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## FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 03/12/01 HB 456/aHTRC  
 SHORT TITLE: Racetrack Gaming Purse Funds SB \_\_\_\_\_  
 ANALYST: Gonzales

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

State Racing Commission  
 Gaming Control Board

### SUMMARY

#### Synopsis of HTRC Amendment

The House Taxation and Revenue Committee amendment changes the amount allowed from eight percent to twenty percent of the interest earned on the balance of any fund consisting of money for purses distributed by a licensed racetrack gaming operator that can be expended for the costs of administering the distributions.

#### Synopsis of Original Bill

House bill 456 amends the Gaming Control Act to allow an amount up to eight percent of the interest earned on the balance of any fund consisting of money for purses distributed by a licensed racetrack gaming operator to be expended for the costs of administering the distributions. The New Mexico Horsemen's Association and the New Mexico Horsebreeders' Association are currently the entities that administer the gaming purse and incentive funds from racetrack casinos.

#### Significant Issues

This bill contains an emergency clause. The New Mexico Horsemen's Association and the New Mexico Horsebreeders' Association incurs certain cost when administering the distribution of monies accumulated at racetrack casinos and this bill would allow the Associations to offset the cost incurred for casino purse/incentive money administration. According to the State Racing Commission, during calendar year 2000, the New Mexico Horsemen's Association earned over \$240.0 in interest on racetrack casino generated purse money, of which eight percent is approximately \$19.5. During the

same time period, the New Mexico Horsebreeders' Association earned over \$61.2 from the same source, approximately \$5.0.

**FISCAL IMPLICATIONS**

The State Racing Commission (Commission) is currently monitoring the administration of the casino purse money funds, therefore this bill should not create additional cost to the Commission.

**TECHNICAL ISSUES**

The Gaming Control Board notes this bill does not specify what costs of distribution are eligible. If interest earnings on these accounts are currently being distributed as part of the funding going to purses, the amount received by the purses will decrease by the amount used by the racetrack for administration.

JMG/njw:ar