

LFC Requester:	Noah Montano
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(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: 2/22/25 *Check all that apply:*
Bill Number: SB 513 Original Correction
 Amendment Substitute

Sponsor: Linda M. Lopez **Agency Name and Code** 46900 NM Racing Commission
Short Title: Amending time frame for number of live race days necessary to maintain gaming license, est. minimum length of race meet **Number:** _____
Person Writing Richard Bustamante
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	Minimum of \$8,100.00 will be required for the Racing Commission's budget for every single additional day of live racing	Minimum of \$8,100.00 will be required for the Racing Commission's budget for every single additional day of live racing	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0			Recurring	Equine Test Fund

(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	8,100.00 or more for every additional day of live racing	8,100.00 or more for every additional day of live racing	8,100.00 or more for every additional day of live racing	Minimum 8,100.00 for every additional day of live racing. For 187 additional race days, the total is \$1,514,700.00	Recurring	General

(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: The bill seeks to modify the definition of “race meet” to be limited to when a horse racetrack conducts actual live racing on its premise. The bill seeks to require a lapse of no more than three (3) consecutive days in live racing from the end of one track’s race meet and the commencement of another track’s race meet. Finally, it mandates a race meet shall be a minimum of fifteen (15) weeks.

FISCAL IMPLICATIONS

Currently, for the five (5) race meets in a calendar year, the Racing Commission requires three (3) Stewards to work each meet and has a total of two (2) Investigators, two (2) Veterinarians, and two (2) Licensing Clerks. Just to maintain current staffing levels, for every additional day of live racing added to the year, \$8,100.00 in additional funding to the Commission would be required. If the bill becomes law and fifteen (15) week long race meets are required, that would mean an overlapping of race meets. The overlap would require the additional staff of three Stewards, two Veterinarians, one to two Investigators and one to two Licensing Clerk, adding conservatively the need for \$650K to one million dollars to the Commission’s annual budget.

Increases in the number of live race days will result in increased HISA fees, HISA being the federal regulatory agency overseeing the thoroughbred horse racing industry. Increased race days will also result in increases in the jockey and exercise rider insurance premiums. The fund for such expenditures is capped. If funds are insufficient to cover those costs, the horse racetracks may have to institute starter fees for every race run which must be paid by Commission licensees such as trainers and owners.

SIGNIFICANT ISSUES

Regarding the modification to the definition of “race meet” to require the conducting of live racing at the track: each horse racetrack has associated with it a slots-only casino. Under NMSA Section 60-2E-47(E)(1)(2), those casinos are required to contribute 20% of their net take to purses paid in horse races and one and two-tenths percent of net take for offsetting jockey and exercise rider insurance premiums and for compliance with federal and state laws pertaining to

horse racing. That 20% net take amounts of approximately \$60-65 million annually for purse money, approximately 95% percent of the total amount of purse money paid annually. Current law permits those casinos to be operational when either live racing is taking place at the racetrack or when the track is simulcasting live racing from other tracks in New Mexico, nationwide or internationally. If a “race meet” is redefined to require live racing at the track, that will result in drastically limiting the time in which the casinos can be operational. That will result in a disastrous reduction in the amount of purse money offered in live races in New Mexico by tens of millions of dollars.

Regarding requiring a “race meet” be a minimum of fifteen (15) weeks: currently, the Racing Commission effectively sets the live race days for the state’s five race meets such that there is as little overlap between live race meets as possible. The number of live race days and the staggering of live race meets is the Commission’s recognition of the decades long decline in racehorse breeding both in New Mexico and nationwide. If all five of the state’s horse racetracks are required to have live racing for a minimum of 15 weeks, that will mean 75 weeks of live racing a year consisting of 52 weeks. Even if the Downs of Albuquerque race meet and the State Fair race meet are combined and are required to be 15 weeks long, that will still mean 60 weeks of live racing in a calendar year of 52 weeks. Regardless, the bill will result in significant overlapping of race meets. Given the decades long decline in racehorse breeding, the results will be disastrous. Specifically, there will be increases in racehorse deaths and injuries given the limited number of racehorses will be racing and training more. Overworked horses will contribute to increased accidents in training and racing leading to increases in injuries and deaths to jockeys and exercise riders. Increased live racing days will result in significant increases to jockey and exercise riders insurance premiums. Increased live race days resulting in overlapping of race meets will require significant new staffing requirements to the Racing Commission to the tune of \$650K to \$1 million+ annually. Given the decades long decline in racehorse breeding, there will be a sharp increase in the inability of tracks to fill every race card for every horse race. That could translate to a small number of horses competing in races and the potential only one or two trainers may have every single horse they are training entered in a race, creating a monopoly of sorts.

Respectfully, for the reasons detailed herein this bill is unnecessary.

PERFORMANCE IMPLICATIONS

If enacted, unless significant increases are made to the budget of the Racing Commission, effective regulatory oversight will suffer. As noted previously, the health, safety, welfare and lives of jockeys, exercise riders and the equine athlete will all be seriously endangered.

ADMINISTRATIVE IMPLICATIONS

If enacted, unless significant increases are made to the budget of the Racing Commission to add additional personnel, effective regulatory oversight will suffer.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The status quo will remain meaning casinos can be operational when either live racing or simulcasting of live racing is taking place, keeping the purses offered in New Mexico as some of the highest in the southwest. Jockey, exercise riders, and racehorses will be safer.

AMENDMENTS