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AN ACT  
RELATING TO HORSE RACING; REVISING THE DISTRIBUTION OF FUNDS  
PAID TO HORSE BREEDERS.

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

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

8                   (1) forty-five percent of the money to the  
9 breeders of record as recorded by the New Mexico horse  
10 breeders' association of the first-, second- and third-place  
11 finishers;

12                   (2) twelve percent of the money to the  
13 owners of the stallions that sired the first-place winners at  
14 the time the winners were conceived;

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

19                   (4) the remaining money to be divided among  
20 the owners of the first-, second- and third-place finishers  
21 during each race meet, provided that the first-, second- and  
22 third-place finishers are registered as New Mexico-bred  
23 horses with the New Mexico horse breeders' association and  
24 the owners are members of the association.

25           E. The commission shall establish by rule

1 fiduciary, security and insurance safeguards for the money  
2 deposited with and paid out or distributed by the New Mexico  
3 horse breeders' association pursuant to the Horse Racing Act.

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7 of issuance is no longer valid and negotiable.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

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