

SENATE FLOOR SUBSTITUTE FOR
SENATE BILL 73

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

AN ACT

RELATING TO THE GAMING TAX; DISTRIBUTING A PERCENTAGE OF
GAMING TAX REVENUES GENERATED BY A RACETRACK GAMING OPERATOR
LICENSEE TO THE MUNICIPALITY AND SCHOOL DISTRICT IN WHICH THE
RACETRACK IS LOCATED TO PROVIDE FUNDS FOR CAPITAL
IMPROVEMENTS; RECONCILING MULTIPLE AMENDMENTS TO THE SAME
SECTION OF LAW IN LAWS 2001; MAKING AN APPROPRIATION.

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.--For fiscal
years 2003 through 2013, a distribution pursuant to Section
7-1-6.1 NMSA 1978 shall be made to each municipality with a
population between ten thousand and twenty thousand according
to the latest federal decennial census in which a racetrack

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1 gaming operator licensee is located in an amount equal to five
2 percent of the net receipts attributable to the gaming tax
3 paid by the racetrack gaming operator licensee, and a
4 distribution to each school district located wholly or
5 partially within a municipality that receives a distribution
6 shall be made in an amount equal to five percent of the net
7 receipts attributable to the gaming tax paid by the racetrack
8 gaming operator licensee located in the municipality. "

9 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,
10 Chapter 190, Section 49, as amended by Laws 2001, Chapter 256,
11 Section 1 and aby Laws 2001, Chapter 262, Section 3) is
12 amended to read:

13 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION. --

14 A. An excise tax is imposed on the privilege of
15 engaging in gaming activities in the state. This tax shall be
16 known as the "gaming tax".

17 B. The gaming tax is an amount equal to ten
18 percent of the gross receipts of manufacturer licensees from
19 the sale, lease or other transfer of gaming devices in or into
20 the state, except receipts of a manufacturer from the sale,
21 lease or other transfer to a licensed distributor for
22 subsequent sale or lease may be excluded from gross receipts;
23 ten percent of the gross receipts of distributor licensees
24 from the sale, lease or other transfer of gaming devices in or
25 into the state; ten percent of the net take of a gaming

1 operator licensee that is a nonprofit organization; and
 2 twenty-five percent of the net take of every other gaming
 3 operator licensee. For the purposes of this section, "gross
 4 receipts" means the total amount of money or the value of
 5 other consideration received from selling, leasing or
 6 otherwise transferring gaming devices.

7 C. The gaming tax imposed on a licensee is in lieu
 8 of all state and local gross receipts taxes on that portion of
 9 the licensee's gross receipts attributable to gaming
 10 activities.

11 D. The gaming tax is to be paid on or before the
 12 fifteenth day of the month following the month in which the
 13 taxable event occurs. The gaming tax shall be administered
 14 and collected by the taxation and revenue department in
 15 cooperation with the board. The provisions of the Tax
 16 Administration Act apply to the collection and administration
 17 of the tax.

18 E. In addition to the gaming tax, a gaming
 19 operator licensee that is a racetrack shall pay twenty percent
 20 of its net take to purses to be distributed in accordance with
 21 rules adopted by the state racing commission. An amount not
 22 to exceed twenty percent of the interest earned on the balance
 23 of any fund consisting of money for purses distributed by
 24 racetrack gaming operator licensees pursuant to this
 25 subsection may be expended for the costs of administering the

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1 distributions. A racetrack gaming operator licensee shall
2 spend no less than one-fourth of one percent of the net take
3 of its gaming machines to fund or support programs for the
4 treatment and assistance of compulsive gamblers.

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

9 G. A municipality receiving a distribution
10 pursuant to Section 1 of this act of a percentage of gaming
11 tax revenues generated by a racetrack gaming operator licensee
12 located within the municipality shall use those revenues for
13 acquisition, construction or capital improvements of municipal
14 infrastructure.

15 H. A school district receiving a distribution
16 pursuant to Section 1 of this act of a percentage of gaming
17 tax revenues generated by a racetrack gaming operator licensee
18 shall use those revenues for capital improvements at public
19 schools whose attendance areas include the racetrack gaming
20 operator licensee's premises. For the purposes of this
21 subsection, "capital improvements" means expenditures,
22 excluding other debt service expenses, for:

23 (1) erecting, remodeling, making additions
24 to, providing equipment for or furnishing public school
25 buildings;

- 1 (2) purchasing or improving public school
2 grounds;
- 3 (3) maintenance of public school buildings or
4 public school grounds, exclusive of salary expenses of school
5 district employees;
- 6 (4) purchasing activity vehicles for
7 transporting students to extracurricular school activities;
8 and
- 9 (5) purchasing computer software and hardware
10 for student use in public school classrooms."

11 Section 3. EFFECTIVE DATE.--The effective date of the
12 provisions of this act is August 1, 2002.

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