HOUSE BILL 187

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

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AN ACT

RELATING TO HORSE RACING; CREATING THE RACEHORSE TESTING FUND;
PROVIDING A NATIONAL STANDARD FOR RACEHORSE TESTING; DEDICATING
A PORTION OF THE DAILY CAPITAL OUTLAY TAX TO TEST RACEHORSES;
MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the Horse Racing Act is
enacted to read:

"[NEW MATERIAL] RACEHORSE TESTING FUND--CREATED--
PURPOSE.--The "racehorse testing fund" is created in the state
treasury. The purpose of the fund is to ensure the testing of
racehorses at a laboratory that meets or exceeds the current
national laboratory standards for the testing of drugs or other
foreign substances not naturally occurring in a horse, as
established by the association of racing commissioners

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international, inc. The fund consists of one-half of the daily capital outlay tax appropriated and transferred pursuant to Paragraph (4) of Subsection A of Section 60-1A-20 NMSA 1978 and appropriations, gifts, grants and donations made to the fund. Income from investment of the fund shall be credited to the fund. The commission shall administer the racehorse testing fund, and money in the fund is appropriated to the commission for the handling and testing of blood plasma and other specimens taken from racehorses pursuant to Section 60-1A-14 NMSA 1978. Any unexpended or unencumbered balance remaining in the racehorse testing fund at the end of a fiscal year in excess of six hundred thousand dollars ($600,000) shall revert to the general fund. Expenditures from the fund shall be made on warrant of the secretary of finance and administration pursuant to vouchers signed by the executive director of the commission."

SECTION 2. Section 60-1A-14 NMSA 1978 (being Laws 2007, Chapter 39, Section 14) is amended to read:

"60-1A-14. TESTING SPECIMENS.--

A. The commission shall adopt rules applying to the handling and testing of [urine] blood plasma and other specimens identified by the commission to be taken from racehorses.

B. Each specimen taken from a racehorse shall be divided into two or more samples, and:

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1   (1)   one sample shall be tested by the

2   commission or its designated laboratory in order to detect the

3   presence of unauthorized drugs, chemicals, stimulants,

4   depressants or other foreign substances not naturally occurring

5   in a horse; and

6   (2)   the second sample shall be forwarded by

7   the commission to the scientific laboratory division of the

8   department of health.

9   C.   After an inconclusive or positive test result on

10   the sample tested by the commission or its designated

11   laboratory and upon a written request from the president,

12   executive director or manager of the New Mexico horsemen's

13   association on forms designated by the commission, the

14   scientific laboratory division shall transmit the corresponding

15   second sample to the New Mexico horsemen's association.

16   D.   The scientific laboratory division shall keep

17   all samples in a controlled environment for a period of at

18   least three months.

19   E.   The commission shall contract with an

20   independent laboratory to maintain a quality assurance program.

21   The designated laboratory of the commission shall meet or

22   exceed the current national laboratory standards for the

23   testing of drugs or other foreign substances not naturally

24   occurring in a horse, as established by the association of

25   racing commissioners international, inc."

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1   **SECTION 3.** Section 60-1A-20 NMSA 1978 (being Laws 2007,

2   Chapter 39, Section 20, as amended) is amended to read:

3   "60-1A-20. DAILY CAPITAL OUTLAY TAX--CAPITAL OUTLAY

4   OFFSET--STATE FAIR COMMISSION DISTRIBUTION--DAILY LICENSE

5   FEES.--

6   A. A "daily capital outlay tax" of two and three-

7   sixteenths percent is imposed on the gross amount wagered each

8   day at a racetrack where horse racing is conducted on the

9   premises of a racetrack licensee and also on the gross amount

10   wagered each day when a racetrack licensee is engaged in

11   simulcasting pursuant to the Horse Racing Act. After deducting

12   the amount of offset allowed pursuant to this section, any

13   remaining daily capital outlay tax shall be paid by the

14   commission to the taxation and revenue department from the

15   retainage of a racetrack licensee from on-site wagers made on

16   the licensed premises of the racetrack licensee for deposit in

17   the general fund. Of the daily capital outlay tax imposed

18   pursuant to this subsection:

19   (1) for a class A racetrack licensee, not more

20   than one-half of the daily capital outlay tax imposed on the

21   first two hundred fifty thousand dollars ($250,000) of the

22   daily handle may be offset by the amount that the class A

23   racetrack licensee expends for capital improvements or for

24   long-term financing of capital improvements at the racetrack

25   licensee's existing facility;

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1   (2) for a class B racetrack licensee, not more

2 than one-half of the daily capital outlay tax imposed on the

3 first two hundred fifty thousand dollars ($250,000) of the

4 daily handle may be offset:

5   (a) in an amount not to exceed one-half

6 of the offset allowed, the amount expended by the class B

7 racetrack licensee for capital improvements; and

8   (b) in an amount not to exceed one-half

9 of the offset allowed, the amount expended by the class B

10 racetrack licensee for advertising, marketing and promoting

11 horse racing in the state;

12   (3) through December 31, 2014, for both class

13 A and class B racetrack licensees, an amount equal to one-half

14 of the daily capital outlay tax is appropriated and transferred

15 to the state fair commission for expenditure on capital

16 improvements at the state fairgrounds and for expenditure on

17 debt service on negotiable bonds issued for the state

18 fairgrounds' capital improvements; and

19   (4) on and after January 1, 2015, for both

20 class A and class B racetrack licensees, an amount equal to

21 one-half of the daily capital outlay tax is appropriated and

22 transferred to the [general] racehorse testing fund.

23   B. An additional daily license fee of five hundred

24 dollars ($500) shall be paid to the commission by the racetrack

25 licensee for each day of live racing on the premises of the

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1   racetrack licensee.

2   C.   Accurate records shall be kept by the racetrack

3   licensee to show gross amounts wagered, retainage, breakage and

4   amounts received from interstate common pools and distributions

5   from gross amounts wagered, retainage, breakage and amounts

6   received from interstate common pools, as well as other

7   information the commission may require. Records shall be open

8   to inspection and shall be audited by the commission, its

9   authorized representatives or an independent auditor selected

10   by the commission. The commission may prescribe the method in

11   which records shall be maintained. A racetrack licensee shall

12   keep records that are accurate, legible and easy to understand.

13   D.   Notwithstanding any other provision of law, a

14   political subdivision of the state shall not impose an

15   occupational tax on a horse racetrack owned or operated by a

16   racetrack licensee. A political subdivision of the state shall

17   not impose an excise tax on a horse racetrack owned or operated

18   by a racetrack licensee. Local option gross receipts taxes

19   authorized by the state may be imposed to the extent authorized

20   and imposed by a subdivision of the state on a horse racetrack

21   owned or operated by a racetrack licensee."

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