

## **Framework for a joint agreement between the New Mexico Horse Breeders Association and the Arizona Thoroughbred Breeders Association**

With the facts that the number of thoroughbred horses available for racing have declined across the United State over the past decade and that the number of racing opportunities for thoroughbred horses has declined recently in both New Mexico and Arizona, there are several benefits for these two associations to explore opportunities to work together to make the breeding and racing industry better in both states.

Some key points regarding breeding and racing in the two states are:

- New Mexico offers opportunities for year-round racing;
- Arizona racing opportunities are currently limited to the winter months;
- the future Arizona racing opportunities are currently dependent on a single track;
- the purse money available in New Mexico races is a compelling reason to race thoroughbreds in New Mexico;
- New Mexico has a strong breed program i.e. New Mexico breed incentives totaled \$12,978,373 in 2024;
- the New Mexico Horse Breeders Association desires to request more racing opportunities from the New Mexico tracks;
- the arguments for more racing opportunities are more compelling with a larger population of available thoroughbreds; and
- the Arizona Thoroughbred Breeders Association works to ensure racing opportunities for Arizona bred thoroughbred horses.

Given these key points, the executive board of the New Mexico Horse Breeders Association is exploring the feasibility of a pilot program that could expand the racing opportunities for both New Mexico and Arizona thoroughbreds. The framework of this pilot program is as follows:

- In the spirit of expanding racing opportunities in the southwest, board members of the New Mexico Horse Breeders Association would work with New Mexico track management to offer races designated as restricted to “New Mexico and/or Arizona Bred”. This would allow a thoroughbred registered as an Arizona Bred and sired by a stallion standing in Arizona to enter both overnight races and stakes races.
- To comply with the New Mexico Horse Racing Act, an Arizona Bred thoroughbred horse would be eligible to run for the gaming portion only of the “New Mexico and/or Arizona Bred” purse money only and will receive no additional incentive awards.

- To become eligible to enter in races designated as restricted to “New Mexico Bred and/or Arizona Bred”, the owner of an Arizona Bred thoroughbred horse would need to become a member of the New Mexico Horse Breeders Association and register the horse with the New Mexico Horse Breeders Association.
- The calendar year registration fee of \$1,000 for an Arizona Bred thoroughbred horse would make the horse eligible for the races designated as restricted to “New Mexico Bred and/or Arizona Bred” during the calendar year in which the fee is paid.
- Since the pilot program will start later in calendar year 2025, the registration fee will be reduced to \$500 for an Arizona Bred thoroughbred horse to be eligible for the races designated as restricted to “New Mexico Bred and/or Arizona Bred” during the 2025 calendar year.
- An Arizona Bred thoroughbred will be eligible to enter in overnight New Mexico Bred / Arizona Bred races.
- An Arizona Bred thoroughbred horse will also be eligible to enter in stakes races designated as “New Mexico Bred / Arizona Bred stakes races”.
- A New Mexico Bred thoroughbred will be preferred over an Arizona Bred thoroughbred for stakes races in New Mexico.
- This is a pilot program that will sunset after three (3) years at the end of calendar year 2028.

If so desired by the Arizona Thoroughbred Breeders Association, a reciprocal agreement could be made with any Arizona track to offer races designated as restricted to “Arizona Bred and/or New Mexico Bred”. If that were the case, the framework could include similar language such as:

- A thoroughbred registered as a New Mexico Bred and sired by a stallion standing in New Mexico may enter in Arizona races designated as restricted to “Arizona Bred and/or New Mexico Bred”
- An Arizona Bred thoroughbred could be preferred over a New Mexico Bred thoroughbred for stakes races in Arizona.

Since this proposal would result in an agreement between two organizations, the terms and conditions and the principles to be followed would need to be negotiated. A commercial contract would need to be executed by both parties.

The only way this pilot project will be successful is with the cooperation of the tracks and an agreement that condition books and races will include the special designation discussed above.

This pilot project will only be successful with a large enough population participating from the Arizona program and may be discontinued at the end of a calendar year depending on the population numbers.