

June 21, 2021

Michelle Lujan Grisham Governor Jeremy J. Romero Chairman

TO: New Mexico Racetrack Gaming Operator Licensees, Via Email and Website Publication

Re: Notice of Racetrack Casino Operator Compliance Required with the New Mexico Racing Commission (NMRC) Decision May 20, 2021, regarding the Distribution of Purse Monies to the New Mexico Horsemen's Association (NMHA) and to a Political Action Committee (PAC).

Dear Racetrack Gaming Operator Licensees:

It has come to the Gaming Control Board's attention that there may be a past practice of Racetrack Casino Operators to deduct from purse monies, which are allocated by the Gaming Control Act to horsemen entrants only, a 1% fee of gross purse monies a \$5.00 starter fee and a \$2.00 PAC fee per horseman entrant, all of which fees are paid to the New Mexico Horsemen's Association (NMHA). This practice must cease immediately, if it has not already. As I understand it, Racetrack Casino Operators expressed general support to the New Mexico Racing Commission decision on May 20, 2021, to end this practice to the extent it has existed statewide among racetrack licensees.

You are hereby directed by the Gaming Control Board (GCB) to cease any such practice of deducting any fees from the 20% of gaming net take that is to be only allocated to the horsemen race entrants pursuant to the Gaming Control Act, NMSA 1978, Sec. 60-2E-47(E), and in conformance with the decision of the NMRC dated May 20, 2021, and as set forth in the Order dated June 10, 2021, attached hereto.

The Board advises that you keep informed of related decisions by the New Mexico Racing Commission. The GCB Audit & Compliance Division will be requesting to examine your Racetrack Gaming Operator records to ensure compliance with the statutorily mandated 20% distribution of gaming net take to horsemen's purse monies only. Also, please feel free to contact me at (505) 841-9700 or Janice.Maniaci@state.nm.us if you have any questions or concerns.

Sincerely,

Janice Y. Maniaci, Executive Director

Attachments: Decision and Order of the New Mexico Racing Commission, filed June 10, 2021.

cc: New Mexico Horsemen's Association
GCB Audit Division, Enforcement Division, Licensing Division, and Legal Division