

LFC Requester:	Laird Graeser
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: February 19, 2025 *Check all that apply:*
Bill Number: HB 447 Original Correction
Amendment Substitute

Sponsor: Harlan Vincent, Doreen Y. Gallegos, John Block, Nicholas A. Paul & Gail Armstrong **Agency Name and Code:** NM Gaming Control Board - 465
Short Title: EXEMPTION: Licensee Operating in a Declared Disaster Area **Number:** _____
Person Writing: Angela M. Armstrong **Phone:** 505-263-3346 **Email:** angela.armstrong@gcb.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
Estimated (1,569.235)	Estimated (1,569.235)	Estimated (1,569.235)	Recurring through July 1, 2029	General Fund

(Parenthesis () indicate revenue decreases) The average is calculated from the known tax amounts from 2022, 2023, & 2024.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: To temporarily exempt from Gaming Control Act, payment of gaming tax (§60-2E-47(B) NMSA) by licensee located in a Disaster Area (Due to a Wildfire occurring June 2024), through July 1, 2029.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Pursuant to §60-2E-47(B) NMSA, “twenty-four and eight-tenths percent of the net take of every other gaming operator licensee.”

Pursuant to §60-2E-3(FF) NMSA, “net take” means the total of the following, less the total of all cash paid out as losses to winning patrons and those amounts paid to purchase annuities to fund losses paid to winning patrons over several years by independent administrators: (1) cash received from patrons for playing a game; (2) cash received in payment for credit extended by a licensee to a patron for playing a game; and (3) compensation received for conducting a game in which the licensee is not a party to a wager.”

Pursuant to §60-2E-47(E) NMSA states, In addition to the gaming tax, a gaming operator licensee that is a racetrack shall pay:

- (1) twenty percent of its net take solely to purses in accordance with rules adopted by the state racing commission; and
- (2) one and two-tenths percent of its net take solely to offset the costs of jockey and exercise rider insurance and to comply with federal and state laws affecting horse racing.

If the tax is exempted, potentially for the next four and a half years, the amounts calculated for the fees sent to the NMRC for purses and jockey and exercise rider insurance (§60-2E-47(E)) would significantly increase.

PERFORMANCE IMPLICATIONS

Racetrack Gaming Operators do not pay tax on net take as required by law if they are not open. No net take, no tax.

ADMINISTRATIVE IMPLICATIONS

CONFLICT,

DUPLICATION, SB 393

COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

Emergency clause implementation.

Repealed July 1, 2029.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS