

1 SENATE BILL 247

2 **48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

3 INTRODUCED BY

4 Cynthia Nava

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10 AN ACT

11 RELATING TO GAMING TAXATION; DISTRIBUTING A PERCENTAGE OF
12 GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR
13 LICENSEES TO BORDER MUNICIPALITIES IN WHICH RACETRACKS ARE
14 LOCATED TO PROVIDE FUNDS FOR LOCAL INFRASTRUCTURE AND SERVICES.

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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 Section 1. A new section of the Tax Administration Act is
18 enacted to read:

19 "[NEW MATERIAL] DISTRIBUTION--GAMING TAX.--From July 1,
20 2007 to July 1, 2017, a distribution pursuant to
21 Section 7-1-6.1 NMSA 1978 shall be made to each municipality in
22 a class A county whose municipal boundary abuts the
23 international boundary with Mexico and in which a racetrack
24 gaming operator licensed pursuant to the Gaming Control Act is
25 located in an amount equal to four percent of the net receipts
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1 attributable to the gaming tax paid by the racetrack gaming
2 operator licensee pursuant to Section 60-2E-47 NMSA 1978."

3 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,
4 Chapter 190, Section 49, as amended) is amended to read:

5 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION.--

6 A. An excise tax is imposed on the privilege of
7 engaging in gaming activities in the state. This tax shall be
8 known as the "gaming tax".

9 B. The gaming tax is an amount equal to ten percent
10 of the gross receipts of manufacturer licensees from the sale,
11 lease or other transfer of gaming devices in or into the state,
12 except receipts of a manufacturer from the sale, lease or other
13 transfer to a licensed distributor for subsequent sale or lease
14 may be excluded from gross receipts; ten percent of the gross
15 receipts of distributor licensees from the sale, lease or other
16 transfer of gaming devices in or into the state; ten percent of
17 the net take of a gaming operator licensee that is a nonprofit
18 organization; and twenty-six percent of the net take of every
19 other gaming operator licensee. For the purposes of this
20 section, "gross receipts" means the total amount of money or
21 the value of other consideration received from selling, leasing
22 or otherwise transferring gaming devices.

23 C. The gaming tax imposed on a licensee is in lieu
24 of all state and local gross receipts taxes on that portion of
25 the licensee's gross receipts attributable to gaming

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1 activities.

2 D. The gaming tax is to be paid on or before the
3 fifteenth day of the month following the month in which the
4 taxable event occurs. The gaming tax shall be administered and
5 collected by the taxation and revenue department in cooperation
6 with the board. The provisions of the Tax Administration Act
7 apply to the collection and administration of the tax.

8 E. In addition to the gaming tax, a gaming operator
9 licensee that is a racetrack shall pay twenty percent of its
10 net take to purses to be distributed in accordance with rules
11 adopted by the state racing commission. An amount not to
12 exceed twenty percent of the interest earned on the balance of
13 any fund consisting of money for purses distributed by
14 racetrack gaming operator licensees pursuant to this subsection
15 may be expended for the costs of administering the
16 distributions. A racetrack gaming operator licensee shall
17 spend no less than one-fourth percent of the net take of its
18 gaming machines to fund or support programs for the treatment
19 and assistance of compulsive gamblers.

20 F. A nonprofit gaming operator licensee shall
21 distribute at least sixty percent of the balance of its net
22 take, after payment of the gaming tax and any income taxes,
23 for charitable or educational purposes.

24 G. A municipality receiving a percentage of gaming
25 tax revenue generated by a racetrack gaming operator licensee

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1 from a distribution pursuant to Section 1 of this 2007 act
2 shall use those revenues for acquisition, construction or
3 improvement of local government infrastructure or for providing
4 police and fire protection services."

5 Section 3. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2007.

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