FISCAL IMPACT REPORT

		LAST UPDATED	
SPONSOR	Padilla/Ezzell	**ORIGINAL DATE**	2/7/2025
SHORT TITLE	Horse Racing & Jockey Insurance Fund	**BILL NUMBER**	Senate Bill 92
		ANALYST	Gray

REVENUE*
(dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Gaming Tax	$0	Up to ($3,200)	Up to ($3,200)	$0	$0	Recurring	General Fund

Parentheses ( ) indicate revenue decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 241

Sources of Information

LFC Files

Agency Analysis Received From
Racing Commission

Agency Analysis was Solicited but Not Received From
Department of Finance and Administration (DFA)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 92

Senate Bill 92 (SB92) changes the distribution of money collected by the racing commission to offset the insurance costs of jockeys. Laws 2023, Chapter 122 required racetracks to pay 1.2 percent of their net take to offset the costs of jockey and exercise rider insurance (60-2E-47 E(2) NMSA 1978). This was levied in addition to the 20 percent excise tax on net take of racetrack operators. This bill concerns the revenues collected pursuant to 60-2E-47 Section E Subsection 2, hereafter referred to in this analysis as the jockey insurance premium tax.

Currently, receipts of the jockey insurance premium tax accrue to the general fund and are distributed to the Racing Commission by the Department of Finance and Administration (DFA) after the Racing Commission pays the racetrack operators for the cost of insuring the jockeys and exercise riders.

Under SB92, jockey insurance premium tax receipts would accrue to the Horse Racing Integrity and Safety Authority and jockey and exercise rider insurance fund, which is created by SB92.

The bill appropriates the jockey insurance premium tax receipts to the Racing Commission for the purpose of implementing 60-2E-47 Section E Subsection 2.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or June 20, 2025, if enacted.

FISCAL IMPLICATIONS

This bill is estimated to reduce recurring general fund revenue by $3.2 million in FY26 and FY27. This is equivalent to the 1.2 percent jockey insurance premium tax imposed by 60-2E-47 Section E Subsection 2, which is repealed beginning FY28.

This bill creates a new fund and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

The bill does not include a recurring appropriation but diverts or "earmarks" revenue, representing a recurring loss from the general fund. LFC has concerns with including continuing distribution language in the statutory provisions for funds because earmarking reduces the ability of the Legislature to establish spending priorities. This bill reduces the Legislature's appropriation ability because it distributes all jockey insurance premium tax receipts to the fund, even though actual racetrack operator costs may not be equal to the full amount of the jockey insurance premium tax that is collected.

SIGNIFICANT ISSUES

In 2020, Congress passed the Horseracing Integrity and Safety Act (HISA) which took effect on July 1, 2022. The act was designed to create a uniform national standard for thoroughbred racing and created the Horseracing Integrity and Safety Authority. Rule 2193 (see FR Vol. 89 No 68) for the Horseracing Integrity and Safety Authority required racetracks in states that do not afford jockeys workers compensation insurance to maintain primary accidental medical expense coverage for all jockeys for training and racing.

The Racing Commission represents in its agency analysis for SB336 2023 that the jockey insurance premium tax created by 60-2E-47 Section E Subsection 2 would "allow the industry to offset the costs" of HISA.

BG/hj/SL2