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FISCAL IMPACT REPORT



SPONSOR: Atkin DATE TYPED: 02/05/02 HB HJR17

SHORT TITLE: Prohibit Casino-Style Gaming, CA SB _____

ANALYST: Gonzales

Duplicates/Relates to Appropriation in The General Appropriation Act _____

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	(\$0.1) (Significant See Narrative)		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Gaming Control Board (GCB)

SUMMARY

Synopsis of Bill

House Joint Resolution 17 proposes to amend Article XX of the Constitution of New Mexico to prohibit the Legislature from authorizing casino-style gaming and any form of a lottery in the state and prohibiting the governor from executing future compacts for casino-style gaming or licensing of gaming operators.

Gaming is defined as “any or all forms of casino-style gaming, including slot machines and other forms of electronic gaming devices, all forms of poker, blackjack, roulette, craps, keno, wheel of fortune and pai gow.”

If this amendment passes the legislature, it would be submitted to the people for their approval or rejection at the next general election, November 2002, or at any special election prior to that date that may be called for that purpose. If approved, this amendment would become effective January 1, 2003.

Significant Issues

The GCB states the following issues related to this legislation:

- 1) this amendment to the Constitution of New Mexico may be contrary to the federal Indian Gaming Regulatory Act, 25 U.S.C.A §§2701-2721; and
- 2) this amendment to the Constitution of New Mexico may eliminate gaming tribes' obligations to make revenue sharing and regulatory fee payments to the state.

FISCAL IMPLICATIONS

The GCB indicates the proposed amendment may eliminate gaming tribes' obligations to make revenue sharing and regulatory fee payments to the state under tribal-state gaming compacts. Section 11(D) of the compact provides that the tribes' obligations to make revenue sharing and regulatory fee payments will cease if the state passes, amends or repeals any law that directly or indirectly attempts to restrict, or has the effect of restricting, the scope or extent of Indian gaming. Gaming tribes generally are obligated to pay to the state 8% of their net win. The total amount due the state this year is estimated to be \$32 million.

If the proposed amendment was approved by the voters and the effect was the repeal of the Gaming Control Act, the Gaming Control Board as an agency would cease to exist, as would gaming tax revenues. Gaming taxes paid by entities licensed by the Gaming Control Board totaled approximately \$23 million in FY01.

There is no appropriation contained in this bill. According to the Secretary of State there are additional costs associated with the printing and advertising of constitutional amendments of approximately \$30.0 each. There is a special appropriation in the current version of the General Appropriation Act of \$500.0 to cover costs associated with the constitutional amendment process.

ADMINISTRATIVE IMPLICATIONS

If all gaming was prohibited in the state, the Gaming Control Act or the Gaming Control Board would no longer be necessary.

OTHER SUBSTANTIVE ISSUES

By prohibiting the execution of future compacts, the proposed amendment may be contrary to the federal Indian Gaming Regulatory Act, 25 U.S.C.A. §§ 2701-2721, which provides that a state must negotiate compacts in good faith if the state allows Class III gaming elsewhere in the state.

POSSIBLE QUESTIONS

Would this legislation prohibit only future gaming operations or prohibit current gaming operations as well ?

JMG/njw:ar