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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/09
 LAST UPDATED 03/06/09 **HB** _____

SPONSOR Martinez

SHORT TITLE Gaming Operator ATM Placement **SB** 330/aSf1#1

ANALYST Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	Indeterminate	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB229

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 Gaming Control Board (GCB)
 Department of Health (DOH)

SUMMARY

Synopsis of Sf1#1 Amendment

The Senate Floor amendment to Senate Bill 330 adds a new section that requires gaming operator licensees to program automated teller machines in restricted areas not to accept an electronic benefits card issued by the state to a participant in a public assistance program.

Synopsis of Bill

Senate Bill 330 amends NMSA 1978, Section 60-2E-26 to allow gaming operator licensees to place automated teller machines (ATM) in the area restricted to persons twenty-one years of age or older. The amendment also makes one minor, technical changes to the statute.

FISCAL IMPLICATIONS

The Gaming Control Board suggests that this bill might result in an increase in revenue if the increased proximity of automatic teller machines to gaming machines resulted in increased play on the gaming machines. However, it is not possible to determine whether there would be such an increase or what the dollar amount of any increase would be.

SIGNIFICANT ISSUES

HSD's Office of Inspector General and Benefit Delivery and Data Reporting Bureau reports that it is currently working with the GCB to ensure ATMs located at gaming facilities prohibit the use of the EBT cards issued to public assistance program recipients.

According to the Department of Health, Allowing ATMs in areas from which they were previously restricted would provide faster and easier access to cash withdrawals to use for gambling. Combined with likely alcohol consumption, it is possible that an individual's financial judgment could be negatively impacted.

DOH does state that although gambling addictions affect a small number of New Mexico residents, such addictions may result in circumstances that have a long term effect on the individual's life, their family and the community.

Two studies were conducted in 2006 that looked at problems with gambling (the NM Behavioral Risk Factor Surveillance System (BRFSS) and a study by R. Volberg and B. Bernhard of Gemini Research Ltd [Volberg]). The estimated number of New Mexicans with 5 or more problems with gambling (defined as "pathological gambling") was found to be less than 1%. Those with three or more problems with gambling ("problem gambling") are estimated at between 0.8% and 1.3%. For those with 1 or more problems with gambling, the estimate was between 4% and 4.9%. Resulting problems included a history of bankruptcy and suicidal ideation or attempt.

A survey of Bankruptcy Court records estimated that between 2.2% and 7.0% of adults who filed for bankruptcy between August 25, 2005, and October 24, 2006, reported gambling as the primary reason for filing for bankruptcy.

PERFORMANCE IMPLICATIONS

Neither the Gaming Compacts nor the amendment to SB330 require HSD-ISD to monitor or enforce compliance of gaming facilities to the requirements' The contract that HSD has with it's EBT vendor contains language that requires that vendor to assist the State in restricting the use of EBT cards in certain merchant locations that may include but not limited to casinos, liquor stores and gun stores.

DUPLICATION, RELATIONSHIP

Senate Bill 229, "Gaming Control Act Changes" makes a number of significant amendments to the Act and specifically to Section 60-2E-26. However, as pointed out by the Attorney General's Office, it does not encompass the amendment that Senate Bill 330 proposes. It is also noted that Senate Bill 229 is currently designated as an emergency clause.

EO/mt:mc