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SENATE BILL 491

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

INTRODUCED BY

Cynthia L. Nava

AN ACT

RELATING TO THE GAMING TAX; DISTRIBUTING A PERCENTAGE OF  
GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR  
LICENSEES TO THE LOCAL GOVERNMENTS IN WHICH THE RACETRACKS ARE  
LOCATED TO PROVIDE FUNDS FOR LOCAL INFRASTRUCTURE AND  
SERVICES.

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

Section 1. A new section of the Tax Administration Act  
is enacted to read:

" NEW MATERIAL DISTRIBUTION-- GAMING TAX. -- A distribution  
pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each  
municipality in which a racetrack gaming operator licensee is  
located and to each county in which a racetrack gaming  
operator licensee is located outside the exterior boundaries  
of any municipality in an amount equal to six and one-half

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1 percent of the net receipts attributable to the gaming tax  
2 paid by the racetrack gaming operator licensee. "

3 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,  
4 Chapter 190, Section 49, as amended) is amended to read:

5 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION--USE  
6 OF GAMING REVENUES. --

7 A. An excise tax is imposed on the privilege of  
8 engaging in gaming activities in the state. This tax shall be  
9 known as the "gaming tax".

10 B. The gaming tax is an amount equal to ten  
11 percent of the gross receipts of manufacturer licensees from  
12 the sale, lease or other transfer of gaming devices in or into  
13 the state, except receipts of a manufacturer from the sale,  
14 lease or other transfer to a licensed distributor for  
15 subsequent sale or lease may be excluded from gross receipts;  
16 ten percent of the gross receipts of distributor licensees  
17 from the sale, lease or other transfer of gaming devices in or  
18 into the state; and twenty-five percent of the net take of  
19 every gaming operator licensee. For the purposes of this  
20 section, "gross receipts" means the total amount of money or  
21 the value of other consideration received from selling,  
22 leasing or otherwise transferring gaming devices.

23 C. The gaming tax imposed on a licensee is in lieu  
24 of all state and local gross receipts taxes on that portion of  
25 the licensee's gross receipts attributable to gaming

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1 activities.

2 D. The gaming tax is to be paid on or before the  
3 fifteenth day of the month following the month in which the  
4 taxable event occurs. The gaming tax shall be administered  
5 and collected by the taxation and revenue department in  
6 cooperation with the board. The provisions of the Tax  
7 Administration Act apply to the collection and administration  
8 of the tax.

9 E. In addition to the gaming tax, a gaming  
10 operator licensee that is a racetrack shall pay twenty percent  
11 of its net take to purses to be distributed in accordance with  
12 rules adopted by the state racing commission. A racetrack  
13 gaming operator licensee shall spend no less than one-fourth  
14 of one percent of the net take of its gaming machines to fund  
15 or support programs for the treatment and assistance of  
16 compulsive gamblers.

17 F. A nonprofit gaming operator licensee shall  
18 distribute at least sixty percent of the balance of its net  
19 take, after payment of the gaming tax and any income taxes,  
20 for charitable or educational purposes.

21 G. A municipality or county receiving a  
22 distribution pursuant to Section 1 of this act of a percentage  
23 of gaming tax revenues generated by a racetrack gaming  
24 operator licensee shall use those revenues for acquisition,  
25 construction or improvement of any local government

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1 infrastructure or for providing police and fire protection  
2 services. "

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

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