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HOUSE BILL 620

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Nick L. Salazar

AN ACT

RELATING TO HIGHER EDUCATION; ALLOWING LOTTERY TUITION
SCHOLARSHIPS TO BE USED FOR NEW MEXICO STUDENTS ATTENDING
REGIONALLY ACCREDITED PRIVATE NONPROFIT AND ACCREDITED NATIVE
AMERICAN POST-SECONDARY EDUCATIONAL INSTITUTIONS IN NEW MEXICO;
LIMITING AWARDS TO FIXED AMOUNTS NOT TO EXCEED TUITION
SCHOLARSHIPS AT SIMILAR PUBLIC POST-SECONDARY EDUCATIONAL
INSTITUTIONS.

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

Section 1. Section 6-24-23 NMSA 1978 (being Laws 1995,
Chapter 155, Section 23, as amended) is amended to read:

"6-24-23. LOTTERY TUITION FUND CREATED--PURPOSE.--

A. The "lottery tuition fund" is created in the
state treasury. The fund shall be administered by the
commission on higher education. Earnings from investment of

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1 the fund shall accrue to the credit of the fund. Any balance
2 in the fund at the end of any fiscal year shall remain in the
3 fund for appropriation by the legislature as provided in this
4 section.

5 B. Money in the lottery tuition fund is
6 appropriated to the commission on higher education [~~for~~
7 ~~distribution to New Mexico's public post-secondary educational~~
8 ~~institutions~~] to provide tuition assistance for New Mexico
9 resident undergraduates as provided by law."

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

12 "6-24-27. REVENUE AND BUDGET REPORTS--RECORDS--
13 INDEPENDENT AUDITS.--

14 A. The board shall:

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

23 (2) maintain weekly or more frequent records
24 of lottery transactions, including the distribution of lottery
25 tickets to retailers, revenue received, claims for prizes,

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1 prizes paid, prizes forfeited and other financial transactions
2 of the authority; and

3 (3) use the state government fiscal year.

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

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

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1 audit. A copy of any audit performed by the certified public
2 accountant or ordered by the legislative finance committee
3 shall be transmitted to the governor, the speaker of the house
4 of representatives, the president pro tempore of the senate and
5 the legislative finance committee."

6 Section 3. Section 21-1-4.4 NMSA 1978 (being Laws 1996,
7 Chapter 71, Section 4) is amended to read:

8 "21-1-4.4. COMMISSION ON HIGHER EDUCATION--DETERMINATION
9 OF TUITION SCHOLARSHIPS--USE OF LOTTERY TUITION FUND.--

10 A. Prior to June 1 of each year, the commission on
11 higher education shall determine the amount of money available
12 for tuition scholarships [~~at state public post-secondary~~
13 ~~educational institutions~~]. Based on the amount appropriated by
14 the legislature from the lottery tuition fund and on the
15 projected [~~enrollment at all public post-secondary educational~~
16 ~~institutions~~] number of students who will apply for tuition
17 scholarships, the commission on higher education shall
18 establish the [~~percentage of~~] fixed-amount tuition scholarships
19 that shall be awarded for qualified resident students
20 [~~attending New Mexico public post-secondary educational~~
21 ~~institutions~~]. The [~~percentage of~~] fixed-amount tuition
22 scholarships awarded shall be the same for each post-secondary
23 educational institution, regardless of the actual cost of
24 tuition at each institution.

25 B. Tuition scholarships are available to students

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1 in all New Mexico public, regionally accredited private
2 nonprofit and accredited Native American post-secondary
3 educational institutions. The commission on higher education
4 shall promulgate rules of eligibility and other requirements
5 for students attending regionally accredited private nonprofit
6 and accredited Native American post-secondary educational
7 institutions that are similar to the rules for public post-
8 secondary educational institutions."

9 Section 4. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2005.

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