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## FISCAL IMPACT REPORT

SPONSOR Trujillo, J./Alcon/ ORIGINAL DATE 2/05/19  
Trujillo, CH/Herrera LAST UPDATED 2/20/19 HB 252/aHCPAC

SHORT TITLE Nonprofit Bingos & Raffles SB \_\_\_\_\_

ANALYST Armstrong

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

|              | FY19 | FY20 | FY21 | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| <b>Total</b> |      |      |      |                      |                              |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB177

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Attorney General (NMAG)  
 Gaming Control Board (GCB)  
 Indian Affairs Department (IAD)

### SUMMARY

#### Synopsis of HCPAC

The House Consumer & Public Affairs Committee amendment to House Bill 252 clarifies that Section 60-2F-26 NMSA 1978 applies to a bingo or raffle held by a qualified organization or a nonprofit tax-exempt organization that “follows IRS guidelines.”

#### Synopsis of Original Bill

House Bill 252 exempts “nonprofit tax-exempt organizations” from the provisions of the New Mexico Bingo and Raffle Act, so long as the organization holds no more than one bingo occasion or one raffle per quarter and no more than four occasions in a single calendar year. Current law makes this allowance for “qualified organizations”, including bona fide chartered branch, lodge, or chapter of a national or state organizations, or religious, charitable, environmental, fraternal, educational, or veterans’ organizations operating without profit to members, that has been in existence in New Mexico continuously for a period of at least two years.

**FISCAL IMPLICATIONS**

No fiscal impact. GCB noted the following:

While the bill expands the number of organizations which qualify for the exemption to hold one quarterly bingo event and/or one quarterly raffle, it is not anticipated that there would be a significant administrative impact since organizations currently participating in these activities are only required to report to the Gaming Control Board if a prize is valued at more than \$75,000 or if they are utilizing a licensed premise to host their bingo or raffle event. While there could be a minor increase in the number of incidents reported to the board’s enforcement personnel with regard to potential violations, we don’t anticipate this would create a significant administrative burden.

**SIGNIFICANT ISSUES**

HB252 expands the list of organizations which would be exempt from obtaining a license to hold a quarterly raffle or bingo to include any nonprofit tax-exempt organization regardless of its mission. There are various types of nonprofit tax-exempt organizations under the Internal Revenue Code, Section 501, not all of which are charitable, and the bill does not define “nonprofit tax-exempt organization.”

Under HB252, social clubs, private foundations, political organizations and others would be exempt from Bingo and Raffle Act. It is not clear whether that is the intent of this bill. If not, an amendment to define “nonprofit tax-exempt organization” could be added to clarify the bill’s intent.

**RELATIONSHIP**

Senate Bill 177 amends statute to limit sale of pull tab games to veterans’ and fraternal organizations with a valid bingo license.

JA/al/sb