



**Special Board of Trustees Meeting  
Zoom Video Conference**

**March 8, 2021**

**PRESENT**

**President Tom Goncharoff, 1st Vice President Mike Logan and Trustees Vanessa Alexander, Norma Alvarez, Mark Brown (late arrival), C. Warren Franklin (late arrival), Annette McCloy, Mac Murray, Helen Nave and Susie Prather and guests Commissioner Billy Smith, Ralph Vincent, and Debra Laney.**

**ABSENT**

**Nancy Summers & 2<sup>nd</sup> Vice President Verner R. Query.**

**QUORUM**

**President Goncharoff acknowledged a quorum present.**

**Senate Bill 378**

**President Goncharoff introduced Commissioner Billy Smith and asked him to go over the issues he would like to discuss with the Board of Trustees.**

**Commissioner Smith wanted to go over some of the funding we get from the racetracks in addition to the 10% Breeder Awards. He then listed the win, place, & show, the exotic and the 50% breakage funds that goes to the breeders weekly. This all adds up to \$223,000 and this comes from the general account. Mary Barber corrected that statement to say that these funds come from pari-mutuel wagering and not from the general account. This has been in statute for many years and way before gaming came along. Mr. Smith explained that Mr. Blanchard feels that we already get all of this in addition to the 10% Breeder Awards and it is more than we should get from the racetrack. He is proposing that they take the entire 10% Breeder Awards from the Horsemen's Purse Fund instead of half coming from the racetrack's general account.**

**Mary Barber had received an updated copy of the portion of SB 378 that would be changed to say that the 10% Breeder Awards would come from the Horsemen's Purse Fund. It had the current language in the Horse Racing Act and the proposed change however Mary Barber pointed out that there was an error in both parts of the document where the**

wording had been changed and the breeder would now only get a 10% award on restricted races and not on open races. Mr. Smith said that must be an error and this will be corrected. That was not the intention. The 10% award will be for any race in New Mexico.

The only changes to the bill that are being proposed are that instead of the 10% awards coming from the pari-mutuel portion of the purse, they would be the same amount as now, but would come entirely from the Horsemen's Purse Fund. The wording will also be changed to say that there would be no less than two breeders on the Racing Commission so that we are guaranteed two and there could be more than two instead of the current language of no more than two.

Billy Smith made the comment that if the racetracks did not have to pay their portion of the 10% Breeder Awards, they would write more New Mexico Bred races. Mary Barber asked if they would put it in the statute that they will offer at least four races a day. Billy Smith did not say they would do that but did mention that the racetracks do not want to run short fields on the open races and would like to run full fields that include the New Mexico Breds.

Ralph Vincent asked if the racetracks really think that we should have breeder incentives? Do they recognize the importance of breeding in the state and producing these horses? The second question is do you guys know of the \$11,000,000 in statute for breeder incentives actually goes to the breeder? About 48% of the breeder incentives go to the breeders, 45% goes to the owners and a paltry amount goes to the stallion owners. Now we are talking about less breeder incentives and that is where to put the incentives if you want to grow the industry. If we are talking about changing the Horse Racing Act, there are changes we have talked about in the past that should be included. One of those changes is to give the breeders a bigger part of the incentive.

Billy Smith explained that both he and Sam Bregman are against this bill. He is only looking for an alternative because he is afraid that Blanchard can get this passed. President Goncharoff stated that we appreciate that he is trying to help. We will look at the proposed changes and decide as a group what we would like to do. Billy Smith will call Beth McKinney and make sure she makes the corrections and gets us a new copy.

After more discussion, President Goncharoff thanked Billy Smith for attending our meeting and for all his help. Billy Smith then left the meeting.

Some of the Trustees were not aware exactly what changes Mr. Smith was talking about because they did not have the proposed new portion of bill that Mary was given not long before the meeting. Mary Barber explained that she asked if she should share the document with the Trustees and was told to hold off until things were decided. She double checked the wording with the actual Horse Racing Act, and they did not match, so that is what is going to be corrected. Once she has the corrected document, she will share it with all the Trustees.

**Mac Murray reported that he was included in a meeting this morning with Paul Blanchard, Chairman Bregman, Billy Smith and Don Cook. They proposed to take the entire 10% out of the Horsemen's Purse Fund. They do not want to have to pay any of it. This would lower the portion that goes to the owner. They did say they did not want a 10% Breeder award to be paid on New Mexico Breds who win open races. Now they are saying it will be for all races. The other change that was asked for by Sam Bregman & Billy Smith was the language on the number of breeders on the Racing Commission. This would be changed to no less than two.**

**Ralph Vincent has been watching this bill and it has not been scheduled in Judiciary. They have a very long list of bills on their schedule. This bill has five more steps. He does not think this is the time to negotiate with them. The only reason they are willing to negotiate is because they know they do not have much of a chance to get this through.**

**President Goncharoff asked if we should try to delay this as long as we can? Mark Brown thinks that this shows how much political clout they have by getting this through the last committee. He thinks once we get the corrected proposal, we need to look it over and discuss this. Mac Murray reminded everyone that this does not affect the end of year Incentive Award checks. This is a big deal, but we do have incentives other than just the 10% Breeder Awards. He thinks we have two choices. We can accept their proposal or not accept it and hope it does not pass.**

**Norma Alvarez asked how the horsemen would feel if a New Mexico Bred was to win the Sunland Derby. That would be a \$60,000 10% Breeder Award.**

**President Goncharoff stated that we need to wait to see the corrected language. Norma Alvarez feels that we need to share this with the horsemen before making any decisions. President Goncharoff thinks we need to share this with everyone.**

**Vanessa Alexander added her idea about trying to get the media involved. She has used the media to get the word out in the past that really helped. This is something we could do and if we go down, at least we go down fighting. We are the reason they exist, and we need to remind them.**

**Mike Logan thinks a lot of good points have been made. He thinks if they are willing to negotiate, they probably realize they do not have a very good chance of getting this through. This is not the worse thing in the world, but it is better than what SB378 states now. According to Billy, this would only be 3/4ths of a percent.**

**Helen Nave feels that they do not follow the statutes anyway. She thinks we should fight against it.**

**Annette McCloy has been listening to the discussion and feels it would not be good either way, but she will wait to get the new language.**

**Ralph Vincent had proposed a compromise. He thinks that they should put that money into stakes races. He does not know how much the racetracks actually contribute to racing.**

**This is a pittance that they are arguing about. They keep running cheaper races for the New Mexico Breds and are probably running one less a day than they were a few years back. He thinks we need to get something out of it if we have to give it up and he thinks we will have to give it up at some point. The horsemen are not going to like this idea. The racetracks are always complaining about the quality of racing but the only way to get better racing is to incentivize it. We should ask for more than they are offering. The session will end a week from Saturday. If they get through another committee, they will be lucky but then they have several more steps before it could go to the Governor.**

**Mary Barber had thought that Ralph Vincent had suggested that we pay the other half of the 10% Breeder Awards from our contributions to the restricted New Mexico Bred races. Ralph agreed that was what he had suggested at an earlier time. He thought that was a better alternative to robbing it from the horsemen. He thinks we could especially take it from the lower level New Mexico Bred races. This would reduce purse money, but it would be going back to the breeders rather than the owners. This is a very important point. We are breeders and we give a lot of our incentives to the owners. Previously we had thought about changing the owners incentive awards to 20% and giving more to the breeders and stallion owners.**

**President Goncharoff stated that we need to see the corrected new language. If they do not change it, then it is not even worth talking about. Ralph Vincent said we could offer up a substitute to this bill and change those percentages and also negotiate those funds for the 10% Breeder Awards away from the racetracks. But we need to get something for it.**

**President Goncharoff thinks we will need to wait to get the corrected language. Once we have that, we can then meet again before we make any decisions. We would like the entire bill and not just the section about the 10% Breeder Awards.**

**Mac Murray made a motion to adjourn, seconded by Mark Brown. Motion carried 11:0.**

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**Tom Goncharoff  
NMHBA President**

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**Mary M. Barber  
Attest**