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# FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/6/2025

**SPONSOR** Zamora

**BILL**  
**NUMBER** House Bill 154

**SHORT TITLE** Bingo & Raffle Act Exemptions

**ANALYST** Montano

## REVENUE\* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss		
	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss		

Parentheses ( ) indicate revenue decreases.

\*Amounts reflect most recent analysis of this legislation.

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			
<b>Total</b>	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
 Gaming Control Board (GCB) - 465

Agency Analysis was Solicited but Not Received From  
 Taxation and Revenue Department (TRD)  
 Attorney General (NMAG)

## SUMMARY

### Synopsis of House Bill 154

House Bill 154 (HB154) adds to the New Mexico Bingo and Raffle Act that the winnings from raffles held for fundraising purposes by a service, educational, athletic, or other extracurricular organization that primarily serves youth who are 18 years old or younger will be exempt from taxation.

## **FISCAL IMPLICATIONS**

The fiscal implications of HB154 are dependent on the total number of fundraiser raffles held and the total dollar amount that is exempt from taxes. The Gaming Control Board projects this added exemption will have little to no impact on the general fund because these groups were not contributing to the tax collected under this act. However, if the total number of these fundraiser raffles increases, then it will most likely lead to a larger sum of money being exempt from taxes, which in turn will lower general fund revenue that could have been potentially generated from this act. However, if the total sum of exempt winning is a insubstantial number, then the potential tax that could have been collected would have been negligible.

## **SIGNIFICANT ISSUES**

A significant issue of HB154 is the lack of a cap on the potential winnings from these tax-exempt fundraisers. Fundraisers are typically collections from the community, and therefore, the total dollar amount is dependent on how much the community is willing to pay. A community's willingness to pay can be loosely estimated by the average income of the community, and the extracurricular organization that the fundraiser is for. Some fundraisers may not eclipse a hundred dollars, but because there is no stated prize ceiling the theoretical winnings could have a large impact on potential general fund revenue. Ultimately, fundraisers with tax-exempt winnings that would have a substantial impact would be very unlikely, but a lack of a prize ceiling leaves room for this to be a possibility.

## **ADMINISTRATIVE IMPLICATIONS**

GCB had this commentary relating to HB154:

This is an area where enforcement resources are exceptionally limited. The 0.5 percent tax that would come from these smaller raffles would have little to no impact on the general fund. With the enactment of this bill, these organizations would be exempt from any taxes and the Bingo and Raffle Act.

## **OTHER SUBSTANTIVE ISSUES**

GCB had this commentary relating to other substantive issues:

These types of raffles endorse New Mexico's policy of supporting youth and their families to engage in a variety of safe, healthy, and educational activities. The money from these raffles alleviates costs to the participants, which permits greater participation by families that otherwise might not be able to afford to participate.

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