

LFC Requester:	Noah Montano
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to 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: 2/22/2025 *Check all that apply:*
Bill Number: HB 546 Original Correction
 Amendment Substitute

Sponsor: Rod Montoya **Agency Name and Code** 46900 NM Racing Commission
Short Title: Amending, enacting section of Horse Racing Act; creating nominating comm; commission members selected from list **Number:** _____
Person Writing Richard Bustamante
Phone: 505 503 5619 **Email** Richardp.bustamante@rc.nm.gov

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
Total	0	0	0	0	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 adds definition of “nominating committee”. Creates a state racing commission, structured similar to the judicial selection committees, for screening individuals for submission of names to the Governor for appointment. Gives the Racing Commission the authority to appoint an Executive Director and specifies minimum qualifications for that position.

FISCAL IMPLICATIONS

The bill is unclear regarding what state government entity would be financially responsible for paying the per diem and mileage for members of the newly created nominating committee.

SIGNIFICANT ISSUES

Regarding the creation of a “state racing commission nominating committee” to recommend persons to the Governor for appointment to the Racing Commission: respectfully, the creation of such a commission, similar to the judicial appointment committees, is not necessary given Section 60-1A-3 of the Horse Racing Act carefully and fully details what the composition of the Commission must be and sets forth basic qualifications.

Unlike the judicial selection committees which play a role involving hundreds of state judges at all levels of courts, the Racing Commission is comprised of only five (5) members. Respectfully, creating such a committee could, and would, needlessly inject politics and personal agendas into the process of reviewing candidates for referral to the Governor for appointment, which could unfortunately become paramount over selecting Commission members with knowledge of the industry to oversee fair and reasonable administrative regulation of it. The creation of such a nominating committee adds unnecessary red tape and bureaucracy to the appointment process.

As noted earlier, the bill does not address what state entity is financially responsible for the payment of per diem and mileage of the members. It is unclear what the language “A member of the commission or relatives...shall not have a financial interest in a licensee regulated by the commission” means in terms of eligibility for serving on the Racing Commission. Historically and currently, Commission members have had and do have extensive knowledge of horse racing given they are either racehorse owners and/or long-time fans of the sport. If the previously quoted language restricts any Commission member from being currently involved in horse racing, the pool of applicants will be significantly reduced and the Commission may end up being comprised of persons with zero to little knowledge of the industry and/or persons with political and/or personal agendas not necessarily focused on the fair, legal and effective administrative regulation of the horse racing industry.

Throughout the bill, any use of the word “board” in reference to the Racing Commission needs to be replaced with the proper term of “commission”. In terms of the selection of a Commission Executive Director, it is more appropriate for the applicant to have a minimum of five years’

supervisory experience in horse racing rather than gaming.

PERFORMANCE IMPLICATIONS

As with every state agency, the Racing Commission has its supporters and its detractors. The creation of a nominating committee for submission of names to the Governor for appointment could be detrimental, if not disastrous, to the effective functioning of the Commission and its staff. If people are placed on the Commission, not because of their knowledge of the industry and honest commitment to effective regulatory oversight, but rather to promote personal and political agendas, the state's entire horseracing industry will be the victim and will suffer as a result.

ADMINISTRATIVE IMPLICATIONS

As with every state agency, the Racing Commission has its supporters and its detractors. The creation of a nominating committee for submission of names to the Governor for appointment could be detrimental, if not disastrous, to the effective functioning of the Commission and its staff. If people are placed on the Commission, not because of their knowledge of the industry and honest commitment to effective regulatory oversight, but rather to promote personal and political agendas, the effective, statutory and rules-based regulation of the state's entire horseracing industry will be the victim and will suffer as a result.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Section 60-1A-3 which details the Racing Commission, its qualifications, and structure.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The status quo will remain, specifically the carefully crafted and thorough provisions of Section 60-1A-3 of the Horse Racing Act, which details how the Commission is organized, selected and operates. Politics and personal agendas will not overtake the current fair, balanced, reasonable and effective membership composition and work of the Racing Commission. Respectfully, this bill is not necessary.

AMENDMENTS