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FISCAL IMPACT REPORT

SPONSOR:	Saavedra	DATE TYPED:	02/10/00	HB	100
SHORT TITLE:	Increase Racetrack Gaming Machines			SB	
				ANALYST:	Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		See Narrative		

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Gaming Control Board (GCB)

Racing Commission

Taxation and Revenue Department (TRD) not received

Department of Finance and Administration analysis not received

SUMMARY

Synopsis of Bill

The bill would authorize additional gaming machines at racetracks based on the number of live race days held in a calendar year. The bill authorizes up to 300 machines if 17 live race days are held; up to 450 machines for 31 to 45 race days; up to 600 machines for 46 to 60 race days; up to 750 machines for 61 to 75 race days; up to 900 machines for 76 to 90 race days and 1,200 machines for 91 to 300 race days.

Significant Issues

GCB notes the amount of revenue sharing paid by the tribes and pueblos could be eliminated if additional machines are allowed at the racetracks pursuant to the renegotiated Indian Gaming Compacts proposal. GCB also argues revenue sharing obligations under existing revenue sharing agreements could be eliminated.

FISCAL IMPLICATIONS

GCB estimates approximately 1,050 new machines with an average net win of \$165 would generate approximately \$15,700.0 in additional general fund recurring revenue. The State Racing Commission estimates approximately 1,300 slot machines would generate from \$9,000.0 to \$19,000.0 in additional general fund recurring revenue. State Racing Commission concurs with estimate of \$165 of net win per day per machine.

GCB notes loss of revenue to general fund of \$15,000.0 due to impact of tribal gaming provisions.

Horse race purses could increase by \$7,000.0 to \$15,000.0 making New Mexico "one of the most successful horse racing states" in the country.

Revenue projections depend on if new racetracks and casinos are added and if existing racetracks would ask for more race days. State Racing Commission notes the average per day per machine revenue could possibly decrease because of the additional machines; however, gross revenues would increase.

ADMINISTRATIVE IMPLICATIONS

GCB notes impact could be absorbed in the budget as requested. However, if the requested amount is not funded, the agency would layoff staff and decrease services, and the additional machines would exacerbate this issue.

Racing Commission notes the legislation would expand the horse racing industry in the state, requiring additional resources for regulation. The Racing Commission would expect applications for new racetracks and the possible expansion of horse racing which would require additional general fund appropriation.

AW/gm