

1 HOUSE BILL 636

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Candy Spence Ezzell

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9
10 AN ACT

11 RELATING TO HORSE RACING; DEFINING "ADVANCE DEPOSIT WAGERING";
12 AUTHORIZING ADVANCE DEPOSIT WAGERING; ESTABLISHING REQUIREMENTS
13 FOR RULES REGULATING ADVANCE DEPOSIT WAGERING; ELIMINATING
14 CERTAIN RESTRICTIONS ON WHEN AND WHERE PARI-MUTUEL WAGERING MAY
15 OCCUR.

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

20 "60-1A-2. DEFINITIONS.--As used in the Horse Racing Act:

21 A. "advance deposit wagering" means a form of
22 pari-mutuel wagering on horse races in which patrons, prior to
23 betting, place funds on account and against which wagers are
24 debited and winnings are credited;

25 [~~A.~~] B. "board" means the gaming control board;

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1 ~~[B.]~~ C. "breakage" means the odd cents by which the
2 amount payable on each dollar wagered exceeds a multiple of
3 ten;

4 ~~[G.]~~ D. "commission" means the state racing
5 commission;

6 ~~[D.]~~ E. "exotic wagering" means all wagering other
7 than on win, place or show, through pari-mutuel wagering;

8 ~~[E.]~~ F. "export" means to send a live audiovisual
9 broadcast of a horse race in the process of being run at a
10 horse racetrack from the originating horse racetrack to another
11 location;

12 ~~[F.]~~ G. "guest state" means a jurisdiction, other
13 than the jurisdiction in which a horse race is run, in which a
14 horse racetrack, off-track wagering facility or other facility
15 that is a member of and subject to an interstate common pool is
16 located;

17 ~~[G.]~~ H. "guest track" means a horse racetrack, off-
18 track wagering facility or other licensed facility in a
19 location other than the state in which a horse race is run that
20 is a member of and subject to an interstate common pool;

21 ~~[H.]~~ I. "handle" means the total of all pari-mutuel
22 wagering sales, excluding refunds and cancellations;

23 ~~[I.]~~ J. "horse race" means a competition among
24 racehorses on a predetermined course in which the horse
25 completing the course in the least amount of time generally

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1 wins;

2 ~~[J-]~~ K. "host state" means the jurisdiction within
3 which a sending track is located, also known as a "sending
4 state";

5 ~~[K-]~~ L. "host track" means the horse racetrack from
6 which a horse race subject to an interstate common pool is
7 transmitted to members of that interstate common pool, also
8 known as a "sending track";

9 ~~[L-]~~ M. "import" means to receive a live
10 audiovisual broadcast of a horse race;

11 ~~[M-]~~ N. "interstate common pool" means a pari-
12 mutuel pool that combines comparable pari-mutuel pools from one
13 or more locations that accept wagers on a horse race run at a
14 sending track for purposes of establishing payoff prices at the
15 pool members' locations, including pools in which pool members
16 from more than one state simultaneously combine pari-mutuel
17 pools to form an interstate common pool;

18 ~~[N-]~~ O. "jockey club" means an organization that
19 administers thoroughbred registration records and registers
20 thoroughbreds;

21 ~~[O-]~~ P. "licensed premises" means land, together
22 with all buildings, other improvements and personal property
23 located on the land, that is under the direct control of a
24 racetrack licensee, including the restricted areas, grandstand
25 and public parking areas;

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1 [~~P~~] Q. "licensee" means a person licensed by the
2 commission and includes a holder of an occupational, secondary
3 or racetrack license;

4 [~~Q~~] R. "occupational license" means a license
5 issued by the commission to a vendor or to a person having
6 access to a restricted area on the licensed premises, including
7 a horse owner, trainer, jockey, agent, apprentice, groom,
8 exercise person, veterinarian, valet, farrier, starter,
9 clocker, racing secretary, pari-mutuel clerk and other
10 personnel designated by the commission whose work, in whole or
11 in part, is conducted around racehorses or pari-mutuel betting
12 windows;

13 [~~R~~] S. "pari-mutuel wagering" means a system of
14 wagering in which bets on a live or simulcast horse race are
15 pooled and held by the racetrack licensee for distribution of
16 the total amount, less the deductions authorized by law, to
17 holders of winning tickets; "pari-mutuel wagering" does not
18 include bookmaking or pool selling;

19 [~~S~~] T. "pari-mutuel wagering pool" means the money
20 wagered on a specific horse race through pari-mutuel wagering;

21 [~~T~~] U. "practical breeder" means a person who has
22 practical experience in breeding horses, although the person
23 may not be actively involved in breeding horses;

24 [~~U~~] V. "primary residence" means the domicile
25 where a person resides for most of the year, and, if the person

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1 is temporarily out of state, the address where a person will
2 return when the person returns to New Mexico or the address
3 that a person uses for purposes of a driver's license, passport
4 or voting;

5 ~~[V.]~~ W. "quarter horse" means a racehorse that is
6 registered with the American quarter horse association or any
7 successor association;

8 ~~[W.]~~ X. "race meet" means a period of time within
9 dates specified by the commission in which a racetrack licensee
10 is authorized to conduct live racing on the racing grounds;

11 ~~[X.]~~ Y. "racehorse" means a quarter horse or
12 thoroughbred that is bred and trained to compete in horse
13 races;

14 ~~[Y.]~~ Z. "racetrack license" means a license to
15 conduct horse races issued by the commission;

16 ~~[Z.]~~ AA. "racetrack licensee" means a person who
17 has been issued a racetrack license;

18 ~~[AA.]~~ BB. "racing grounds" means the area of the
19 restricted area of licensed premises used for the purpose of
20 conducting horse races and all activities ancillary to the
21 conduct of horse races, including the track, stable area,
22 jockey's quarters and horse training areas;

23 ~~[BB.]~~ CC. "retainage" means money that is retained
24 from wagers on win, place and show and on exotic wagers by a
25 racetrack licensee pursuant to the Horse Racing Act;

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1 ~~[GG.]~~ DD. "restricted areas" means the stable area,
2 the area behind the pari-mutuel betting windows and anywhere on
3 the racing grounds;

4 ~~[DD.]~~ EE. "secondary licensee" means all officers,
5 directors, shareholders, lenders or holders of evidence of
6 indebtedness of a corporation or legal entity owning a horse
7 racetrack, and all persons holding a direct or indirect
8 interest of any nature whatsoever in the horse racetrack,
9 including interests or positions that deal with the funds of
10 the racetrack or that are administrative, policymaking or
11 supervisory;

12 ~~[EE.]~~ FF. "simulcast" means a transmission of a
13 live audiovisual broadcast of a horse race being run at a horse
14 racetrack other than the horse racetrack or other licensed
15 facility at which the broadcast is being received for viewing
16 pursuant to a simulcasting contract;

17 ~~[FF.]~~ GG. "stakes race" means a horse race in which
18 nominations or entry or starting fees contribute to the purse;
19 an overnight race is not a stakes race;

20 ~~[GG.]~~ HH. "steward" means an employee of the
21 commission who supervises horse races and oversees a race meet
22 while in progress, including holding hearings regarding
23 licensees and enforcing the rules of the commission and the
24 horse racetrack;

25 ~~[HH.]~~ II. "takeout" means amounts authorized by

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1 statute to be deducted from the pari-mutuel wagers;

2 [~~HH.~~] JJ. "thoroughbred" means a racehorse that is
3 registered with the jockey club;

4 [~~JJ.~~] KK. "track" means the surfaced oval area on
5 which horse races are conducted; and

6 [~~KK.~~] LL. "vendor" means a person who provides
7 goods or services to or in the racing grounds or restricted
8 area of the licensed premises of a horse racetrack."

9 SECTION 2. A new section of the Horse Racing Act is
10 enacted to read:

11 "[NEW MATERIAL] ADVANCE DEPOSIT WAGERING.--

12 A. Advance deposit wagering is authorized if
13 conducted in compliance with the Horse Racing Act and the
14 federal Interstate Horseracing Act of 1978, 15 U.S.C. Section
15 3001, et seq.

16 B. The commission shall establish by rule the
17 oversight of advance deposit wagering in the state. The rules
18 shall address, among other matters the commission deems
19 necessary:

20 (1) the conditions under which racetrack
21 licensees shall exclusively be authorized to offer advance
22 deposit wagering to residents of the state;

23 (2) the parameters of the business
24 relationship between racetracks and third-party advance deposit
25 wagering providers;

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1 (3) the allowable methods used to create
2 patrons' accounts;

3 (4) provisions for the disposition of accounts
4 when a racetrack or a provider ceases operation or is no longer
5 licensed in the state;

6 (5) financial responsibility requirements for
7 licensees who want to conduct advance deposit wagering that
8 call for a form of financial guarantee issued in favor of the
9 state and that specifically authorize recovery by the
10 commission for the payment of all fees and taxes required by
11 this section, as well as payments due to advance deposit
12 wagering account holders;

13 (6) a plan of operation for each third-party
14 advanced deposit wagering provider that shall include:

15 (a) a dispute resolution process;

16 (b) provisions for the security of
17 account holders' information;

18 (c) a means of identifying account
19 holders and verifying the age of account holders;

20 (d) the means of ensuring that an
21 account has sufficient funds to cover a wager so that credit is
22 not extended to the patron;

23 (e) the procedure for keeping accurate
24 records of account wagers, payouts, deposits and withdrawals;
25 and

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1 (f) a plan for annual audits; and
2 (7) a fee schedule and the distribution of
3 proceeds thereof on the gross daily handle attributable to
4 advance deposit wagering accounts. The fees imposed by this
5 paragraph shall be accounted for and distributed in the same
6 manner as the relevant fees and taxes are accounted for and
7 distributed pursuant to the Horse Racing Act.

8 C. A patron with an advance deposit wagering
9 account may place a wager from any location telephonically or
10 by using a device that connects to the internet and that is
11 used in accordance with rules promulgated by the commission."

12 SECTION 3. Section 60-1A-15 NMSA 1978 (being Laws 2007,
13 Chapter 39, Section 15) is amended to read:

14 "60-1A-15. PARI-MUTUEL WAGERING AUTHORIZED--GAMBLING
15 STATUTES DO NOT APPLY.--

16 A. A racetrack licensee may conduct pari-mutuel
17 wagering on live horse races or on simulcasted horse races.

18 B. Pari-mutuel wagering may be conducted only on
19 the licensed premises [~~where a live horse race is conducted or~~
20 ~~where a simulcast horse race is televised or projected on the~~
21 ~~racing grounds of the licensed premises~~] of a racetrack
22 licensee or through an advance deposit wagering account
23 pursuant to the provisions of this section.

24 C. The sale of pari-mutuel tickets or certificates
25 to patrons present on the licensed premises of a racetrack

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1 licensee [~~of pari-mutuel tickets or certificates~~] or through an
2 advance deposit wagering account is not gambling as defined in
3 Section 30-19-2 or 30-19-3 NMSA 1978.

4 D. Placing a wager while on the licensed premises
5 of a racetrack licensee or through an advance deposit wager
6 account is not placing a bet pursuant to Section 30-19-1 NMSA
7 1978.

8 E. The licensed premises of a horse racetrack is
9 not a gambling place as defined in Section 30-19-1 NMSA 1978."

10 SECTION 4. Section 60-1A-16 NMSA 1978 (being Laws 2007,
11 Chapter 39, Section 16) is amended to read:

12 "60-1A-16. SIMULCASTING.--

13 A. All simulcasting of horse races shall have prior
14 approval of the commission, and the commission shall adopt
15 rules concerning the simulcasting of horse races as provided in
16 this section.

17 B. A racetrack licensee shall not be allowed to
18 simulcast horse races unless that racetrack licensee offers at
19 least seventeen days per year of pari-mutuel wagering on live
20 horse races run on the premises of the racetrack licensee.

21 C. The commission may permit exporting of a horse
22 race being run by a racetrack licensee to another racetrack
23 licensee within New Mexico or exporting of a horse race from a
24 racetrack licensee to another location holding a pari-mutuel or
25 gaming license that allows simulcasting of a horse race from

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1 outside of the state or jurisdiction that licenses that out-of-
2 state facility.

3 D. The commission may permit importing by a
4 racetrack licensee of horse races that are being run at
5 racetracks outside of the state licensed by a host state.

6 E. Pari-mutuel wagering on simulcast horse races
7 shall be prohibited except on the licensed premises of a
8 racetrack licensee during the licensee's race meet at the horse
9 racetrack or when the racetrack licensee is importing a race
10 meet from another New Mexico-licensed horse racetrack or
11 through the use of an advance deposit wagering account.

12 F. A New Mexico-licensed horse racetrack that is
13 within a radius of eighty miles of any other New Mexico-
14 licensed horse racetrack with a race meet in progress may only
15 conduct pari-mutuel wagering on imported horse races if there
16 is a written agreement between the two racetrack licensees
17 allowing pari-mutuel wagering on imported horse races during
18 the period of time that the live horse races are taking place."