AN ACT

RELATING TO THE LOTTERY; ENACTING THE NEW MEXICO LOTTERY EDUCATIONAL ASSISTANCE ACT; PROVIDING FOR SPORTS WAGERING AND TABLE GAMING THROUGH THE LOTTERY; CREATING THE EDUCATIONAL ASSISTANCE FUND; PROVIDING PENALTIES; AMENDING A DEFINITION IN THE CRIMINAL CODE; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 31 of this act may be cited as the "New Mexico Lottery Educational Assistance Act".

SECTION 2. [NEW MATERIAL] LEGISLATIVE FINDINGS.--The legislature finds that:

A. the New Mexico lottery's purpose includes providing the maximum amount of revenue, without imposing additional taxes or using other state revenue, for the purpose...
of providing tuition assistance to resident undergraduates at New Mexico post-secondary educational institutions;

B. as the amount of revenue available for tuition assistance has steadily declined over the years, it is proper and necessary to explore revenue enhancement opportunities for the New Mexico lottery;

C. other states have included products such as table games and sports wagering through their lotteries to generate additional revenue to support the purposes of their lotteries;

D. the operation of sports wagering and table games on the premises of racetrack licensees would serve to protect, preserve, promote and enhance the tourism industry of the state as well as the general fiscal well-being of the state and its political subdivisions;

E. the granting of licenses pursuant to the provisions of the New Mexico Lottery Educational Assistance Act, while maintaining all ownership rights and exercising control through strict regulation of all sports wagering and table games authorized by the provisions of that act, constitutes an appropriate exercise of the power granted to the state of New Mexico;

F. the operation of sports wagering and table games in a manner consistent with the provisions of the New Mexico Lottery Educational Assistance Act is in keeping with the
letter and intent of the Indian gaming compacts entered into by
the state and sovereign federally recognized Indian tribes and
will not result in a diminution of revenue-sharing payments set
forth in those gaming compacts; and

G. a desirable, efficient and effective means for
generating additional revenue through the New Mexico lottery
and supporting tourism, in the best interests of the state, is
the addition of table games and sports wagering to enrich
tuition assistance for New Mexico residents seeking to better
themselves through an undergraduate education at one of New
Mexico's post-secondary educational institutions.

SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the
New Mexico Lottery Educational Assistance Act:

A. "adjusted gross receipts" means an operator's
gross receipts from sports wagering or table games, less
winnings paid to patrons who placed wagers in such games;

B. "authority" means the New Mexico lottery
authority established pursuant to the New Mexico Lottery Act;

C. "chief executive officer" means the chief
executive officer of the authority;

D. "collegiate sport or athletic event" means a
sport or athletic event offered or sponsored by, or played in
connection with, a public or private institution that offers
educational services beyond the secondary level;

E. "complimentary" means services or items that are
given to patrons free of charge;

F. "gaming area" means one or more designated areas on the premises of a racetrack licensee where sports wagering or table games are authorized by the authority;

G. "gaming equipment" means a mechanical, electronic or other device, mechanism or equipment and related supplies used or consumed in the operation of sports wagering or table games within a gaming area, including kiosks installed to accept sports wagers, gaming tables, cards, dice, chips, tokens, shufflers, roulette wheels and drop boxes;

H. "government" means a governmental unit of a national, state or local body exercising governmental functions, other than the United States government;

I. "gross receipts" means the total of all sums including checks, currency, tokens, coupons, vouchers or instruments of monetary value, whether collected or uncollected, received by an operator licensee from operating sports wagering or table games but does not include promotional play credits issued by the operator or match play coupons issued in table games;

J. "license" means a license issued by the authority pursuant to the New Mexico Lottery Educational Assistance Act, including:

(1) a license to act as an agent of the authority in operating sports wagering or table games at a
gaming area, known as an "operator license";

(2) a license to supply an operator with

gaming equipment or services necessary for the operation of

sports wagering or table games, known as a "supplier license";

(3) a license to be employed by an operator

when an employee works in a designated gaming area that has

sports wagering or table games, or performs duties in

furtherance of or associated with the operation of sports

wagering or table games, known as an "occupational license"; or

(4) a license to provide management services

pursuant to a contract with an operator, known as a "management

services provider license";

K. "lottery" means public gaming systems or games

regulated, controlled, owned and operated by the authority

pursuant to the New Mexico Lottery Educational Assistance Act

and the New Mexico Lottery Act;

L. "online platform" means a digital service that

facilitates interactions between two or more users who interact

through the service via the internet;

M. "operator" and "operator licensee" mean a person

licensed to operate sports wagering, including sports pools, or

table games;

N. "patron" means a person who is a customer of an

operator licensee or who the operator licensee is seeking to

make a customer;
O. "player's account" means a financial record established by an operator licensee for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other authorized purchases and to which the operator licensee shall credit winnings or other amounts due to that patron;

P. "professional sport or athletic event" means an event at which two or more persons participate in a sports or athletic event and receive compensation in excess of actual expenses for their participation in such event;

Q. "racetrack licensee" means a person licensed as a racetrack licensee pursuant to the Horse Racing Act and as a gaming operator pursuant to the Gaming Control Act;

R. "skin" means a particular brand used in online and mobile sports wagering;

S. "sports event" means a professional sport or athletic event, collegiate sport or athletic event, e-sports event, motor race event or other special event authorized by the authority pursuant to the New Mexico Lottery Educational Assistance Act that need not be related to sports or athletic performances;

T. "sports wagering" means the business of accepting wagers on sports events and other events, the individual performance statistics of athletes in a sports event or other events, daily fantasy sports or a combination of any
of the same by a system or method of wagering approved by the
authority, including mobile applications and other online
platforms that utilize communications technology to accept
wagers originating within this state. "Sports wagering"
includes exchange wagering, parlays, over-under, moneyline,
pools and straight bets. "Sports wagering" does not include:

(1) pari-mutuel betting on the outcome of
horse races as authorized by the Horse Racing Act;

(2) lottery games of the New Mexico state
lottery as authorized by the New Mexico Lottery Act; and

(3) table games, authorized pursuant to the
New Mexico Lottery Educational Assistance Act;

U. "sports wagering agreement" means a written
agreement between the authority and one or more other
governments whereby persons who are physically located in a
signatory jurisdiction may participate in sports wagering
conducted by one or more operators licensed by the signatory
governments;

V. "supplier" means a person licensed by the
authority to provide an operator licensee with goods or
services to be used in connection with the operation of sports
wagering or table games;

W. "table games" means games played with cards,
dice or any mechanical, electromechanical or electronic device
or machine for money, credit or any representative of value,
including baccarat, blackjack, poker, craps, roulette, wheel of fortune or any variation of these games similar in design or operation and expressly authorized by rule promulgated by the authority. "Table games" does not include slot machines, electronic table games, machines and devices, video lottery, punchboards, faro, numbers tickets, push cards, jar tickets, pull tabs or similar games;

X. "wager" means a sum of money or thing of value risked on an uncertain occurrence; and

Y. "winnings" means the total cash value of all property or sums, including currency, tokens or instruments of monetary value, paid to players as a direct result of wagers placed on sports wagering or table games.

**SECTION 4. [NEW MATERIAL] AUTHORITY POWERS AND DUTIES.--**

A. In addition to the duties set forth elsewhere in the New Mexico Lottery Educational Assistance Act and the New Mexico Lottery Act, the authority has the authority to regulate sports pools, the conduct of sports wagering and the conduct of table games.

B. The authority has the authority to promulgate rules that it considers necessary or appropriate for the successful implementation, administration and enforcement of the New Mexico Lottery Educational Assistance Act. Rules proposed by the authority before December 1, 2021 may be promulgated as emergency rules. Rules promulgated by the
authority shall include those governing:

(1) the acceptance of wagers on a sports event, a series of sports events or table games;

(2) maximum wagers that may be accepted by an operator from any one patron on any one sports event or table game;

(3) types of wagering tickets that may be used;

(4) methods of issuing tickets;

(5) methods of accounting to be used by operators;

(6) types of records that shall be kept;

(7) use of credit and checks by patrons;

(8) types of systems for wagering;

(9) protections for patrons placing wagers;

and

(10) promotion of social responsibility and responsible gaming and the inclusion of the statement "PLAY RESPONSIBLY. HELPLINE: 800-572-1142" in every designated area approved for sports wagering or table games and on a mobile application or other online platform used to place wagers on sports events.

C. The authority shall establish minimum internal control standards and approve minimum internal control standards proposed by operators for administration of sports.
wagering operations, table games operations, gaming equipment
and systems or other items used to conduct sports wagering or
table games, as well as maintenance of financial records and
other required records.

D. The authority shall determine the eligibility of
a person to hold or continue to hold a license, shall issue all
licenses and shall maintain a record of all licenses issued
pursuant to the New Mexico Lottery Educational Assistance Act.
The authority shall accept applications, evaluate
qualifications of applicants and undertake initial review of
licenses prior to promulgation of emergency rules upon the
effective date of the New Mexico Lottery Educational Assistance
Act.

E. The authority shall levy and collect all fees,
surcharges, civil penalties and weekly taxes on adjusted gross
receipts imposed pursuant to the New Mexico Lottery Educational
Assistance Act and deposit all money into the educational
assistance fund, except as otherwise provided pursuant to that
act.

F. The authority may sue to enforce any provision
of the New Mexico Lottery Educational Assistance Act or any
rule of the authority by civil action or petition for
injunctive relief.

G. The authority shall exercise any other powers
necessary to effectuate the provisions of the New Mexico
Lottery Educational Assistance Act and the rules promulgated by the authority.

SECTION 5. [NEW MATERIAL] AUTHORITY STAFF--CONDITIONS OF EMPLOYMENT.--

A. The chief executive officer, with the approval of the authority, shall appoint professional, clerical, technical and administrative personnel deemed necessary to implement the provisions of the New Mexico Lottery Educational Assistance Act. Such personnel shall be authority employees hired in accordance with the authority's personnel code. Prior to appointment, each applicant for employment by the authority shall provide fingerprints and undergo a thorough background investigation, including a national criminal records check by the New Mexico state police division of the department of public safety and the federal bureau of investigation.

B. Authority employees shall not directly or indirectly hold an ownership or a financial interest in an operator license, supplier license or management services provider license, in a holding company that owns such a license or in a business related to the license for federal income tax purposes or be an applicant for such a license.

C. Authority employees shall not knowingly wager or be paid a prize from a wager at an operator licensee within this state or at a facility outside this state or this country that is directly or indirectly owned or operated by:

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(1) an operator licensee; or

(2) a person that directly or indirectly owns
a license issued pursuant to the New Mexico Lottery Educational
Assistance Act.

SECTION 6. [NEW MATERIAL] LICENSES REQUIRED.--

A. A person shall not engage in an activity in
connection with sports wagering or table games in New Mexico
unless all necessary licenses have been obtained as required by
the New Mexico Lottery Educational Assistance Act and rules of
the authority. Four types of licenses shall be issued pursuant
to the New Mexico Lottery Educational Assistance Act, and
persons shall not engage in sports wagering or table games
operation or activity without first obtaining the appropriate
license.

B. The authority shall not grant a license until it
determines that each person who has control of the applicant
meets all qualifications for licensure. The following persons
are considered to have control of an applicant:

(1) a person associated with a corporate
applicant, including a corporate holding company, parent
company or subsidiary company of the applicant, who has the
ability to control the activities of the corporate applicant or
elect a majority of the board of directors of that corporation;
this restriction does not include a bank or other licensed
lending institution that holds a mortgage or other lien
acquired in the ordinary course of business;

(2) a person associated with a non-corporate 
applicant who directly or indirectly holds a beneficial or 
proprietary interest in the applicant's business operation or 
who the authority otherwise determines has the ability to 
control the applicant; and 

(3) key personnel of an applicant, including 
an executive, employee or agent having the power to exercise 
significant influence over decisions concerning a part of the 
applicant's business operation.

C. Applicants for a license issued pursuant to the 
New Mexico Lottery Educational Assistance Act shall submit an 
application to the authority in the form the authority requires 
and submit fingerprints for a national criminal records check 
by the New Mexico state police division of the department of 
public safety and the federal bureau of investigation. The 
fingerprints shall be furnished by all persons required to be 
named in the application and shall be accompanied by a signed 
authorization for the release of information by the division 
and the federal bureau of investigation. The authority shall 
require additional background checks on licensees when they 
apply for license renewal, and an applicant convicted of a 
disqualifying offense shall not be licensed.

D. Operator licensees, supplier licensees and 
management services provider licensees shall display their
licenses conspicuously in their places of business or have
their licenses available for inspection by an agent of the
authority or a law enforcement agency.

E. Holders of an occupational license shall carry
the license and have some indicia of licensure prominently
displayed on the licensee's person at all times when working in
a gaming area in accordance with rules promulgated by the
authority.

F. Persons licensed pursuant to the New Mexico
Lottery Educational Assistance Act shall give the authority
written notice within thirty days of a change to information
provided in the licensee's application for a license or license
renewal.

G. Authority employees shall not be an applicant
for a license issued pursuant to the New Mexico Lottery
Educational Assistance Act.

H. Racetrack licensees are not eligible to be
licensed pursuant to the New Mexico Lottery Educational
Assistance Act. Employees of a racetrack licensee shall not be
eligible for an occupational license issued pursuant to the New
Mexico Lottery Educational Assistance Act.

I. Racetrack licensees leasing or otherwise
providing space to an operator licensee need not be and shall
not be eligible to be licensed in any capacity pursuant to the
New Mexico Lottery Educational Assistance Act. An agreement
for space shall be in writing and shall designate one or more
gaming areas for the operation of sports wagering or table
games and other space necessary or appropriate for the operator
licensee's operations. An agreement for space shall state that
the racetrack licensee shall not operate sports wagering or
table games. An agreement for space may contain rent
provisions that include revenue sharing. All such written
agreements shall be subject to approval of the authority for
compliance with the provisions of the New Mexico Lottery
Educational Assistance Act.

SECTION 7. [NEW MATERIAL] SPORTS WAGERING AND TABLE
GAMES--OPERATOR LICENSES.--

A. An operator licensee may operate sports wagering
or table games upon the approval of the authority, and the
authority shall have the general responsibility for the
implementation of the New Mexico Lottery Educational Assistance
Act and applicable rules promulgated by the authority.

B. Operator licenses for sports wagering and for
table games shall be separate and distinct from one another.
The authority shall develop separate application forms for
sports wagering and table games operator licenses.

C. Sports wagering and table games authorized by
the New Mexico Lottery Educational Assistance Act shall be
lottery games owned by the state. An operator license granted
by the authority pursuant to the New Mexico Lottery Educational
Assistance Act grants operator licensees lawful authority to conduct either sports wagering or table games, but not both unless both such licenses are applied for and issued by the authority, within the terms and conditions of the license and rules promulgated by the authority. An operator license shall include the transfer by the authority to the operator licensee of limited license rights in and to the authority's intellectual property ownership of the lottery games, including granting operator licensees limited lawful authority relating to the conduct of sports wagering or table games for consideration, within the terms and conditions established pursuant to the New Mexico Lottery Educational Assistance Act and rules promulgated by the authority.

D. The authority may issue up to six licenses to operate sports wagering and six licenses to operate table games at any given time, in accordance with the provisions of the New Mexico Lottery Educational Assistance Act. A license to operate sports wagering shall include the right to operate three different skins on approved mobile applications and online platforms. Each operator license gives the operator the right to operate sports wagering or table games on the premises of a single racetrack licensee. A party seeking licensure to operate at more than one racetrack licensee shall submit an application for each such location.

E. Upon submission of the appropriate application
and payment of a fifty-thousand-dollar ($50,000) application
fee, the authority shall grant an operator license to an
operator that provides for the right to conduct sports wagering
or table games, respectively; provided that the applicant meets
the requirements for licensure pursuant to the New Mexico
Lottery Educational Assistance Act and rules promulgated by the
authority. Such licenses shall be issued for a five-year
period and shall be renewed for five-year periods upon
application for renewal and payment of a fifty-thousand-dollar
($50,000) renewal fee if an operator continues to meet all
qualification requirements.

F. An operator license authorizes the operation of
sports wagering or table games at one or more locations on a
racetrack licensee's premises where horse racing is conducted.
An operator license also authorizes operation of sports
wagering through a mobile application or other online platform
approved by the authority.

G. In order to coordinate various licensed
activities within facilities of a racetrack licensee, the
provisions of the New Mexico Lottery Educational Assistance Act
and the Gaming Control Act shall be interpreted to allow sports
wagering, table games and gaming machines pursuant to those
acts to be harmoniously conducted in the same gaming area.

H. An operator licensee shall not enter into a
management services contract that would permit a person other
than the licensee to act as the authority's agent in operating
sports wagering or table games unless the management service
contract:

  (1) is with a person licensed pursuant to the
  New Mexico Lottery Educational Assistance Act to provide
  management services;

  (2) is in writing; and

  (3) has been approved by the authority.

I. An operator licensee shall submit every material
change in a management services contract, previously approved
by the authority, to the authority for its approval or
rejection before the material change takes effect.

J. The duties and responsibilities of a management
services provider pursuant to a management services contract
shall not be assigned, delegated, subcontracted or transferred
to a third party without the prior approval of the authority.

K. When applying to renew a license, a licensed
operator shall submit to the authority documentation or
information the authority may require demonstrating to the
satisfaction of the chief executive officer that the operator
licensee continues to meet the requirements of the New Mexico
Lottery Educational Assistance Act and rules promulgated by the
authority. Required documentation or information shall be
submitted no later than five years after issuance of an
operator license and every five years thereafter, or within
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lesser periods based on circumstances specified by the authority.

L. Upon application for a license and annually thereafter, an operator licensee shall submit to the authority an annual audit of the financial transactions and condition of the licensee's total operations prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable federal and state laws and a copy of the operator licensee's federal tax return. The annual audited financial statements and tax return shall be submitted to the authority no later than thirty days following the filing of the tax return.

M. An operator licensee shall provide suitable office space on the premises where it is in operation, at no cost, for the authority to perform the duties required of it pursuant to the New Mexico Lottery Educational Assistance Act and rules promulgated by the authority.

N. An operator licensee shall demonstrate that its gaming area will:

(1) be accessible to disabled individuals, in accordance with applicable federal and state laws;

(2) be licensed in accordance with the New Mexico Lottery Educational Assistance Act and all other applicable federal, state and local laws; and

(3) meet other qualifications specified in .218742.3
SECTION 8. [NEW MATERIAL] MANAGEMENT SERVICES PROVIDERS--
LICENSE REQUIREMENTS.--

A. The holder of an operator's license may contract with an entity to conduct that operation in accordance with rules promulgated by the authority. That licensee shall obtain a license as a management services provider prior to the effectiveness of any such contract, and such license shall be issued pursuant to the New Mexico Lottery Educational Assistance Act and rules promulgated by the authority.

B. An applicant for a management services provider license shall meet all requirements for licensure and pay a nonrefundable license and application fee of ten thousand dollars ($10,000). The authority shall promulgate rules establishing additional requirements for a licensed management services provider. The authority shall accept licensing by another jurisdiction that the authority specifically determines to have similar licensing requirements as evidence that the applicant meets management services provider licensing requirements.

C. Management services provider licenses shall be renewed annually to a licensee who continues to be in compliance with all requirements and who files a renewal application and pays the annual nonrefundable renewal fee of five thousand dollars ($5,000).
D. A person that shares in revenue, including an affiliate operating pursuant to a revenue share agreement, shall be licensed pursuant to this section; provided, however, that a racetrack licensee may share in revenues pursuant to a lease or other agreement for the use of space on its premises without being licensed hereunder and shall not be deemed to be acting as a management services provider by providing space for the operation of sports wagering or table games.

SECTION 9. [NEW MATERIAL] SUPPLIERS--LICENSE REQUIREMENTS.--

A. The authority shall issue a supplier license to a person to sell or lease gaming equipment, systems or other gaming items necessary to conduct sports wagering or table games and offer services related to such equipment or other gaming items to an operator licensee while the license is active. The authority shall establish the conditions pursuant to which the authority may issue provisional licenses pending completion of final action on an application.

B. The authority shall promulgate rules establishing additional requirements for a supplier license and systems or other equipment utilized for sports wagering or table games. The authority may accept licensing by another jurisdiction that the authority specifically determines to have similar licensing requirements as evidence that the applicant meets New Mexico lottery supplier licensing requirements.

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C. An applicant for a supplier license shall demonstrate that the equipment, system or services that the applicant plans to offer to an operator licensee conform to standards established by the authority and applicable state law. The authority may accept approval by another jurisdiction that the authority specifically determines has similar equipment standards as evidence that the applicant meets the standards established by the authority and applicable state law.

D. Applicants shall pay to the authority a nonrefundable license and application fee in the amount of one thousand dollars ($1,000). After the initial one-year term, the authority may renew a supplier license annually thereafter. Renewal of a supplier license shall be granted to a renewal applicant that has continued to comply with all applicable statutory and regulatory requirements, upon submission of the authority-issued renewal application and payment of a nonrefundable one-thousand-dollar ($1,000) renewal fee.

E. A supplier licensee shall submit to the authority a list of all gaming equipment and services sold, delivered or offered to an operator licensee in this state, as required by the authority, all of which shall be tested and approved by an independent testing laboratory approved by the authority. An operator licensee may continue to use supplies acquired from a supplier licensee even if a supplier's license
expires or is otherwise canceled, unless the authority finds a defect in the supplies.

SECTION 10. [NEW MATERIAL] OCCUPATIONAL LICENSES.--

A. All persons employed to be engaged directly in activities related to sports wagering or table games, or otherwise conducting or operating sports wagering or table games, shall be licensed by the authority and maintain a valid occupational license at all times. The authority shall issue such licenses to be employed in the operation of sports wagering or table games to a person who meets the requirements of the New Mexico Lottery Educational Assistance Act.

B. An occupational license permits the occupational licensee to be employed in the capacity designated by the authority while the license is still active. The authority shall establish by rule job classifications with different requirements to recognize the extent to which a particular job has the ability to impact the proper operation of sports wagering or table games.

C. Applicants shall submit required application forms required by the authority and pay a nonrefundable application fee of one hundred dollars ($100). The fee may be paid on behalf of an applicant by the employer.

D. An occupational licensee shall pay to the authority an annual nonrefundable license fee of one hundred dollars ($100) by June 30 of each year. The fee may be paid on
behalf of the occupational licensee by the employer. In addition to a renewal fee, each occupational licensee shall annually submit a renewal application on the form required by the authority.

SECTION 11. [NEW MATERIAL] LICENSE PROHIBITIONS.--

A. The authority shall not grant a license pursuant to the provisions of the New Mexico Lottery Educational Assistance Act if evidence satisfactory to the authority shows the applicant:

(1) has knowingly made a false statement of a material fact to the authority;

(2) has been suspended from operating a gambling game, gaming device or gaming operation or has had a license revoked by a governmental authority responsible for regulation of gaming activities;

(3) has been convicted of a crime of moral turpitude, a gambling-related offense or a theft or fraud offense or has otherwise demonstrated, either by a police record or other satisfactory evidence, a lack of respect for law and order; or

(4) is a person that has been directly employed by an illegal or offshore book that serviced the United States, or otherwise accepted black market wagers from individuals located in the United States.

B. The authority may deny a license to an
applicant, suspend or revoke a license or take other
disciplinary action if:

(1) the applicant or licensee has not
demonstrated to the satisfaction of the authority financial
responsibility sufficient to adequately meet the requirements
of the proposed enterprise;

(2) the applicant or licensee is not the true
owner of the business or is not the sole owner and has
intentionally failed to disclose the existence or identity of
other persons who have an ownership interest in the business;

(3) the applicant or licensee knowingly
employs an individual in a job classification that includes
management duties who has been convicted of a crime of moral
turpitude, a gambling-related offense or a theft or fraud
offense or knowingly employs an individual in a job
classification that includes management duties who has had a
license relating to the operation of a gaming activity revoked
by this state or another state; or

(4) the applicant or licensee is a corporation
that sells more than five percent of a licensee's voting stock,
or more than five percent of the voting stock of a corporation
that controls the licensee, or sells a licensee's assets, other
than those bought and sold in the ordinary course of business,
or an interest in the assets, to a person not already
determined by the authority to have met the qualifications of a

licensee pursuant to the New Mexico Lottery Educational Assistance Act.

C. In the case of an applicant or licensee, the authority shall deny a license to an applicant, suspend or revoke a license or take other disciplinary action if the applicant or licensee has not met the requirements of this section or another provision of the New Mexico Lottery Educational Assistance Act.

SECTION 12. [NEW MATERIAL] LICENSE DENIAL--LICENSE REVOCATION--LICENSE SUSPENSION--DISCIPLINARY ACTION.--

A. The authority shall deny a license to an applicant, suspend or revoke a license or take other disciplinary action if the applicant or licensee, or a person having control of the applicant or licensee:

(1) fraudulently or deceptively obtains or attempts to obtain a license for the applicant, a licensee or another person;

(2) fraudulently or deceptively uses a license;

(3) is convicted of a felony pursuant to the laws of this state, another state, the United States or a territory of the United States; or

(4) is convicted of a misdemeanor pursuant to the laws of this state, another state, the United States or a territory of the United States for gambling or a gambling-
related activity.

B. Instead of or in addition to suspending or
revoking a license or taking other disciplinary action pursuant
to Subsection A of this section, the authority may impose a
civil penalty pursuant to Section 26 of the New Mexico Lottery
Educational Assistance Act.

SECTION 13. [NEW MATERIAL] HEARING PROCEDURES.--

A. Except as otherwise provided by law, before the
authority takes an adverse action involving a licensee pursuant
to the New Mexico Lottery Educational Assistance Act, the
authority shall give the licensee against whom the action is
contemplated an opportunity for a hearing, either before the
authority or a hearing examiner designated by the authority.

B. The authority shall give notice and hold the
hearing in accordance with the Administrative Procedures Act.
The notice shall be sent to the licensee by certified mail,
addressed to the last known address of the licensee at least
thirty days before the hearing. The licensee may be
represented at the hearing by legal counsel.

C. If a licensee fails to comply with a subpoena
issued for purposes of this section, on petition of the
authority, the district court may compel obedience to the
subpoena. If after due notice the licensee against whom the
action is contemplated fails or refuses to appear or provide
the item or items for which a subpoena duces tecum was issued,
the authority or the authority's designated hearing officer
shall hear and determine the matter.

SECTION 14. [NEW MATERIAL] HOUSE RULES--POSTING OF
RULES--LOTTERY LOGOS.--

A. An operator shall adopt comprehensive house
rules for game play governing sports wagering or table games
with its patrons. The comprehensive rules shall be published
as part of the minimum internal control standards. The rules
shall specify the amounts to be paid on winning wagers and the
effect of schedule changes. House rules shall be approved by
the authority prior to implementation.

B. House rules, together with other information the
authority deems appropriate, shall be conspicuously displayed
and included in the terms and conditions of the sports wagering
and table games operations. Copies of house rules and other
information deemed appropriate by the authority shall be made
readily available to patrons upon request.

C. The authority shall license and require the
display of New Mexico lottery game logos on game surfaces,
other gaming items and locations the authority considers
appropriate.

SECTION 15. [NEW MATERIAL] SPORTS WAGERING--POSTING
BETTING LIMITS.--A sports wagering operator licensee shall
conspicuously post a sign at each sports wagering location
indicating the minimum and maximum wagers permitted at that
location and shall comply with the minimum and maximum limits.

SECTION 16. [NEW MATERIAL] TABLE GAMES--RULES OF PLAY--
DISPUTES--BETTING LIMITS.--

A. A person licensed as a table games operator shall have written rules of play for each table game it operates that are approved by the authority before the table game is offered to the public. Rules of play proposed by a table games operator licensee shall be approved, amended or rejected by the authority.

B. Table games shall be conducted according to the specific rules of play approved by the authority. All wagers and pay-offs of winning wagers shall be made according to those rules of play, which rules shall establish limitations necessary to ensure the vitality of table games operations.

C. A table games operator licensee shall make available in printed form to a patron, upon request, the complete text of the rules of play of a table game in operation at its location, pay-offs of winning wagers and other information to the player as required by the authority.

D. Patrons are considered to have agreed that the determination of whether a patron is a valid winner is subject to the rules of play and, in the case of a dispute, the dispute shall be determined by the authority. The determination by the authority shall be final and binding upon all patrons and shall not be subject to further review or appeal.
E. A table games operator licensee shall, as agent of the authority, in the exercise of the licensee's business judgment, determine and establish with the approval of the authority, with respect to table games:

1. minimum and maximum wagers;
2. advertising and promotional activities;
3. hours of operation;
4. the days during which games may be played;

and

5. currency denominations accepted by mechanical or electronic bill acceptors.

F. The authority shall establish the following parameters for table games:

1. minimum and maximum payout percentages;
2. probability limits of obtaining the maximum payout for a particular play; and
3. limitations on the types and amounts of financial transactions, including extension of credit to a patron, that a table games operator licensee can enter into with its patrons.

SECTION 17. [NEW MATERIAL] MISCELLANEOUS LICENSE PROVISIONS.--

A. The authority shall include on each license that it issues:

1. the type of license;
(2) the identity and address of the licensee;
(3) the effective date and expiration date of the license;
(4) for occupational licenses, a photograph of the licensee; and
(5) other information the authority considers appropriate.

B. Operator licensees, management services provider licensees and supplier licensees shall display the license conspicuously in their places of business or have the license readily available for inspection at the request of an agent of the authority or of a state or local law enforcement agency.

C. Occupational licensees shall carry the license on the licensee's person at all times when present on the premises at which the licensee is employed and, if required by rules adopted by the authority with respect to the particular capacity in which the licensee is employed, have some indicia of licensure visibly displayed on the licensee's person in accordance with rules of the authority.

D. Licensees pursuant to the New Mexico Lottery Educational Assistance Act shall give the authority written notice of a change of address or a change of other information provided in the licensee's application for a license or for renewal of a license, as soon as the effective date of the change is known by the licensee but not later than thirty days.
SECTION 18. [NEW MATERIAL] OPERATOR LICENSEE DUTIES AND OPERATIONS.--

A. Operator licensees shall perform the following, as specified for the type of license held:

(1) sports wagering operators shall employ a monitoring system utilizing software to identify non-normal irregularities in volume or odds swings that could signal suspicious activities that should require further investigation, which irregularities or swings shall be immediately reported to and investigated by the authority. System requirements and specifications shall be developed according to industry standards and implemented by the authority as part of the minimum internal control standards;

(2) operator licensees shall promptly report to the authority facts or circumstances related to the operation of the licensee that constitute a violation of state or federal law;

(3) operator licensees shall immediately report to the appropriate state or federal authorities suspicious betting over a threshold set by the operator that has been approved by the authority;

(4) operator licensees shall conduct sports wagering and table games activities and functions in a manner that does not pose a threat to the public health, safety or
welfare and does not adversely affect the security or integrity
of the authority;

(5) operator licensees shall hold the
authority and the state harmless from and defend and pay for
the defense of all claims that may be asserted against a
licensee, the authority, the state or employees thereof arising
from the licensee's actions or omissions while acting as an
agent of the authority operating sports wagering or table games
pursuant to the New Mexico Lottery Educational Assistance Act;

(6) operator licensees shall assist the
authority in maximizing sports wagering and table games
revenues; and

(7) operator licensees shall keep current in
all payments and obligations to the authority.

B. Operator licensees shall:

(1) acquire gaming equipment by purchase,
lease or other assignment and provide a secure location for the
placement, operation and play of gaming equipment;

(2) prevent persons from tampering with or
interfering with the operation of sports wagering or table
games;

(3) ensure that sports wagering and table
games are within the sight and control of designated employees
of the licensee and that wagering within the gaming area, or
otherwise available by the licensee, is conducted under
continuous observation by security equipment in conformity with
specifications and requirements of the authority;

(4) ensure that sports wagering and table
games occur only in the specific locations within the
designated gaming areas approved by the authority or, with
regard to sports wagering, using an authority-approved mobile
application or other online platform that utilizes
communications technology to accept wagers originating within
this state. Sports wagering shall only be offered in
additional authorized manners in accordance with the rules
promulgated by the authority; provided that all on-premises
sports wagering shall be done within approved gaming areas;

(5) maintain sufficient cash and other
supplies to conduct sports wagering or table games at all
times;

(6) maintain daily records showing the gross
receipts and adjusted gross receipts of the licensee from
sports wagering and table games and timely file with the
authority additional reports required by rule promulgated by
the authority or by other provisions set forth in the New
Mexico Lottery Educational Assistance Act;

(7) upon request by the authority, provide the
authority with access to all records and the physical premises
where the licensee's operations occur, for the purpose of
monitoring or inspecting the licensee's activities, the gaming
equipment and gaming area and security equipment; and

(8) offer complimentary services, gifts, cash
or other items of value to a patron only in the manner
permitted pursuant to the New Mexico Lottery Educational
Assistance Act and rules promulgated by the authority.

SECTION 19. [NEW MATERIAL] COMPLIMENTARY SERVICES--
COMPLIMENTARY GIFTS--COMPLIMENTARY CASH--OTHER ITEMS.--

A. Operator licensees shall not offer or provide
complimentary services, gifts, cash or other items of value to
a patron unless the complimentary services, gifts, cash or
other items of value consist of:

(1) room, food, beverage or entertainment
expenses provided directly to the patron or the patron's guests
by the operator or indirectly on behalf of the licensee by a
third party;

(2) documented transportation expenses
provided directly to the patron or the patron's guests on
behalf of the operator by a third party; provided that the
operator complies with the rules promulgated by the authority
to ensure that a patron's and the patron's guests' documented
transportation expenses are paid for or reimbursed only once;
or

(3) coins, tokens, cash or other complimentary
items or services provided through a complimentary distribution
program, the terms of which shall be filed with the authority.

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upon implementation of the program or maintained pursuant to
rules promulgated by the authority.

B. Changes in the terms of a complimentary program
shall be filed with the authority upon implementation of the
change.

C. Operator licensees may offer and provide
complimentary cash or non-cash gifts that are not otherwise
included in this section to a person; provided that
complimentary cash or non-cash gifts in excess of an amount per
trip to be set by rule promulgated by the authority are
supported by documentation regarding the reason the gift was
provided to the patron or the patron's guests, including, where
applicable, a patron's player rating. The documentation shall
be maintained by an operator in accordance with rules
promulgated by the authority. For the purposes of this
subsection, all gifts presented to a patron or a patron's
guests directly by the operator or indirectly on behalf of the
operator by a third party within a five-day period shall be
considered to have been made during a single trip.

SECTION 20. [NEW MATERIAL] SPORTS WAGERING AGREEMENTS
WITH OTHER JURISDICTIONS.--

A. The authority is authorized to:

(1) enter into sports wagering agreements with
other governments whereby persons who are physically located in
a signatory jurisdiction may participate in sports wagering
conducted by one or more operators licensed by the signatory
governments; and

(2) take all necessary actions to ensure that
a sports wagering agreement entered into pursuant to this
section becomes effective.

B. Rules adopted by the authority pursuant to this
section shall include provisions prescribing:

(1) the form, length and terms of an agreement
entered into by the authority and another government, including
provisions relating to how:

(a) taxes are to be treated by this
state and another government;

(b) revenues are to be shared and
distributed; and

(c) disputes with patrons are to be
resolved;

(2) information to be furnished to the
authority by a government that proposes to enter into an
agreement with this state pursuant to this section;

(3) information to be furnished to the
authority to enable the authority and chief executive officer
to fulfill the purposes of this section;

(4) the manner and procedure for hearings
conducted by the authority pursuant to this section, including
special rules or notices; and

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(5) information required to be furnished to
the authority to support recommendations made to the authority
pursuant to this section.

C. The authority shall not enter into a sports
wagering agreement pursuant to this section unless the
agreement includes provisions that:

(1) account for the sharing of revenues by
this state and another government;

(2) permit the effective regulation of sports
wagering by New Mexico, including provisions relating to
licensing of persons, technical standards, resolution of
disputes by patrons, requirements for bankrolls, enforcement,
accounting and maintenance of records;

(3) require each government that is a
signatory to the agreement to prohibit operators of sports
wagering, management or other service providers or suppliers,
manufacturers or distributors of sports wagering systems from
engaging in an activity permitted by the sports wagering
agreement unless they are licensed in New Mexico or in a
signatory jurisdiction with similar requirements approved by
the authority;

(4) no variation from the requirements of the
sports wagering agreement is permitted for a signatory
government without a lack of opposition by this state and all
signatory governments;

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(5) prohibit subordinate or side agreements
among a subset of governments that are signatories to the
agreement except agreements that relate exclusively to the
sharing of revenues; and

(6) require the government to establish and
maintain regulatory requirements governing sports wagering that
are consistent with the requirements of New Mexico in all
material respects if the sports wagering agreement allows
persons physically located in this state to participate in
sports wagering conducted by another government or an operator
licensed by another government.

SECTION 21. [NEW MATERIAL] AUTHORIZATION OF SPORTS
WAGERING--REQUIREMENTS.--

A. An operator may accept wagers on sports events
and other events authorized pursuant to the New Mexico Lottery
Educational Assistance Act from persons physically present
within a gaming area where authorized sports wagering occurs or
from persons not physically present who wager by means of
electronic devices. A person placing a wager shall be at least
twenty-one years of age.

B. An operator may accept wagers from an individual
physically located within this state using a mobile or other
online platform or a sports wagering device, approved by the
authority, through the patron's player's account.

C. An operator may accept wagers from an individual
physically located in a state or jurisdiction with which the
authority has entered into a sports wagering agreement using a
mobile or other online platform or a sports wagering device
through the patron's player's account so long as the device or
platform is approved by the authority and all other
requirements of the agreement are satisfied.

D. The authority or operator may ban a person from
entering a gaming area where sports wagering is conducted, or
the larger premises that includes the gaming area, or from
participating in the play or operation of sports wagering. A
log of all excluded players shall be maintained by the
authority and each operator licensee, and no player on the
authority's exclusion list or the operator licensee's exclusion
list shall wager on sports wagering pursuant to the New Mexico
Lottery Educational Assistance Act.

E. The authority shall promulgate rules
implementing the provisions of this section.

F. A licensed employee shall not place a wager on a
sports event at the employer's gaming area or through a mobile
application or online platform of the licensed employee's
employer.

G. An authority employee shall not knowingly wager
or be paid a prize from a wager placed with a sports wagering
operator licensee within New Mexico or at a facility outside
New Mexico that is directly or indirectly owned or operated by
an operator licensee.

SECTION 22. [NEW MATERIAL] UNAUTHORIZED TABLE GAMES WAGERING.—

A. A table games operator licensee shall receive wagers only from an individual physically present in a designated gaming area with table games.

B. Table games operator licensees shall use a method of wagering whereby the player's money for wagering on table games is, at the request of the player, converted to tokens, electronic cards or other electronic media or chips at the table or elsewhere at the licensed racetrack.

C. Tokens, electronic cards or other electronic media or chips issued by a table games operator licensee may only be used for wagering with that licensee.

D. Wagering on table games shall not be conducted with money, other negotiable currency, tokens, electronic cards or other electronic media or chips not issued by the table games operator licensee where the table games are played.

E. At the request of a player, the table games operator licensee shall convert the player's tokens, electronic cards or other electronic media or chips to currency.

F. A table games operator licensee shall not charge a fee for converting a player's money to an acceptable media for play at a gaming table or charge a fee for converting the acceptable media for wagering at a gaming table to currency.
G. An employee of a table games operator licensee shall not place a wager on a table game located on the premises where that employee works.

SECTION 23. [NEW MATERIAL] REVENUE AND TAXES--ACCOUNTING--LIMITATION OF TAXES--RECOUPEMENT.--

A. For the privilege of holding a license to operate sports wagering pursuant to the New Mexico Lottery Educational Assistance Act, there is a tax imposed and collected by the state in the amount of ten percent of the licensee's adjusted gross receipts from the operation of sports wagering. The accrual method of accounting shall be used for purposes of calculating the amount of the tax owed by the sports wagering operator licensee.

B. For the privilege of holding a license to operate table games pursuant to the New Mexico Lottery Educational Assistance Act, there is a tax imposed and collected by the state in the amount of fifteen percent of the licensee's adjusted gross receipts from the operation of table games. The accrual method of accounting shall be used for purposes of calculating the amount of the tax owed by the table games operator licensee.

C. The taxes imposed and collected pursuant to Subsections A and B of this section are due and payable to the authority in weekly installments on or before the Wednesday following the calendar week in which the adjusted gross
receipts were received and the tax obligation accrued.

D. Operator licensees shall complete and submit a tax return for the preceding week by electronic communication to the authority, on or before Wednesday of each week, in a form prescribed by the authority that provides:

(1) the total gross receipts and adjusted gross receipts from operation of sports wagering or table games during that week;

(2) the tax amount for which the operator licensee is liable; and

(3) additional information necessary for the computation and collection of the tax on adjusted gross receipts as required by the authority.

E. The tax due shall be remitted by electronic funds transfer simultaneously with the filing of the return. All taxes received by the authority pursuant to this section shall be deposited in the educational assistance fund.

F. When adjusted gross receipts for a week is a negative number because winnings paid to patrons wagering on the operator licensee's sports wagering or table games exceeds the operator licensee's gross receipts from sports wagering or table games, the authority shall allow the operator licensee to carry over the negative amount to returns filed for subsequent weeks. The negative amount of adjusted gross receipts shall not be carried back to an earlier week, and taxes previously

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received by the authority shall not be refunded, except if the licensee surrenders its operator's license and the operator licensee's last return reported negative adjusted gross receipts. In that case, the authority shall multiply the amount of negative adjusted gross receipts by ten percent and pay the amount to the operator licensee.

G. The tax on adjusted gross receipts imposed by this section is in lieu of all state and local gross receipts taxes and fees imposed on the operation of or the proceeds from operation of sports wagering or table games.

H. Credit shall not be allowed against the tax obligations imposed by this section for an investment in gaming equipment or for an investment in or improvement to real property that is used in the operation of sports wagering or table games.

SECTION 24. [NEW MATERIAL] EDUCATIONAL ASSISTANCE FUND--DISTRIBUTION OF FUNDS.--

A. The "educational assistance fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, taxes, fees, gifts, grants and donations to the fund and income from investment of the fund. Money in the fund shall be invested by the state investment officer as provided for other funds. Money in the fund, subject to appropriation by the legislature, may be expended by the authority for the purposes of carrying out the provisions of .218742.3
the New Mexico Lottery Educational Assistance Act.

Disbursements from the fund shall be by warrant of the
secretary of finance and administration pursuant to vouchers
signed by the chief executive officer or the chief executive
officer's designee pursuant to the New Mexico Lottery
Educational Assistance Act.

B. The authority shall be reimbursed on a monthly
basis from the educational assistance fund in an amount equal
to all expenses incurred by the authority in the administration
and enforcement of the New Mexico Lottery Educational
Assistance Act.

C. At the end of each quarter of a fiscal year,
seventy-five percent of the amount in the educational
assistance fund shall be transferred into the lottery tuition
fund, up to a maximum of ten million dollars ($10,000,000) in a
fiscal year, after which the transfer shall be to the general
fund.

SECTION 25. [NEW MATERIAL] LAW ENFORCEMENT.--The
authority shall use the New Mexico state police for law
enforcement services uniquely related to gaming necessary to
enforce the provisions of the New Mexico Lottery Educational
Assistance Act that are not subject to federal jurisdiction.
The New Mexico state police shall have exclusive jurisdiction
only over offenses relating to sports wagering and table games.

SECTION 26. [NEW MATERIAL] CIVIL PENALTIES.--
A. The authority shall impose on a person who violates the provisions of the New Mexico Lottery Educational Assistance Act a civil penalty not to exceed fifty thousand dollars ($50,000) for each violation. Penalties are not limited to persons licensed pursuant to the New Mexico Lottery Educational Assistance Act.

B. Prior to the imposition of a civil penalty pursuant to Subsection A of this section, the alleged offender shall be given notice and an opportunity to be heard pursuant to rules promulgated by the authority.

C. The provisions of this section shall not apply to persons participating in social gambling, which is wagering between individuals in a private place in which all economic benefits go to the winner of the wager.

SECTION 27. [NEW MATERIAL] UNLICENSED ACTIVITIES--CRIMES--PENALTIES.--

A. A person other than a licensee pursuant to the New Mexico Lottery Educational Assistance Act who accepts a sports wager or facilitates or operates a sports wagering or table games operation is guilty of a misdemeanor and upon conviction shall be sentenced pursuant to the provisions of Section 31-19-1 NMSA 1978.

B. A person convicted of a second violation of Subsection A of this section is guilty of a misdemeanor and upon conviction shall be sentenced pursuant to the provisions of Section 31-19-1 NMSA 1978.
of Section 31-19-1 NMSA 1978.

C. A person convicted of a third or subsequent violation of Subsection A of this section is guilty of a fourth degree felony and upon conviction shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

SECTION 28. [NEW MATERIAL] UNAUTHORIZED OPERATIONS--CRIMES--PENALTIES.--

A. An operator licensee is guilty of unlawful operation and is guilty of a misdemeanor when the operator licensee:

(1) operates sports wagering or table games without authorization of the authority to do so;

(2) operates sports wagering or table games in a location or in a manner not approved by the authority;

(3) knowingly conducts, carries on, operates or allows sports wagering or table games to occur on premises, or through another device, if equipment or material has been tampered with or exposed to conditions in which it will be operated in a manner designed to deceive the public;

(4) acts or employs another person to act as if the person is not an agent or employee of the licensee in order to encourage participation in sports wagering or table games; or

(5) exchanges tokens, chips, electronic media or other forms of credit used for wagering for anything of
value except money or credits applied to a player's account authorized pursuant to the New Mexico Lottery Educational Assistance Act.

B. A person is guilty of a fourth degree felony when:

(1) the person offers, promises or gives anything of value to anyone for the purpose of influencing the outcome of a race, sports event, contest, table game or other game upon which a wager may be made, or a person places, increases or decreases a wager after acquiring knowledge, not available to the general public, that anyone has been offered, promised or given anything of value for the purpose of influencing the outcome of the race, sports event, contest, table game or game upon which the wager is placed, increased or decreased or attempts to do any of the same;

(2) the person changes or alters the normal outcome of a game played on a mobile or other online platform, including an interactive gaming system used to monitor the same or the way in which the outcome is reported to a participant in the game;

(3) the person manufactures, sells or distributes a device that is intended by that person to be used to violate a provision of the New Mexico Lottery Educational Assistance Act;

(4) the person places a bet or aids another
individual in placing a bet on a sports event or other sports
wagering game or offering authorized pursuant to the New Mexico
Lottery Educational Assistance Act or table game after
unlawfully acquiring knowledge of the outcome on which winnings
from that bet are contingent;

(5) the person claims, collects or takes
anything of value through sports wagering or table games with
intent to defraud or attempts such action without having made a
wager which would have resulted in legitimately winning such
amount or value;

(6) the person knowingly places a wager using
counterfeit currency or other counterfeit form of credit for
wagering on sports wagering or table games; or

(7) the person, when not an operator licensee
pursuant to the New Mexico Lottery Educational Assistance Act
or an employee or agent of an operator licensee pursuant to
that act and acting in furtherance of the operator licensee's
interest, has in the person's possession within the gaming area
licensed pursuant to that act or on grounds contiguous to the
gaming area, a key or device intended to be used to violate a
provision of that act or a rule of the authority.

C. A person who violates Subsection A of this
section is guilty of a misdemeanor and upon conviction shall be
sentenced pursuant to the provisions of Section 31-19-1 NMSA
1978.
D. A person who violates Subsection B of this section is guilty of a fourth degree felony and upon conviction shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

E. Operator licensees shall post notice of the prohibitions and penalties of Subsection B of this section in a manner determined by rules promulgated by the authority.

SECTION 29. [NEW MATERIAL] PREEMPTION.--No local law or rule providing a penalty, disability, restriction, regulation or prohibition for operating sports wagering or table games or supplying an operator licensee may be enacted. The provisions of the New Mexico Lottery Educational Assistance Act shall preempt all regulations, rules, ordinances and laws of a county or municipality in conflict with that act.


SECTION 31. [NEW MATERIAL] SHIPMENT OF GAMBLING DEVICES.--All shipments of gambling devices, including sports wagering devices or related materials, to operator licensees in New Mexico are legal shipments of gambling devices into the state if the registering, recording and labeling of which have been completed by the supplier thereof in accordance with 15 U.S.C. Section 1171 through 1178.
SECTION 32. Section 30-19-1 NMSA 1978 (being Laws 1963, Chapter 303, Section 19-1, as amended) is amended to read:

"30-19-1. DEFINITIONS RELATING TO GAMBLING.--As used in Chapter 30, Article 19 NMSA 1978:

A. "antique gambling device" means a gambling device manufactured before 1970 and substantially in original condition that is not used for gambling or commercial gambling or located in a gambling place;

B. "bet" means a bargain in which the parties agree that, dependent upon chance, even though accompanied by some skill, one stands to win or lose anything of value specified in the agreement. A bet does not include:

(1) bona fide business transactions that are valid under the law of contracts, including:

   (a) contracts for the purchase or sale, at a future date, of securities or other commodities; and

   (b) agreements to compensate for loss caused by the happening of the chance, including contracts for indemnity or guaranty and life or health and accident insurance;

(2) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the bona fide owners of animals or vehicles entered in such contest;
(3) a lottery as defined in this section; or
(4) betting otherwise permitted by law;

C. "gambling device" means a contrivance other than an antique gambling device that is not licensed for use pursuant to the Gaming Control Act and that, for a consideration, affords the player an opportunity to obtain anything of value, the award of which is determined by chance, even though accompanied by some skill, whether or not the prize is automatically paid by the device;

D. "gambling place" means a building or tent, a vehicle, whether self-propelled or not, or a room within any of them that is not within the premises of a person licensed as a lottery retailer or that is not licensed pursuant to the Gaming Control Act, one of whose principal uses is:

   (1) making and settling of bets;
   (2) receiving, holding, recording or forwarding bets or offers to bet;
   (3) conducting lotteries; or
   (4) playing gambling devices; and

E. "lottery" means an enterprise wherein, for a consideration, the participants are given an opportunity to win a prize, the award of which is determined by chance, even though accompanied by some skill. "Lottery" does not include the New Mexico state lottery established and operated pursuant to the New Mexico Lottery Act or the New Mexico Lottery Act.
Educational Assistance Act or gaming that is licensed and operated pursuant to the Gaming Control Act. As used in this subsection, "consideration" means anything of pecuniary value required to be paid to the promoter in order to participate in a gambling or gaming enterprise."

SECTION 33. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.