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SENATE BILL 59

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO LOTTERY PROCEEDS; PROVIDING THAT ALL NET REVENUE
BE DEPOSITED IN THE LOTTERY TUITION FUND; MAKING AN
APPROPRIATION.

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

Section 1. Section 6-24-3 NMSA 1978 (being Laws 1995,
Chapter 155, Section 3) is amended to read:

"6-24-3. PURPOSES. -- The purposes of the New Mexico
Lottery Act are to:

A. establish and provide for the conduct of a fair
and honest lottery for the entertainment of the public; and

B. provide the maximum amount of revenues, without
imposing additional taxes or using other state revenues, for
the [purposes] purpose of

[~~(1) funding critical capital outlay needs of~~

underscored material = new
[bracketed material] = delete

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[bracketed material] = delete

1 ~~the public schools; and~~

2 (2)] providing tuition assistance to resident
3 undergraduates at New Mexico post-secondary educational
4 institutions. "

5 Section 2. Section 6-24-23 NMSA 1978 (being Laws 1995,
6 Chapter 155, Section 23, as amended) is amended to read:

7 "6-24-23. LOTTERY TUITION FUND CREATED--PURPOSE. --

8 A. The "lottery tuition fund" is created in the
9 state treasury. The fund shall be administered by the
10 commission on higher education. Earnings from investment of
11 the fund shall accrue to the credit of the fund. Any balance
12 in the fund at the end of any fiscal year shall remain in the
13 fund for appropriation by the legislature as provided in this
14 section.

15 B. [~~After appropriation, if any, by the~~
16 ~~legislature for scholarships pursuant to Subsection C of~~
17 ~~Section 21-1-2 NMSA 1978, the remaining]~~ Money in the lottery
18 tuition fund is appropriated to the commission on higher
19 education for distribution to New Mexico's public
20 post-secondary educational institutions to provide tuition
21 assistance for New Mexico resident undergraduates as provided
22 by law. "

23 Section 3. Section 6-24-24 NMSA 1978 (being Laws 1995,
24 Chapter 155, Section 24, as amended) is amended to read:

25 "6-24-24. DISPOSITION OF REVENUE. --

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1 A. As nearly as practical, an amount equal to at
2 least fifty percent of the gross annual revenues from the sale
3 of lottery tickets shall be returned to the public in the form
4 of lottery prizes.

5 B. The authority shall transmit all net revenues
6 to the state treasurer, who shall deposit [~~fifty percent of~~
7 ~~the revenues in the public school capital outlay fund for~~
8 ~~expenditure pursuant to the provisions of the Public School~~
9 ~~Capital Outlay Act and fifty percent~~] them in the lottery
10 tuition fund. Estimated net revenues shall be transmitted
11 monthly to the state treasurer for deposit in the [~~funds~~
12 fund]; provided that the total amount of annual net revenues
13 for the fiscal year shall be transmitted no later than August
14 1 each year.

15 C. In determining net revenues, operating expenses
16 of the lottery include all costs incurred in the operation and
17 administration of the lottery and all costs resulting from any
18 contracts entered into for the purchase or lease of goods or
19 services required by the lottery, including the costs of
20 supplies, materials, tickets, independent audit services,
21 independent studies, data transmission, advertising,
22 promotion, incentives, public relations, ~~communications~~,
23 ~~commissions~~ paid to lottery retailers, printing, distribution
24 of tickets, purchases of annuities or investments to be used
25 to pay future installments of winning lottery tickets, debt

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[bracketed material] = delete

1 service and payment of any revenue bonds issued, contingency
2 reserves, transfers to the reserve fund and any other
3 necessary costs incurred in carrying out the provisions of the
4 New Mexico Lottery Act.

5 D. An amount up to two percent of the gross annual
6 revenues shall be set aside as a reserve fund to cover bonuses
7 and incentive plans for lottery retailers, special promotions
8 for retailers, purchasing special promotional giveaways,
9 sponsoring special promotional events, compulsive gambling
10 rehabilitation and such other purposes as the board deems
11 necessary to maintain the integrity and meet the revenue goals
12 of the lottery. The board shall report annually to the
13 governor and each regular session of the legislature on the
14 use of the money in the reserve fund. Any balance in excess
15 of fifty thousand dollars (\$50,000) at the end of any fiscal
16 year shall be transferred to the lottery tuition fund."