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SENATE BILL 612

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO HIGHER EDUCATION; PROVIDING FOR LEGISLATIVE LOTTERY
GRADUATE SCHOLARSHIPS; MAKING AN APPROPRIATION.

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

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

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1 and videotaped by the security division and witnessed by the
2 internal auditor of the authority or [~~his~~] the internal
3 auditor's designee. Promotional drawings for a prize of less
4 than five thousand dollars (\$5,000) are exempt from the
5 requirements of this subsection if prior written approval is
6 given by the chief executive officer and the executive vice
7 president for security. All lottery drawing equipment used in
8 public drawings to select winning numbers or entries or
9 participants for prizes shall be examined and tested by the
10 chief executive officer's staff and the internal auditor of the
11 authority or [~~his~~] the internal auditor's designee prior to and
12 after each public drawing.

13 B. Any lottery prize is subject to applicable state
14 taxes. The authority shall report to the state and federal
15 taxing authorities any lottery prize exceeding six hundred
16 dollars (\$600).

17 C. The authority shall adopt rules, policies and
18 procedures to conduct fair and equitable drawings and establish
19 a system of verifying the validity of tickets claimed to win
20 prizes and to effect payment of such prizes, provided:

21 (1) no prize shall be paid upon a ticket
22 purchased or sold in violation of the New Mexico Lottery Act.
23 Any such prize shall constitute an unclaimed prize for purposes
24 of this section;

25 (2) the authority is discharged from all

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1 liability upon payment of a prize;

2 (3) the board may by rule provide for the
3 payment of prizes by lottery retailers, whether or not the
4 lottery retailer sold the winning ticket, whenever the amount
5 of the prize is less than an amount set by board rule. Payment
6 shall not be made directly to a player by a machine or a
7 mechanical or electronic device;

8 (4) prizes not claimed within the time period
9 established by the authority are forfeited and shall be paid
10 into the [~~prize~~] legislative lottery graduate scholarship fund.
11 No interest is due on a prize when a claim is delayed;

12 (5) the right to a prize is not assignable,
13 but prizes may be paid to a deceased winner's estate or to a
14 person designated by judicial order;

15 (6) until a signature or mark is placed on a
16 ticket in the area designated for signature, a ticket is owned
17 by the bearer of the ticket, but after a signature or mark is
18 placed on a ticket in the area designated for signature, a
19 ticket is owned by the person whose signature or mark appears,
20 and that person is entitled to any prize attributable to the
21 owner; and

22 (7) the authority is not responsible for lost
23 or stolen tickets."

24 Section 2. [NEW MATERIAL] LEGISLATIVE LOTTERY GRADUATE
25 SCHOLARSHIPS--ELIGIBILITY--FUND CREATED.--

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1 A. The higher education department shall establish
2 a scholarship program known as "legislative lottery graduate
3 scholarships". To the extent that money is available in the
4 legislative lottery graduate scholarship fund and pursuant to
5 rules adopted by the department, the department may award the
6 scholarships for eligible recipients pursuant to the following
7 criteria:

8 (1) a student is eligible for a scholarship if
9 the student is:

10 (a) a resident of New Mexico;

11 (b) a graduate of a New Mexico high
12 school or has received a general equivalency diploma while a
13 New Mexico resident; and

14 (c) enrolled or accepted for enrollment
15 in a graduate program of study intended to result in a master's
16 or doctoral degree at a public post-secondary educational
17 institution located: 1) in New Mexico; or 2) in another state
18 if the student is attending the institution through the
19 auspices of the Compact for Western Regional Cooperation in
20 Higher Education and has complied with Paragraph (3) of this
21 subsection;

22 (2) the maximum amount of a scholarship shall
23 equal the tuition required of the student for an academic year,
24 provided that the recipient may again apply for a scholarship
25 for each subsequent academic year; and

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1 (3) no student shall be awarded a scholarship
2 who has qualified under the provisions of Item 2) of
3 Subparagraph (c) of Paragraph (1) of this subsection unless the
4 student has entered into a written agreement with the
5 department that provides that:

6 (a) the student is obligated to reside
7 in New Mexico for one year immediately after receiving a
8 master's or doctoral degree; and

9 (b) if the student does not so reside,
10 the student is liable for repayment into the legislative
11 lottery graduate scholarship fund of the amount of the
12 scholarship plus interest.

13 B. The "legislative lottery graduate scholarship
14 fund" is created in the state treasury. The fund shall consist
15 of unclaimed lottery prizes deposited in the fund and
16 appropriations, gifts, grants, donations and bequests made to
17 the fund. Income from the fund shall be credited to the fund
18 and money in the fund shall not revert or be transferred to any
19 other fund at the end of a fiscal year. Money in the fund is
20 appropriated to the higher education department for the
21 purposes of awarding legislative lottery graduate scholarships
22 pursuant to Subsection A of this section. Expenditures from
23 the fund shall be made on warrant of the secretary of finance
24 and administration on vouchers signed by the secretary of
25 higher education.

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1 Section 3. EFFECTIVE DATE.--The effective date of the
2 provisions of this act is July 1, 2006.

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