

**FIFTY-FOURTH LEGISLATURE
FIRST SESSION, 2019**

March 2, 2019

Mr. Speaker:

Your **STATE GOVERNMENT, ELECTIONS & INDIAN AFFAIRS COMMITTEE**, to whom has been referred

SENATE BILL 283

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. Strike Senate Finance Committee Amendment 2.

2. On page 1, line 13, before the period, insert "; SETTING MINIMUM TRANSFERS TO THE LOTTERY TUITION FUND; TRANSFERRING UNCLAIMED PRIZE MONEY TO THE LOTTERY TUITION FUND".

3. On page 1, between lines 15 and 16, insert:

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

"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

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taxes. The authority shall report to the state and federal taxing authorities any lottery prize exceeding six hundred 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 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."".

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4. Renumber the succeeding section accordingly.

5. On page 2, between lines 22 and 23, insert the following new subsections:

"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

(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."".

Respectfully submitted,

Georgene Louis, Chair

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

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The roll call vote was 9 For 0 Against
Yes: 9
No: 0
Excused: None
Absent: None

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