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FISCAL IMPACT REPORT

SPONSOR:	Robinson	DATE TYPED:	02/06/00	HB	
SHORT TITLE:	Distribution of Gaming Devices			SB	441
				ANALYST:	Williams

REVENUE

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

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

LFC Files

Gaming Control Board (GCB)

SUMMARY

Synopsis of Bill

This bill would authorize a distributor licensed to distribute gaming devices and associated equipment in New Mexico to introduce devices and equipment to the Gaming Control Board for licensure and would not be limited to machines manufactured by a manufacturer licensee.

Significant Issues

The intent of this legislation is that a greater variety of machines would be available to the gaming industry in New Mexico. There are concerns that Native American casinos have a greater choice for selection of machines accompanied by a broader variety of games, than racetracks and fraternal organizations. GCB has serious concerns about this bill as reflected in the attached analysis.

FISCAL IMPLICATIONS

In lieu of payment of state and local gross receipts taxes, manufacturer licensees are subject to a 10% gaming tax on their gross receipts from the sale, lease or other transfer of gaming devices and associated equipment into New Mexico. Unlicensed out-of-state manufacturers would not be liable for the gaming tax or gross receipts tax. However, the amount is indeterminate.

In addition, applicants for manufacturer's licenses currently pay an application fee of \$10,000 and an annual renewal fee of \$2,000. There would be no incentive for any manufacturer to obtain a license and pay the licensing and renewal fees if it could find a distributor willing to submit the gaming equipment to New Mexico for licensure. The reduction in revenues from lost licensing fees is indeterminate.

AW/gm

Attachment