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FISCAL IMPACT REPORT

SPONSOR Silva **ORIGINAL DATE** 2/22/07
LAST UPDATED 2/25/07 **HB** 684/aHEC

SHORT TITLE Create Lottery Oversight Committee **SB** _____

ANALYST Francis

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$2.3	\$2.3	\$4.6	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee Amendment struck Section 3 of the bill, which sought to repeal Section 6-24-9 NMSA 1978 (being Laws 1995, Chapter 155, Section 9). This restores Legislative Finance Committee oversight which was removed in the original bill.

Synopsis of Original Bill

House Bill 684 would create a joint interim legislative committee called the Lottery Oversight Committee. The committee would consist of four members, two appointed by the Speaker of the House and two by the Senate Committees' Committee or the President Pro-tem. Each party must be represented in each chamber and no member with a financial interest in a lottery contractor, retailer or vendor may be appointed.

The Lottery Oversight Committee will oversee all operations and ensure that the NM Lottery Authority is operating in accordance with the NM Lottery Act. The Committee will report annually to each regular session of the Legislature.

The bill removes Legislative Finance Committee (LFC) oversight and reporting.

FISCAL IMPLICATIONS

As of January 1, 2007, the per-diem rate for members going to interim committees averages \$143 per day. Assuming that the committee will meet four times during the year in Santa Fe, the operational impact is \$2,288 plus additional amount for mileage compensation.

SIGNIFICANT ISSUES

Currently, the NM Lottery Authority is monitored by the Legislative Finance Committee. While there is regular contact between the staff at the LFC and the NMLA, the NMLA only appears once per year to present their budget and annual report. The LFC has no authority over the NMLA budget but does review the budget and any issues surrounding the NMLA.

Since the Lottery Success Scholarships are funded with the net revenues from the NM Lottery, it is important for the legislature to monitor this important program. There have been issues regarding the overhead costs of the lottery and prize levels that an interim committee could delve into in much greater detail.

NF/nt:csd