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## FISCAL IMPACT REPORT

SPONSOR: Hurt DATE TYPED: 1/24/02 HB \_\_\_\_\_

SHORT TITLE: Unclaimed Lottery Prizes SB 27

ANALYST: Smith

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	2,000.0		Recurring	General Fund
	(2,000.0)		Recurring	Lottery Prize Fund

(Parenthesis () Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Responses Received From  
New Mexico Lottery Authority (NMLA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 27 requires that all unclaimed prizes of the state lottery be paid into the General Fund.

#### Significant Issues

Unclaimed prizes are currently returned to the prize fund and are used to increase the percentage prize payout of Instant Scratchers. However, reversion to the general fund is consistent with the state's treatment of other unclaimed property.

## **FISCAL IMPLICATIONS**

In FY02 the NMLA used \$2 million of unclaimed prizes to finance Instant Scratcher prizes. However, NMLA claims that this \$2 million investment resulted in a net increase of \$7.8 million in net income. Their objection to this bill is essentially an “eating the seed corn” type of argument.

SS/ls