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HOUSE BILL 207

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

LUCIANO "LUCKY" VARELA

AN ACT

RELATING TO STATE LOTTERY REVENUES; CHANGING THE FORMULA FOR
DISTRIBUTION OF LOTTERY NET REVENUES; DISTRIBUTING LOTTERY
REVENUES TO PUBLIC SCHOOLS FOR EDUCATIONAL TECHNOLOGY PURSUANT
TO THE TECHNOLOGY FOR EDUCATION ACT; AMENDING SECTIONS OF THE
NMSA 1978; MAKING AN APPROPRIATION.

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

Section 1. Section 6-24-24 NMSA 1978 (being Laws 1995,
Chapter 155, Section 24) 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 revenues from the sale
of lottery tickets shall be returned to the public in the form
of lottery prizes.

B. The authority shall transmit all net revenues

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1 to the state treasurer who shall deposit [~~sixty~~ forty percent
2 of the revenues in the [~~public school capital outlay~~
3 educational technology fund for expenditure pursuant to the
4 provisions of the [~~Public School Capital Outlay Act~~
5 Technology for Education Act and [~~forty~~ sixty percent in the
6 lottery tuition fund. Estimated net revenues shall be
7 transmitted monthly to the state treasurer for deposit in the
8 funds, provided the total amount of annual net revenues for
9 the fiscal year shall be transmitted no later than August 1
10 [~~each~~] of the following fiscal year.

11 C. In determining net revenues, operating expenses
12 of the lottery include all costs incurred in the operation and
13 administration of the lottery and all costs resulting from any
14 contracts entered into for the purchase or lease of goods or
15 services required by the lottery, including [~~but not limited~~
16 ~~to~~] the costs of supplies, materials, tickets, independent
17 audit services, independent studies, data transmission,
18 advertising, promotion, incentives, public relations,
19 communications, commissions paid to lottery retailers,
20 printing, distribution of tickets, purchases of annuities or
21 investments to be used to pay future installments of winning
22 lottery tickets, debt service and payment of any revenue bonds
23 issued, contingency reserves, transfers to the reserve fund
24 and any other necessary costs incurred in carrying out the
25 provisions of the New Mexico Lottery Act.

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

13 Section 2. Section 6-24-27 NMSA 1978 (being Laws 1995,
14 Chapter 155, Section 27) is amended to read:

15 "6-24-27. REVENUE AND BUDGET REPORTS--RECORDS--
16 INDEPENDENT AUDITS.--

17 A. The board shall:
18 (1) submit quarterly and annual reports to
19 the governor, legislative finance committee and lottery
20 oversight committee disclosing the total lottery revenue,
21 prizes, commissions, ticket costs, operating expenses and net
22 revenues of the authority during the reporting period and, in
23 the annual report, describe the organizational structure of
24 the authority and summarize the functions performed by each
25 organizational division within the authority;

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1 (2) maintain weekly or more frequent records
2 of lottery transactions, including the distribution of lottery
3 tickets to retailers, revenue received, claims for prizes,
4 prizes paid, prizes forfeited and other financial transactions
5 of the authority; and

6 (3) use the state government fiscal year.

7 B. The board shall provide, for informational
8 purposes, to the department of finance and administration and
9 the legislative finance committee, by December 1 of each year,
10 a copy of the annual proposed operating budget for the
11 authority for the succeeding fiscal year. This budget
12 proposal shall also be accompanied by an estimate of the net
13 revenues to be deposited in the [~~public school capital outlay~~]
14 educational technology fund and the lottery tuition fund for
15 the current and succeeding fiscal years.

16 C. The board shall contract with an independent
17 certified public accountant or firm for an annual financial
18 audit of the authority. The certified public accountant or
19 firm shall have no financial interest in any lottery
20 contractor. The certified public accountant or firm shall
21 present an audit report no later than March 1 for the prior
22 fiscal year. The certified public accountant or firm shall
23 evaluate the internal auditing controls in effect during the
24 audit period. The cost of this financial audit shall be an
25 operating expense of the authority. The legislative finance

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1 committee may, at any time, order an audit of any phase of the
2 operations of the authority, at the expense of the authority,
3 and shall receive a copy of the annual independent financial
4 audit. A copy of any audit performed by the certified public
5 accountant or ordered by the legislative finance committee
6 shall be transmitted to the governor, the speaker of the house
7 of representatives, the president pro tempore of the senate,
8 the legislative finance committee and the lottery oversight
9 committee. "

10 Section 3. Section 22-15A-9 NMSA 1978 (being Laws 1994,
11 Chapter 96, Section 9) is amended to read:

12 "22-15A-9. EDUCATIONAL TECHNOLOGY FUND-- DISTRIBUTION. --

13 A. Upon annual review and approval of a school
14 district's educational technology plan, the bureau shall
15 determine a separate distribution from the educational
16 technology fund for each school district.

17 B. On or before July 31 of each year, the bureau
18 shall distribute money in the educational technology fund
19 directly to each school district in an amount equal to ninety
20 percent of the district's estimated entitlement as determined
21 by the projected membership for the school year. A school
22 district's entitlement is that portion of the total amount of
23 the annual appropriation that the projected membership bears
24 to the projected membership of the state. Kindergarten
25 membership shall be calculated on a one-half full-time-

. 120517. 1

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1 equivalent basis.

2 C. On or before January 30 of each year, the
3 bureau shall recompute each entitlement using the final funded
4 membership for that year and shall allocate the balance of the
5 annual appropriation adjusting for any over- or under-
6 projection of membership.

7 D. Any school district receiving funding pursuant
8 to the Technology for Education Act is responsible for the
9 purchase, distribution, use and maintenance of educational
10 technology.

11 E. As used in this section:

12 (1) "annual appropriation" means for any
13 fiscal year the sum of appropriations to the educational
14 technology fund for the fiscal year and all state lottery
15 revenues distributed to the fund in the prior fiscal year; and

16 (2) "membership" means the total enrollment
17 of qualified students, as defined in the Public School Finance
18 Act, on the current roll of class or school on a specified
19 day. The current roll is established by the addition of
20 original entries and re-entries minus withdrawals. Withdrawal
21 of students, in addition to students formally withdrawn from
22 the public school, includes students absent from the public
23 school for as many as ten consecutive school days."

24 Section 4. EFFECTIVE DATE. --The effective date of the
25 provisions of this act is July 1, 1998.

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 January 28, 1998
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9 Mr. Speaker:
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11 Your RULES AND ORDER OF BUSINESS COMMITTEE, to
12 whom has been referred
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15 HOUSE BILL 207
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17 has had it under consideration and finds same to be GERMANE
18 in accordance with constitutional provisions.
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21 Respectfully submitted,
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R. David Pederson, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

Excused: Lujan, Luna, Nicely, Picraux, Ryan, Sanchez, Williams,

S. M

Absent: None

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1 **FORTY-THIRD LEGISLATURE**
2 **SECOND SESSION, 1998**
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6 **February 4, 1998**
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8 **Mr. Speaker:**
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10 **Your EDUCATION COMMITTEE, to whom has been referred**
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12 **HOUSE BILL 207**
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14 **has had it under consideration and reports same with**
15 **recommendation that it DO PASS, and thence referred to the**
16 **APPROPRIATIONS AND FINANCE COMMITTEE.**

17 **Respectfully submitted,**
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21 _____
22 **Rick Miera, Chairman**
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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HEC/HB 207

Page 10

4 Adopted _____ Not Adopted _____

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6 (Chief Clerk)

(Chief Clerk)

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8 Date _____

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10 The roll call vote was 9 For 1 Against

11 Yes: 9

12 No: Wright

13 Excused: Mallory, Nicely, Vigil

14 Absent: None

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

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4 February 7, 1998

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 207

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS, amended as follows:

15
16 1. On page 4, line 7, strike "informational" and insert
17 in lieu thereof "budget".

18
19 2. On page 4, line 9, strike "December" and insert in
20 lieu thereof "September".

21 3. On page 5, line 9, delete the closing quotation mark.

22
23 4. On page 5, between lines 9 and 10, insert the
24 following new subsection:

25 "D. The legislature shall annually appropriate the

. 120517. 1

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HARC/HB 207

Page 12

4 portion of revenues for operating expenses of the authority.””.

5
6 Respectfully submitted,

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10 _____
11 Max Coll, Chairman

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14 Adopted _____

Not Adopted _____

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16 (Chief Clerk)

(Chief Clerk)

17 Date _____
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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

3 HARC/HB 207

Page 13

4 The roll call vote was 12 For 0 Against

5 Yes: 12

6 Excused: Heaton, Knowles, Pearce, Salazar, Wallace, Watchman

7 Absent: None

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

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4 February 7, 1998

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 207

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS, amended as follows:

15
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22
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25 "D. The legislature shall annually appropriate the

. 120517. 1

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HARC/HB 207

Page 15

4 portion of revenues for operating expenses of the authority.””.

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6 Respectfully submitted,

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10 _____
11 Max Coll, Chairman

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14 Adopted _____

Not Adopted _____

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16 (Chief Clerk)

(Chief Clerk)

17 Date _____

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

3 HARC/HB 207

Page 16

4 The roll call vote was 12 For 0 Against

5 Yes: 12

6 Excused: Heaton, Knowles, Pearce, Salazar, Wallace, Watchman

7 Absent: None

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

1 HARC/HB 207

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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February 16, 1998

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Mr. President:

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Your EDUCATION COMMITTEE, to whom has been referred

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HOUSE BILL 207, as amended

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has had it under consideration and reports same WITHOUT
RECOMMENDATION, and thence referred to the FINANCE COMMITTEE.

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Respectfully submitted,

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Cynthia Nava, Chairman

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Adopted _____ Not Adopted _____

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FORTY-SECOND LEGISLATURE
SECOND SESSION

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KEYBOARD(TYPE SLUGS)

Page 18

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 5 For 3 Against

Yes: 5

No: Boitano, Duran, Rawson

Excused: Gorham, Rodriguez

Absent: None

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FORTY-SECOND LEGISLATURE
SECOND SESSION

KEYBOARD(TYPE SLUGS)

Page 19

FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

February 18, 1998

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 207, as amended

has had it under consideration and reports same with recommendation
that it DO PASS.

Respectfully submitted,

Ben D. Altamirano, Chairman

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FORTY-SECOND LEGISLATURE
SECOND SESSION

KEYBOARD(TYPE SLUGS)

Page 20

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben

Absent: None

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