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FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 1/24/02 HB 32

SHORT TITLE: Joint Lottery Games SB _____

ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From
New Mexico Lottery Authority

SUMMARY

Synopsis of Bill

House Bill 32 allows the New Mexico Lottery to enter into agreement or contracts with other entities to offer joint lottery games. The entities may include other states, other countries, a territory of the United States, political subdivisions of another state or territory of the United States, a sovereign nation, an Indian Nation, tribe or pueblo located within the United States or a legal lottery operator outside of the United States.

Significant Issues

The country of Mexico has applied to become a member of Powerball. Currently the New Mexico Lottery Act does not allow for the New Mexico Lottery Authority (NMLA) to participate in lottery games with other countries. As such, if Mexico is successful in becoming a member of Powerball and the legislation is not changed, the New Mexico Lottery will not be able to continue to sell Powerball tickets.

FISCAL IMPLICATIONS

In fiscal year 2002, Powerball sales were \$43.1 million or 33.4% of total sales. This equates to \$9.9 million in net income.

OTHER SUBSTANTIVE ISSUES

NMLA notes that by adding Mexico's player population of approximately 25 million, New Mexico can expect to see its Powerball sales grow an estimated \$6.8 million the first full year as a result of faster growing jackpots. Larger jackpots generate higher ticket sales

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