

LFC Requester:	Noah Montano
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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: 7 FEB 25 *Check all that apply:*
Bill Number: SB 302 Original Correction
 Amendment Substitute

Sponsor: Sen. Nicholas A. Paul **Agency Name and Code** 790 – Department of Public Safety
Short Title: Gaming Control Board Access **Number:** _____
Background Checks **Person Writing** Jessica Rodarte
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund

(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

Senate Bill 302 strengthens regulatory oversight by requiring background investigations for individuals and entities involved in New Mexico's gaming industry. The bill mandates contractors seeking unescorted access to Gaming Control Board facilities to file a disclosure statement and undergo a national criminal background check before access is granted. . The Gaming Control Board's Enforcement Division will conduct these background checks and submit reports to the Executive Director before permitting access. Additionally, the bill amends the New Mexico Bingo and Raffle Act, requiring background checks for applicants seeking gaming-related licenses or permits. Certifications of findings of suitability and work permits must be reviewed for renewal every three years. These changes ensure compliance with 28 CFR (Code of Federal Regulations) and Public Law 92-544, which govern access to criminal history record information (CHRI) for non-criminal justice purposes.

FISCAL IMPLICATIONS

The funding implications of implementing SB 302 are uncertain at this time. Accurately forecasting, the fiscal impact is complicated by the unpredictable increase in workload that these new regulations may create. The operational costs associated with conducting background checks primarily arise from processing fingerprints through the Federal Bureau of Investigation (FBI) and the Department of Public Safety (DPS). These costs could fluctuate significantly depending on the number of contractors and applicants requiring screening. Moreover, it is difficult to gauge the volume of fingerprints that will be submitted once the changes are enacted, as the workload for the Automated Fingerprint Identification System (AFIS) Unit may increase only slightly or substantially. Ultimately, the true impact on resources and budget will not become clear until the agency begins submitting fingerprints for the specified purposes.

SIGNIFICANT ISSUES

SB 302 addresses the Gaming Control Board's authority to conduct background checks in two primary areas. SB 302 enhances public confidence in the gaming industry by expanding background checks to include contractors who require unescorted facility access, strengthening oversight of individuals applying for gaming licenses, work permits, or suitability certifications, and ensuring regulatory alignment with 28 CFR and Public Law 92-544, which set strict guidelines for criminal history access and dissemination. Collecting and storing sensitive criminal history information also introduces privacy risks, necessitating substantial data security measures.

PERFORMANCE IMPLICATIONS

SB 302 significantly improves the efficiency and security of gaming regulations by standardizing background check procedures for all individuals and entities involved in New Mexico's gaming industry.

One of the core missions of DPS is to ensure the safety of the public, and this bill strengthens background checks by requiring national criminal background checks and other thorough investigations. This provision makes sure that everyone involved in the gaming industry, particularly those with unescorted access to gaming facilities, are thoroughly vetted to prevent any involvement in illicit activities or organized crime. Individuals with a criminal history, especially those with felony convictions or gaming-related offenses, are not allowed to hold positions of influence in the gaming sector. This is vital to maintain integrity and public trust in the gaming industry.

By requiring background checks for contractors and key individuals involved in gaming operations, the bill

helps reduce the risk of criminal activities such as money laundering, fraud, or other gaming-related crimes that could harm the integrity of gaming facilities and operations. These investigations help protect the state's gaming industry from exploitation or corruption. Moreover, by standardizing this process, this bill creates a more uniform and comprehensive framework for background checks, which will improve the integrity of the gaming system.

The bill facilitates further collaboration between the Gaming Control Board and DPS, which strengthens the relationship between the two agencies and improves the overall effectiveness of law enforcement in regulating the gaming industry.

ADMINISTRATIVE IMPLICATIONS

SB 302 increases administrative responsibilities for the Gaming Control Board's Enforcement Division by requiring ongoing monitoring of license holders and permittees for renewals every three years.

To comply with 28 CFR and Public Law 92-544, the Board must ensure that all fingerprint-based background checks are conducted through FBI-authorized channels. Additionally, it must restrict access to criminal history records to only authorized personnel and implement strict confidentiality protocols to prevent the misuse of sensitive background data. Strengthening these administrative measures will enhance regulatory oversight and protect the integrity of gaming operations across New Mexico.

Agencies with access to Criminal Justice Information (CJI) for fingerprint-based background checks must ensure full compliance with all aspects of the CJIS Security Policy (CJISSECPOL). This policy establishes mandatory security requirements to safeguard CJI, ensuring its protection from creation through dissemination or destruction, whether at rest or in transit. Compliance with CJISSECPOL is essential to maintain the integrity, confidentiality, and security of CJI, and agencies must adhere to all prescribed controls, procedures, and system security measures to retain authorized access. During audits, the agency must demonstrate compliance with CJISSECPOL.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

While SB 302 does not conflict with existing gaming laws, it enhances enforcement mechanisms, ensuring that all individuals involved in gaming operations undergo strict vetting.

TECHNICAL ISSUES

No technical issues have been identified.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

No alternatives were identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Failing to enact SB 302 would weaken regulatory oversight by allowing contractors unescorted access to gaming facilities without thorough background checks, increasing the risk of fraud, money laundering, and security breaches. Without these safeguards, public trust in the integrity of New Mexico's gaming industry could diminish, potentially impacting the sector's reputation and economic stability.

If the bill is not enacted, the state may fall out of compliance with federal background check requirements under 28 CFR and Public Law 92-544, potentially leading to regulatory challenges and legal complications. Additionally, the unresolved DPS/FBI audit findings from the spring of 2023 would remain outstanding, which could impact the agency's ability to conduct necessary background checks and maintain regulatory integrity.

AMENDMENTS

None.