

HOUSE BILL 546

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

INTRODUCED BY

Rod Montoya

AN ACT

RELATING TO HORSE RACING; AMENDING AND ENACTING SECTIONS OF THE HORSE RACING ACT; CREATING THE STATE RACING COMMISSION NOMINATING COMMITTEE; REQUIRING MEMBERS OF THE STATE RACING COMMISSION TO BE SELECTED FROM A LIST OF QUALIFIED NOMINEES CREATED BY THE STATE RACING COMMISSION NOMINATING COMMITTEE; PROVIDING FOR THE EMPLOYMENT AND QUALIFICATIONS OF AN EXECUTIVE DIRECTOR OF THE STATE RACING COMMISSION.

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

SECTION 1. Section 60-1A-2 NMSA 1978 (being Laws 2007, Chapter 39, Section 2) is amended to read:

"60-1A-2. DEFINITIONS.--As used in the Horse Racing Act:

A. "board" means the gaming control board;

B. "breakage" means the odd cents by which the amount payable on each dollar wagered exceeds a multiple of

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1 ten;

2 C. "commission" means the state racing commission;

3 D. "exotic wagering" means all wagering other than  
4 on win, place or show, through pari-mutuel wagering;

5 E. "export" means to send a live audiovisual  
6 broadcast of a horse race in the process of being run at a  
7 horse racetrack from the originating horse racetrack to another  
8 location;

9 F. "guest state" means a jurisdiction, other than  
10 the jurisdiction in which a horse race is run, in which a horse  
11 racetrack, off-track wagering facility or other facility that  
12 is a member of and subject to an interstate common pool is  
13 located;

14 G. "guest track" means a horse racetrack, off-track  
15 wagering facility or other licensed facility in a location  
16 other than the state in which a horse race is run that is a  
17 member of and subject to an interstate common pool;

18 H. "handle" means the total of all pari-mutuel  
19 wagering sales, excluding refunds and cancellations;

20 I. "horse race" means a competition among  
21 racehorses on a predetermined course in which the horse  
22 completing the course in the least amount of time generally  
23 wins;

24 J. "host state" means the jurisdiction within which  
25 a sending track is located, also known as a "sending state";

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1           K. "host track" means the horse racetrack from  
2 which a horse race subject to an interstate common pool is  
3 transmitted to members of that interstate common pool, also  
4 known as a "sending track";

5           L. "import" means to receive a live audiovisual  
6 broadcast of a horse race;

7           M. "interstate common pool" means a pari-mutuel  
8 pool that combines comparable pari-mutuel pools from one or  
9 more locations that accept wagers on a horse race run at a  
10 sending track for purposes of establishing payoff prices at the  
11 pool members' locations, including pools in which pool members  
12 from more than one state simultaneously combine pari-mutuel  
13 pools to form an interstate common pool;

14           N. "jockey club" means an organization that  
15 administers thoroughbred registration records and registers  
16 thoroughbreds;

17           O. "licensed premises" means land, together with  
18 all buildings, other improvements and personal property located  
19 on the land, that is under the direct control of a racetrack  
20 licensee, including the restricted areas, grandstand and public  
21 parking areas;

22           P. "licensee" means a person licensed by the  
23 commission and includes a holder of an occupational, secondary  
24 or racetrack license;

25           Q. "nominating committee" means the state racing

1 commission nominating committee;

2 [Q.] R. "occupational license" means a license  
3 issued by the commission to a vendor or to a person having  
4 access to a restricted area on the licensed premises, including  
5 a horse owner, trainer, jockey, agent, apprentice, groom,  
6 exercise person, veterinarian, valet, farrier, starter,  
7 clocker, racing secretary, pari-mutuel clerk and other  
8 personnel designated by the commission whose work, in whole or  
9 in part, is conducted around racehorses or pari-mutuel betting  
10 windows;

11 [R.] S. "pari-mutuel wagering" means a system of  
12 wagering in which bets on a live or simulcast horse race are  
13 pooled and held by the racetrack licensee for distribution of  
14 the total amount, less the deductions authorized by law, to  
15 holders of winning tickets; "pari-mutuel wagering" does not  
16 include bookmaking or pool selling;

17 [S.] T. "pari-mutuel wagering pool" means the money  
18 wagered on a specific horse race through pari-mutuel wagering;

19 [T.] U. "practical breeder" means a person who has  
20 practical experience in breeding horses, although the person  
21 may not be actively involved in breeding horses;

22 [U.] V. "primary residence" means the domicile  
23 where a person resides for most of the year, and, if the person  
24 is temporarily out of state, the address where a person will  
25 return when the person returns to New Mexico or the address

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1 that a person uses for purposes of a driver's license, passport  
2 or voting;

3 ~~[V.]~~ W. "quarter horse" means a racehorse that is  
4 registered with the American quarter horse association or any  
5 successor association;

6 ~~[W.]~~ X. "race meet" means a period of time within  
7 dates specified by the commission in which a racetrack licensee  
8 is authorized to conduct live racing on the racing grounds;

9 ~~[X.]~~ Y. "racehorse" means a quarter horse or  
10 thoroughbred that is bred and trained to compete in horse  
11 races;

12 ~~[Y.]~~ Z. "racetrack license" means a license to  
13 conduct horse races issued by the commission;

14 ~~[Z.]~~ AA. "racetrack licensee" means a person who  
15 has been issued a racetrack license;

16 ~~[AA.]~~ BB. "racing grounds" means the area of the  
17 restricted area of licensed premises used for the purpose of  
18 conducting horse races and all activities ancillary to the  
19 conduct of horse races, including the track, stable area,  
20 jockey's quarters and horse training areas;

21 ~~[BB.]~~ CC. "retainage" means money that is retained  
22 from wagers on win, place and show and on exotic wagers by a  
23 racetrack licensee pursuant to the Horse Racing Act;

24 ~~[CC.]~~ DD. "restricted areas" means the stable area,  
25 the area behind the pari-mutuel betting windows and anywhere on

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1 the racing grounds;

2 ~~[DD-]~~ EE. "secondary licensee" means all officers,  
3 directors, shareholders, lenders or holders of evidence of  
4 indebtedness of a corporation or legal entity owning a horse  
5 racetrack, and all persons holding a direct or indirect  
6 interest of any nature whatsoever in the horse racetrack,  
7 including interests or positions that deal with the funds of  
8 the racetrack or that are administrative, policymaking or  
9 supervisory;

10 ~~[EE-]~~ FF. "simulcast" means a transmission of a  
11 live audiovisual broadcast of a horse race being run at a horse  
12 racetrack other than the horse racetrack or other licensed  
13 facility at which the broadcast is being received for viewing  
14 pursuant to a simulcasting contract;

15 ~~[FF-]~~ GG. "stakes race" means a horse race in which  
16 nominations or entry or starting fees contribute to the purse;  
17 an overnight race is not a stakes race;

18 ~~[GG-]~~ HH. "steward" means an employee of the  
19 commission who supervises horse races and oversees a race meet  
20 while in progress, including holding hearings regarding  
21 licensees and enforcing the rules of the commission and the  
22 horse racetrack;

23 ~~[HH-]~~ II. "takeout" means amounts authorized by  
24 statute to be deducted from the pari-mutuel wagers;

25 ~~[II-]~~ JJ. "thoroughbred" means a racehorse that is

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1 registered with the jockey club;

2 [JJ-] KK. "track" means the surfaced oval area on  
3 which horse races are conducted; and

4 [KK-] LL. "vendor" means a person who provides  
5 goods or services to or in the racing grounds or restricted  
6 area of the licensed premises of a horse racetrack."

7 **SECTION 2.** Section 60-1A-3 NMSA 1978 (being Laws 2007,  
8 Chapter 39, Section 3) is amended to read:

9 "60-1A-3. COMMISSION CREATED--APPOINTMENT OF MEMBERS--  
10 TERMS OF OFFICE.--

11 A. The "state racing commission" is created and is  
12 administratively attached to the tourism department.

13 B. The commission shall consist of five members, no  
14 more than three of whom shall be members of the same political  
15 party. The commission members shall be appointed by the  
16 governor [~~and be confirmed by the senate~~] with the consent of  
17 the senate and shall be selected from a list of qualified  
18 nominees submitted to the governor by the nominating committee.  
19 All members of the commission shall hold at-large positions on  
20 the commission.

21 C. At least three of the members of the commission  
22 shall be practical breeders of racehorses within New Mexico.

23 D. A commission member shall have primary residence  
24 in New Mexico and shall be of high character and reputation so  
25 that public confidence in the administration of horse racing is

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1 maintained.

2 E. The term of each member of the commission shall  
3 be six years from the date of the member's appointment. The  
4 member shall serve until a successor is appointed. In the case  
5 of a vacancy in the membership of the commission, the governor  
6 shall fill the vacancy by appointment for the unexpired term  
7 from a list of nominees submitted by the nominating committee.

8 F. A person shall not be eligible for appointment  
9 as a member of the commission who is an officer, official or  
10 director in a corporation conducting horse racing within the  
11 state. A member of the commission or relatives of a member of  
12 the commission to the first degree of consanguinity shall not  
13 have a financial interest in a licensee regulated by the  
14 commission.

15 G. Members of the commission shall receive no  
16 salary, but each member of the commission shall receive per  
17 diem and mileage pursuant to the Per Diem and Mileage Act.

18 ~~[H. The commission may appoint an executive~~  
19 ~~director and establish the executive director's duties and~~  
20 ~~compensation.]"~~

21 SECTION 3. A new section of the Horse Racing Act, Section  
22 60-1A-3.1 NMSA 1978, is enacted to read:

23 "60-1A-3.1. [NEW MATERIAL] STATE RACING COMMISSION  
24 NOMINATING COMMITTEE.--

25 A. The "state racing commission nominating

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1 committee" is created and consists of nine members who are:

- 2 (1) knowledgeable about horse racing;
- 3 (2) not recipients of contracts or other forms
- 4 of compensation from the commission or the board;
- 5 (3) not applicants or nominees for membership
- 6 on the commission; and

- 7 (4) appointed as follows:
- 8 (a) six members appointed one each by
- 9 the speaker of the house of representatives, the majority floor
- 10 leader of the house of representatives, the minority floor
- 11 leader of the house of representatives, the president pro
- 12 tempore of the senate, the majority floor leader of the senate
- 13 and the minority floor leader of the senate;

- 14 (b) two members appointed by the
- 15 governor; and

- 16 (c) one member appointed by the chief
- 17 justice of the supreme court.

18 B. A nominating committee member shall:

- 19 (1) be a resident of New Mexico;
- 20 (2) serve a four-year term; and
- 21 (3) serve without compensation, but shall be
- 22 reimbursed for expenses incurred in pursuit of the member's
- 23 duties on the nominating committee pursuant to the Per Diem and
- 24 Mileage Act.

25 C. The nominating committee and individual members

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1 shall be subject to the Governmental Conduct Act, the  
2 Inspection of Public Records Act, the Financial Disclosure Act  
3 and the Open Meetings Act.

4 D. Administrative support shall be provided to the  
5 nominating committee by the staff of the board.

6 E. Initial appointments to the nominating committee  
7 shall be made by the appointing authorities prior to September  
8 1, 2025. Subsequent appointments shall be made no later than  
9 thirty days before the end of a term.

10 F. The first meeting of the members of the  
11 nominating committee shall be held prior to November 1, 2025.  
12 The nominating committee shall select one member to be chair  
13 and one member to be secretary of the nominating committee.  
14 Following the first meeting, the nominating committee shall  
15 meet as often as necessary in order to submit a list to the  
16 governor of no fewer than two qualified nominees for  
17 appointment as members of the commission when a vacancy occurs  
18 on the commission. The list shall be developed to provide  
19 geographical diversity, and nominees on the list shall be from  
20 at least three different counties of the state.

21 G. The nominating committee shall meet at least  
22 ninety days prior to the date on which the term of a member of  
23 the commission ends and as often as necessary thereafter in  
24 order to submit a list to the governor, at least thirty days  
25 prior to the beginning of the new term, of no fewer than two

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1 qualified nominees from diverse geographical areas of the state  
2 for appointment as a member of the commission.

3 H. Upon the occurrence of a vacancy on the  
4 commission, the nominating committee shall meet within thirty  
5 days of the date of the beginning of the vacancy and as often  
6 as necessary thereafter in order to submit a list to the  
7 governor, within sixty days of the first meeting after the  
8 vacancy occurs, of no fewer than two qualified nominees from  
9 diverse geographical areas of the state for appointment as a  
10 member of the commission.

11 I. If a position on the nominating committee  
12 becomes vacant during a term, a successor shall be selected in  
13 the same manner as the original appointment for that position  
14 and shall serve for the remainder of the term of the position  
15 vacated.

16 J. The nominating committee shall actively solicit,  
17 accept and evaluate applications and may require an applicant  
18 to submit any information the nominating committee deems  
19 relevant to the consideration of the individual's application.

20 K. A majority vote of all members of the nominating  
21 committee in favor of a person is required for that person to  
22 be included on the list of qualified nominees submitted to the  
23 governor."

24 SECTION 4. Section 60-1A-4 NMSA 1978 (being Laws 2007,  
25 Chapter 39, Section 4) is amended to read:

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1 "60-1A-4. COMMISSION--POWERS--DUTIES.--

2 A. The commission may:

3 (1) grant, deny, suspend or revoke  
4 occupational licenses, secondary licenses and racetrack  
5 licenses, establish the terms for each classification of a  
6 racetrack license and set fees for submitting an application  
7 for a license;

8 (2) exclude or compel the exclusion of a  
9 person from all horse racetracks [~~who~~] whom the commission  
10 deems detrimental to the best interests of horse racing or who  
11 willfully violates the Horse Racing Act, a rule or order of the  
12 commission or a law of the United States or New Mexico;

13 (3) compel the production of documents, books  
14 and tangible items, including documents showing the receipts  
15 and disbursements of a racetrack licensee;

16 (4) investigate the operations of a licensee  
17 and place a designated representative on the licensed premises  
18 of a racetrack licensee for the purpose of observing compliance  
19 with the Horse Racing Act and rules or orders of the  
20 commission;

21 (5) employ staff as required to administer the  
22 Horse Racing Act and employ staff with basic law enforcement  
23 training to be stationed at racetracks to maintain peace and  
24 order, enforce the law, conduct investigations and enforce the  
25 Horse Racing Act or rules or orders of the commission; provided

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1 that staff employed with law enforcement training may not carry  
2 firearms or other deadly weapons while on duty for the  
3 commission;

4 (6) summon witnesses;

5 (7) administer oaths for the effective  
6 discharge of the commission's authority; and

7 (8) appoint a hearing officer to conduct  
8 hearings required by the Horse Racing Act or a rule adopted  
9 pursuant to that act.

10 B. The commission shall:

11 (1) make rules to hold, conduct and operate  
12 all race meets and horse races held in the state and to  
13 identify and assign racing dates;

14 (2) require the following information for each  
15 applicant on an application for a license:

16 (a) the full name, address and contact  
17 information of the applicant, and if the applicant is a  
18 corporation, the name of the state of incorporation and the  
19 names, addresses and contact information of officers, members  
20 of the board of directors and managers of the corporation;

21 (b) the exact location at which the  
22 applicant desires to conduct a horse race or race meet;

23 (c) whether the horse racetrack is owned  
24 or leased, and, if leased, the name and residence of the fee  
25 owner of the land or, if the owner is a corporation, the names

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1 of the directors and stockholders;

2 (d) a statement of the assets and  
3 liabilities of the person or corporation making the  
4 application;

5 (e) the kind of racing to be conducted;

6 (f) the beginning and ending dates  
7 desired for the race meet and the days during that time period  
8 when horse races are to be scheduled; and

9 (g) other information determined by the  
10 commission to be necessary to assess the potential for success  
11 of the applicant;

12 (3) require a statement under oath by the  
13 applicant that the information on the application is true;

14 (4) supervise and oversee the making of  
15 pari-mutuel pools and the distribution from those pools;

16 (5) make on-site inspections of horse  
17 racetracks in New Mexico at reasonable intervals;

18 (6) approve all improvements proposed to be  
19 completed on the licensed premises of a horse racetrack,  
20 including extensions, additions or improvements of buildings,  
21 stables or tracks;

22 (7) monitor and oversee the pari-mutuel  
23 machines and equipment at all horse races or race meets held in  
24 the state;

25 (8) approve contracts for simulcasting,

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1 pari-mutuel wagering and capital improvements funded pursuant  
2 to Section 60-1A-20 NMSA 1978 entered into by horse racetracks;

3 (9) regulate the size of the purses to be  
4 offered at horse races run in the state;

5 (10) require background investigations of  
6 employees of a racetrack licensee as set forth in the rules of  
7 the commission; ~~and~~

8 (11) provide an annual report to the governor  
9 regarding the commission's administration of horse racing in  
10 the state; and

11 (12) appoint an executive director."

12 SECTION 5. A new section of the Horse Racing Act is  
13 enacted to read:

14 "[NEW MATERIAL] EXECUTIVE DIRECTOR--QUALIFICATIONS.--

15 A. The executive director appointed by the  
16 commission shall have had at least five years of responsible  
17 supervisory administrative experience in a governmental gaming  
18 regulatory agency.

19 B. The executive director appointed by the  
20 commission shall not have a financial interest, either directly  
21 or indirectly, in a racetrack or the operation of licensed  
22 wagering on the results of races."

23 SECTION 6. EFFECTIVE DATE.--The effective date of the  
24 provisions of this act is July 1, 2025.