

<b>LFC Requester:</b>	<b>Laird Graeser</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)  
*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/21/2025 *Check all that apply:*  
**Bill Number:** HB 447 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b>	Vincent, D. Gallegos, Block, Paul, Armstrong	<b>Agency Name and Code Number:</b>	46900 NM Racing Commission		
	<b>Short Title:</b>		Re Taxation, Temp. Gaming Tax Exemption for Gaming Licensee located in Wildfire Disaster Area	<b>Person Writing Phone:</b>	Richard Bustamante 505 503 5619

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: The bill seeks to provide gaming operators operating in an area declared a disaster due to wildfires exempt from gaming tax to July 1, 2020

#### **FISCAL IMPLICATIONS**

With respect to the NM Racing Commission, the gaming operator it regulates which is impacted by this bill is Ruidoso Downs Racetrack. Despite the bill exempting it from gaming tax, Ruidoso Downs Racetrack will still be responsible for the weekly contribution of 20% net take from slot revenue to its gaming account for eventual payment of purses and one and two-tenths percent net take, under NMSA Section 60-2E-47(E)(1)(2), for the offset of jockey and exercise rider insurance and for compliance with state and federal law.

Given the exemption from gaming tax, that will mean increases to the gaming account and the one and two-tenths percent funds which will mean increased purse money and increased amounts for the insurance premiums and for federal law compliance with the federal regulatory body which oversees thoroughbred horse racing.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

#### **SIGNIFICANT ISSUES**

None

#### **PERFORMANCE IMPLICATIONS**

This bill will assist Ruidoso Downs Racetrack offset costs associated with repairing and rebuilding infrastructure which was damaged due to the flooding which took place in 2024.

#### **ADMINISTRATIVE IMPLICATIONS**

As noted earlier, the exemption from gaming tax should increase Ruidoso Downs Casino's required statutory contributions to the gaming account and jockey and exercise insurance funds under Section 60-2E-47(E)(1)(2).

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

#### **TECHNICAL ISSUES**

None

**OTHER SUBSTANTIVE ISSUES**

None

**ALTERNATIVES**

None

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

From the NM Racing Commission's perspective, a lack of exemption from gaming tax may increase the possible financial strain Ruidoso Downs is experiencing as a result of last year's wildfire and flooding damage.

**AMENDMENTS**

Perhaps adding a subsection which makes it clear gaming operators connected to a horse racetrack must still comply with Section 60-2E-47(E)(1)(2).