LFC Requester:

# **AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

<u>AgencyAnalysis.nmlegis.gov</u> and email to <u>billanalysis@dfa.nm.gov</u> (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 18, 2025	Check all that apply:		
<b>Bill Number:</b>	SB 393	Original	Х	Correction
		Amendment		Substitute

Sponsor:	Senator Paul, Senator Campos, Senator Vincent	Agency Name and Code 7 Number:	Fourism 418
Short	GAMING TAX EXEMPTION	Person Writing	Novela Salazar, GC
Title:	IN DISASTER AREA	<b>Phone:</b> 505490718	5 <b>Email</b> novela.salazar@td.nm.

#### **SECTION II: FISCAL IMPACT**

#### **APPROPRIATION** (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY25	FY26	or Nonrecurring		
NFI	NFI	NFI	NFI	

(Parenthesis () indicate expenditure decreases)

#### **REVENUE (dollars in thousands)**

	Recurring	Fund		
FY25	FY26	FY27	or Nonrecurring	Affected
NFI	NFI	NFI	NFI	NFI

(Parenthesis () indicate revenue decreases)

#### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

#### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

<u>Synopsis</u>: Senate Bill 393 proposes a temporary gaming tax exemption for gaming operator licensees located in areas declared as disaster zones due to a wildfire. The exemption applies to gaming operators in areas declared as disaster zones in June 2024 and must be included in the state's tax expenditure budget under Section 7-1-84 NMSA 1978. The exemption will be automatically repealed on July 1, 2029.

The bill is scheduled to take effect immediately due to emergency circumstances impacting the public peace, health, and safety.

#### FISCAL IMPLICATIONS

None.

#### SIGNIFICANT ISSUES

The immediate impacts of wildfire cause substantial damage to tourism infrastructure throughout New Mexico regions, including lingering effects on economic impact. The New Mexico Tourism Department (NMTD) has historically committed funds and marketing services to aid in fire recovery, most recently working with Lincoln County and the Village of Ruidoso in an effort to reinvigorate the tourism economy with targeted advertising campaigns.

Tourism-dependent areas impacted by wildfires often see a decline in visitors. By offering a temporary tax exemption, SB 393 could help businesses recover and continue to draw visitors, helping stabilize the local economy and encourage tourism recovery.

#### **PERFORMANCE IMPLICATIONS**

None.

#### **ADMINISTRATIVE IMPLICATIONS**

None.

#### CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates HB \*447, Gaming Tax Exemption in Disaster Area. Relates to HB 326, Small Business Disaster Relief Tax Credit. Relates to SB 33, Wildfire Prepared Act. Relates to HB 191, Wildfire Suppression & Preparedness Funds.

#### **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

None.

### ALTERNATIVES

None.

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

### AMENDMENTS

None.