

SENATE BILL 283

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Jacob R. Candelaria and John Arthur Smith

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO THE NEW MEXICO LOTTERY; LIMITING THE AMOUNT OF REVENUE THE NEW MEXICO LOTTERY MAY EXPEND FOR OPERATIONAL EXPENSES ~~Sf1~~→; **SETTING MINIMUM TRANSFERS TO THE LOTTERY TUITION FUND; TRANSFERRING UNCLAIMED PRIZE MONEY TO THE LOTTERY TUITION FUND**←Sf1.

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

~~Sf1~~→**SECTION 1. Section 6-24-21 NMSA 1978 (being Laws 1995, Chapter 155, Section 21, as amended) is amended to read:**

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"6-24-21. DRAWINGS FOR AND PAYMENT OF PRIZES--UNCLAIMED

PRIZES--APPLICABILITY OF TAXATION.--

A. All lottery prize drawings shall be open to the public. If the prior written approval of the chief executive officer and the executive vice president for security are obtained, the selection of winning entries may be performed by an employee of the lottery. A member of the board shall not perform the selection of a winning entry. Drawings for a prize of more than five thousand dollars (\$5,000) shall be conducted and videotaped by the security division and witnessed by the internal auditor of the authority or ~~his~~ the internal auditor's designee. Promotional drawings for a prize of less than five thousand dollars (\$5,000) are exempt from the requirements of this subsection if prior written approval is given by the chief executive officer and the executive vice president for security. All lottery drawing equipment used in public drawings to select winning numbers or entries or participants for prizes shall be examined and tested by the chief executive officer's staff and the internal auditor of the authority or ~~his~~ the internal auditor's designee prior to and after each public drawing.

B. Any lottery prize is subject to applicable state taxes. The authority shall report to the state and federal taxing authorities any lottery prize exceeding six hundred

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dollars (\$600).

C. The authority shall adopt rules, policies and procedures to conduct fair and equitable drawings and establish a system of verifying the validity of tickets claimed to win prizes and to effect payment of such prizes, provided:

(1) no prize shall be paid upon a ticket purchased or sold in violation of the New Mexico Lottery Act. Any such prize shall constitute an unclaimed prize for purposes of this section;

(2) the authority is discharged from all liability upon payment of a prize;

(3) the board may by rule provide for the payment of prizes by lottery retailers, whether or not the lottery retailer sold the winning ticket, whenever the amount of the prize is less than an amount set by board rule. Payment shall not be made directly to a player by a machine or a mechanical or electronic device;

(4) prizes not claimed within the time period established by the authority are forfeited and shall be paid into the [prize] lottery tuition fund as provided in Subsection E of Section 6-24-24 NMSA 1978. No interest is due on a prize when a claim is delayed;

(5) the right to a prize is not assignable, but prizes may be paid to a deceased winner's estate or to a

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person designated by judicial order;

(6) until a signature or mark is placed on a ticket in the area designated for signature, a ticket is owned by the bearer of the ticket, but after a signature or mark is placed on a ticket in the area designated for signature, a ticket is owned by the person whose signature or mark appears, and that person is entitled to any prize attributable to the owner; and

(7) the authority is not responsible for lost or stolen tickets."←Sf1

Sf1→~~SECTION 1.~~ SECTION 2.←Sf1 Section 6-24-24 NMSA 1978 (being Laws 1995, Chapter 155, Section 24, as amended) is amended to read:

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

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

B. No later than the last business day of each month, the authority shall transmit [at least twenty-seven percent of the gross revenue of the previous month until December 31, 2008 and at least thirty percent of the gross] net revenue of the previous month [thereafter] to the state treasurer, who shall deposit it in the lottery tuition fund.

C. Operating expenses of the lottery include all

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costs incurred in the operation and administration of the lottery and all costs resulting from any contracts entered into for the purchase or lease of goods or services required by the lottery, including the costs of supplies, materials, tickets, independent audit services, independent studies, data transmission, advertising, promotion, incentives, public relations, communications, commissions paid to lottery retailers, printing, distribution of tickets, purchases of annuities or investments to be used to pay future installments of winning lottery tickets, debt service and payment of any revenue bonds issued, contingency reserves, transfers to the reserve fund and any other necessary costs incurred in carrying out the provisions of the New Mexico Lottery Act. In fiscal year 2020, operating expenses shall not be more than seventeen percent of revenue; in fiscal year 2021, operating expenses shall not be more than sixteen percent of revenue; and in fiscal year 2022 and subsequent fiscal years, operating expenses shall not be more than fifteen percent of revenue.

SEC → " ← SEC

SFC → ~~SEC → D. The minimum transfer by the authority to the lottery tuition fund shall be as follows:~~

~~(1) forty million dollars (\$40,000,000) for fiscal year 2020;~~

~~(2) forty million five hundred thousand dollars (\$40,500,000) for fiscal year 2021; and~~

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~~(3) forty-one million dollars (\$41,000,000) for fiscal year 2022 and subsequent fiscal years; provided, however, that if the authority does not transfer at least forty-one million dollars (\$41,000,000) in fiscal year 2022 or any subsequent fiscal year, the transfer in the next fiscal year shall be not less than thirty percent of the gross revenue of the lottery."~~←SEC←SFC

Sf1→SFC→D. The minimum transfer by the authority to the lottery tuition fund shall be as follows:

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~~(2) forty million five hundred thousand dollars (\$40,500,000) for fiscal year 2021; and~~

~~(3) forty-one million dollars (\$41,000,000) for fiscal year 2022 and subsequent fiscal years; provided, however, that if the authority does not transfer at least forty-one million dollars (\$41,000,000) in fiscal year 2022 or any subsequent fiscal year, the transfer in the next fiscal year shall be not less than thirty percent of the gross revenue of the lottery.~~

~~E. Beginning in fiscal year 2023, no later than the last business day of each month, the authority shall transfer all unclaimed prizes to the lottery tuition fund."~~←SFC←Sf1

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(2) forty million five hundred thousand dollars (\$40,500,000) for fiscal year 2021; and

(3) forty-one million dollars (\$41,000,000) for fiscal year 2022 and subsequent fiscal years; provided, however, that if the authority does not transfer at least forty-one million dollars (\$41,000,000) in fiscal year 2022 or any subsequent fiscal year, the transfer in the next fiscal year and every fiscal year thereafter shall not be less than thirty percent of the gross revenue of the lottery.

E. Beginning in fiscal year 2023, no later than the last business day of each month, the authority shall transfer all unclaimed prize money to the lottery tuition fund."←Sf1