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AN ACT

RELATING TO HORSE RACING; AMENDING HOW HORSE BREEDERS ARE PAID INCENTIVE AND MERIT AWARDS; REQUIRING MEMBERSHIP IN THE NEW MEXICO HORSE BREEDERS' ASSOCIATION TO RECEIVE MERIT AND INCENTIVE REWARDS; ADDRESSING FIDUCIARY BONDS, FAILURE TO NEGOTIATE AN AWARD CHECK AND FAILURE TO PROVIDE TAX-REPORTING INFORMATION.

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

SECTION 1. Section 60-1A-24 NMSA 1978 (being Laws 2007, Chapter 39, Section 24) is amended to read:

"60-1A-24. BREEDERS' AWARDS.--

A. The New Mexico horse breeders' association shall create a fund to pay horse breeders of New Mexico-bred horses merit and incentive awards.

B. A racetrack licensee shall pay into a fund created by the New Mexico horse breeders' association an amount equal to ten percent of the first money of a purse won, except for stakes-race purses, at a horse race in New Mexico by a horse registered with the New Mexico horse breeders' association as a New Mexico-bred horse. From stakes-race purses, a racetrack licensee shall pay into the fund created by the New Mexico horse breeders' association an amount equal to ten percent of the added money.

C. The money deposited with the New Mexico horse

1 breeders' association by a racetrack licensee pursuant to  
2 Subsection B of this section shall be paid weekly to the  
3 breeder of record as recorded by the New Mexico horse  
4 breeders' association upon certification of the commission.

5 D. In addition to the money distributed pursuant  
6 to Subsection B of this section, the New Mexico horse  
7 breeders' association shall distribute the money allocated to  
8 the New Mexico horse breeders' association pursuant to  
9 Subsections B, C and D of Section 60-1A-19 NMSA 1978 in the  
10 following manner and pursuant to rules adopted by the  
11 commission:

12 (1) forty-five percent of the money to the  
13 breeders of record as recorded by the New Mexico horse  
14 breeders' association of the first-, second- and third-place  
15 finishers;

16 (2) seven percent of the money to the owners  
17 of the stallions that sired the first-place winners at the  
18 time the winners were conceived;

19 (3) no more than eight percent of the money  
20 to be retained by the New Mexico horse breeders' association  
21 for the purpose of administering the distribution program set  
22 forth in this section; and

23 (4) the remaining money to be divided among  
24 the owners of the first-, second- and third-place finishers  
25 during each race meet, provided that the first-, second- and

1 third-place finishers are registered as New Mexico-bred  
2 horses with the New Mexico horse breeders' association and  
3 the owners are members of the association.

4 E. The commission shall establish by rule  
5 fiduciary, security and insurance safeguards for the money  
6 deposited with and paid out or distributed by the New Mexico  
7 horse breeders' association pursuant to the Horse Racing Act.

8 F. A check or other negotiable instrument  
9 representing a payment pursuant to Subsection D of this  
10 section that is not negotiated within one year from the date  
11 of issuance is no longer valid and negotiable. The money  
12 represented by the check or other negotiable instrument shall  
13 revert to the fund created pursuant to Subsection A of this  
14 section and the recipient shall no longer be eligible for the  
15 payment.

16 G. A person otherwise eligible for a payment  
17 pursuant to Subsection D of this section shall not be eligible  
18 if the person does not provide within ninety days of  
19 eligibility for a merit and incentive award information  
20 necessary for the New Mexico horse breeders' association to  
21 comply with state and federal tax law." \_\_\_\_\_