



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: The New Mexico Gaming Control Board is in charge of regulating slot machine play throughout the state. The powers and duties of the board are codified in [Section 60-2E-7](#) of the New Mexico Statutes.

TRIBAL GAMING

Governing Body: New Mexico adopted a standard gaming compact in 2001 that was signed by all the state's gaming tribes. In 2015, a new compact was negotiated. In total, there are 17 tribes – of which 13 offer Class III gaming – under the 2015 compact, which is set to expire in 2037.

Pueblo of Santa Ana	Jicarilla Apache Tribe
Pueblo of Pojoaque	Mescalero Apache Tribe
Ohkay Owingeh	Navajo Nation
Sandia Pueblo	Jemez Pueblo*
San Felipe Pueblo	Isleta Pueblo
Pueblo of Zuni*	Taos Pueblo
Nambe Pueblo*	Santa Clara Pueblo
Laguna Pueblo	Tesque Pueblo
Acoma Pueblo	

* Indicates non-gaming tribe

Under the 2015 compact tribes may operate up to four gaming facilities. At the tribal level, each tribe regulates its own Class III gaming through a tribal gaming agency (TGA). The TGA is responsible for licensing of employees and adopting rules and regulations related to the operation of gaming facilities and operations.

A Tribe may enter into a management contract for the operation of its facility, as outlined in 25 U.S.C., Section 2710(d)(9) and 2711.

Additionally, the TGA must annually submit a compliance report to the state. Further, the state has the right to inspect and verify, and obtain copies, upon request, of any and all documents related to any item in the compliance report.



Licensing

COMMERCIAL GAMING

Operator: [Chapter 60-2E-27](#) authorizes licensed racetracks to apply for a gaming operator license to operate gaming machines on its premises where live racing is conducted.

A racetrack gaming operator's license shall automatically become void if:

- The racetrack no longer holds an active license to conduct pari-mutuel wagering.
- The racetrack paid gaming tax to the state on its net take in an amount greater than \$8m in the prior fiscal year and fails to maintain a minimum of four live race days a week with at least nine live races on each race day during its licensed race meet, unless the licensee receives approval from the board; or
- The racetrack paid gaming tax to the state on its net take in an amount equal to \$8m or less in the prior fiscal year and fails to maintain a minimum of three live race days a week with at least ten live races on each day during its licensed race meets, unless the licensee receives approval from the board.

Generally, a gaming operator licensee that is a racetrack may have up to 600 licensed gaming machines. Racetracks are authorized to execute allocation agreements, where one track allocates a certain number of its authorized number of gaming machines to another racetrack. Any such agreements must be approved by the Gaming Control Board; and under no circumstances can any track operate more than 750 gaming machines. There is an application fee of \$25,000, along with fees to cover background investigation that is to be conducted. The renewal fee is \$4,000. Additionally, gaming operators must pay \$100 per gaming machine in operation.

Gaming machines on a racetrack gaming operator licensee's premises may be played only on days when the racetrack is either conducting live horse races or simulcasting horse race meets. On days when gaming

machines are permitted to be operated, a racetrack gaming operator licensee may offer gaming machines for operation for up to 18 hours per day; provided that the total number of hours in which gaming machines are operated does not exceed 112 hours in a one-week period beginning on Tuesday at 8am and ending at 8am on the following Tuesday.

For non-profit organizations, no more than 15 gaming machines may be offered for play. Additionally, no gaming machines offered by a nonprofit organization may offer a prize that exceeds \$4,000. Gaming machines may only be played on the premises of a nonprofit organization between the hours of 12:00 noon and 12:00 midnight. There is an application fee of \$100, along with fees to cover background investigation that is to be conducted. The renewal fee is \$100. Additionally, there is a \$100 fee per gaming machine in operation.

Supplier License: Licenses are required for both slot machine manufacturers and slot machine distributors. The fee for a manufacturer license is \$10,000, plus a \$10,000 background deposit. For a distributor license, the fee is \$5,000, plus a \$5,000 background deposit.

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TRIBAL GAMING

Operator: Tribes must pay operating fees.

Under the 2015 Compact, the figure tribes are required to pay depends on the annual adjusted net win:

Annual Net Win	Amount Of Regulatory Payment To State
Under \$40m	\$75,000
\$40m - \$80m	\$150,000
\$80m and over	\$182,500

For tribal regulatory costs under the 2015 Compact, tribes are able to deduct \$416,000 from net win, to increase by five percent in 2017 and five percent every five years thereafter.

Additional licensing information could not be found in the compacts.



Taxation & Tribal Revenue Sharing

COMMERCIAL GAMING

Gaming Tax Rate: Racetrack casinos are taxed at an effective rate of 46.25 percent of net take. This tax rate is comprised of a 26 percent gaming tax, a 20 percent tax for racing purses and a 0.25 percent tax for problem gambling.

Tax Allocation: The gaming tax is distributed to the state's general fund.

Promotional Credits: Taxation rates in New Mexico are determined in four different ways:

1. All promotional credits played shall be counted as revenue, and all prizes shall be deducted in calculating Net Win for Gaming Tax purposes.
2. All promotional credits played are excluded from revenue and associated prizes are not deductible in calculating Net Win for Gaming Tax purposes.
3. All promotional credits played shall be excluded from revenue, and associated prizes, calculated as the total monthly payout percentage multiplied by the total promotional credits played, are not deductible.
4. An alternate methodology submitted by the Licensee and approved by the Board.

Distributors and manufacturers are taxed at ten percent of their gross receipts of gaming devices.

Withholding Tax on Gambling Winnings: Racetrack casinos are required to withhold six percent of winnings.

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Revenue Share: Tribes pay the state of New Mexico a certain percentage of adjusted net revenue for the right to operate Class III gaming devices.

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Under the 2015 Compact, tribes pay the state.

Annual Adjusted Net Win	2015 - 2018	2018 - 2030	2030-2037
Under \$20m	2% of the first \$6m,	2% of the first \$6m,	2% of the first \$6m,
\$20m - \$40m	8.5% on rest	8.75% on rest	9.5% on rest
\$40m - \$80m	8.5%	8.75%	9.5%
Over \$80m	9%	9.5%	10.25%

State Use of Revenue: New Mexico deposits revenue received from tribal gaming into the General Fund of the State of New Mexico.

Tribal Use of Revenue: As required under IGRA, tribes must use tribal gaming funds:

1. To fund tribal government operations or programs;
2. To provide for the general welfare of the tribe and its members;
3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies

Promotional Credits' Effect on Revenue Sharing: Under the appendix to the 2015 Compact, free play and point play do not increase net win. But, when "credits with any cash redemption value increase Net Win when wagered on Gaming Machines and amounts paid as a result of such wagers reduce Net Win for purposes of calculating revenue sharing."

Withholding on Winnings: The state requires six percent must be withheld, but Indian nations are not required to deduct or withhold taxes from gambling winnings made to members or spouses of members of that Indian nation, tribe or pueblo. Additionally, federal law may require tribal casinos to issue a W-2G form to persons and may withhold winnings if certain conditions are met. For more information click [here](#).



Responsible Gaming

COMMERCIAL GAMING

Statutory Funding Requirement: New Mexico requires 0.25 percent of total revenues from all electronic gaming machines go toward compulsive gambling treatment in the state.

Self-exclusion: Section 60-2E-34.1 of the New Mexico Statutes outlines a self-exclusion program for problem gamblers. It shall occur through written application by the compulsive gambler to the board.

Alcohol Use: New Mexico prohibits gaming operator licensees from offering alcohol for no charge or at reduced prices as an incentive or enticement for patrons to game.



Advertising Restrictions: Applicant's for a gaming operator license must submit an advertising and marketing plan to be approved by the NMGCB.

On-Premise Display Requirement: Gaming operator licensees must alert players of local and statewide resources available to compulsive gamblers and their families.

Restrictions on Minors on the Gambling Premises: Gaming machines may be available for play only in an area restricted to persons 21 years or older.

Self-exclusion: Tribal gaming enterprises must at least comply with the state's self-exclusion statewide policy. Nothing prohibits the tribes from operating their own self-exclusion programs.

Complimentary Alcoholic Drinks: Patrons participating in gaming are not provided complimentary alcohol. Under the compacts, alcohol is prohibited from being "sold, served, delivered or consumed" in a part of the tribal casino where gaming is authorized.

Advertising Restrictions: Under the 2015 Compact, tribes are required to prohibit any and all forms of advertising targeting those persons on the self-exclusion list.

On-Premise Display Requirement: Tribes must post at all public entrance and exits of gaming facility (in English and Spanish) that help is available, a toll-free crisis hotline phone number and information on the statewide self-exclusion program.

Prevention of Underage Gambling: A person must be at least 21 years old to gamble in a tribal casino.

Operation on Holidays: Tribes operate casinos on holidays.



Other Regulations

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Testing Requirements: A gaming device shall not be used and offered for play by a gaming operator licensee unless it is identical in all material aspects to a model that has been specifically tested and approved by:

- The board;
- A laboratory selected by the board; or
- Gaming officials in Nevada or New Jersey for current use.

AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes in order to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: Notification is required to be submitted to the NMGCB before delivery of gaming equipment.

Credit offered to Patrons: Credit is not offered to patrons at racetrack gaming facilities.



Political Contributions: There are no restrictions on political contributions from parties with gaming interests.

Smoking Bans: There are no current smoking bans applicable to racinos.

Cashless Gaming & Alternative Payments: Cashless gaming is permitted. However, cryptocurrencies are not currently accepted as a form of payment for gambling transactions.

TRIBAL GAMING

Testing Requirements: Testing requirements are not found in model compacts.

AML requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes in order to prevent money laundering activities and other financial crimes, including terrorism.

Shipping Requirements: Under federal U.S. law, all gambling devices and all packages containing gambling devices, when shipped or transported, must be plainly and clearly labeled and marked so that the name and address of the shipper and the consignee and the contents of the package may be readily ascertained on an inspection of the package.

Restrictions on Political Contributions: There are no restrictions on political contributions. Tribes and tribal gaming entities must report all political contributions of “money derived from revenue from the Gaming Enterprise.”

Credit offered to Patrons: Credit may be offered if it meets certain requirements laid out in the appendix to the compact. Under the 2015 Compact, credit may only be extended to patrons that have an annual income of \$200,000 for a single person or \$300,000 for a couple.

Smoking Bans: There are no smoking prohibitions contained within the compacts.

Cashless Gaming & Alternative Payments: Cashless gaming is permitted. However, cryptocurrencies are not currently accepted as a form of payment for gambling transactions.



Sports Betting

Authorized Operators: New Mexico’s 2015 tribal compact authorizes “any and all forms of Class III gaming” on Indian lands within the state, including sports betting. Tribes in New Mexico have exclusive rights to this category of gaming.

Mobile Sports Betting: Current rules limit New Mexico sports betting to tribal sportsbooks on casino property.

Taxes and Fees: For tax purposes, compact provisions make no distinction between sports betting and other types of tribal gaming

Amateur Restrictions: Bets at tribal casinos in the state are currently not accepted on games involving the University of New Mexico or New Mexico State University.

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Tax on Promotional Credits: Yes.

Under Section III.D of the 2015 Compacts Appendix any rewards, awards or prizes, in any form, received by or awarded to a patron under any form of a players' club program (however denominated), or promotion, or as a result of patron-related activities, are not deductible from net win.

Age Restrictions: Patrons must be 21 years old to enter gaming premises and participate in Class III gaming, including sports betting.