premises
14 where live racing is conducted.

15 B. A racetrack's gaming operator's license shall
16 automatically become void if:

17 (1) the racetrack no longer holds an active
18 license to conduct pari-mutuel wagering; or

19 (2) the racetrack fails to maintain a minimum
20 of [~~three live race days a week with at least nine live races~~
21 ~~on each race day during its licensed race meet in the 1997~~
22 ~~calendar year and in the 1998 and subsequent calendar years,~~
23 ~~four live race days a week with at least nine live races on~~
24 ~~each race day] thirty-six live races in each calendar week
25 during its licensed race meet.~~

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C. A gaming operator licensee that is a racetrack may have up to three hundred licensed gaming machines, but the number of gaming machines to be located on the licensee's premises shall be specified in the gaming operator's license.

D. Gaming machines on a racetrack gaming operator licensee's premises may be played only on days when the racetrack is either conducting live horse races or simulcasting horse race meets. A gaming operator licensee that is a racetrack shall be permitted to conduct such games on only the aforementioned days for a daily period not to exceed twelve hours at the discretion of such licensee.

E. Alcoholic beverages shall not be sold, served, delivered or consumed in the area restricted pursuant to Subsection F of Section 60-2E-26 NMSA 1978. "

Section 3. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2001.