HOUSE BILL 369

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Jason C. Harper and Matthew McQueen

AN ACT

RELATING TO THE LOTTERY; ABOLISHING THE NEW MEXICO STATE

LOTTERY; RENAMING THE LEGISLATIVE LOTTERY TUITION SCHOLARSHIP

ACT AS THE LEGISLATIVE TUITION SCHOLARSHIP ACT; RENAMING THE

LOTTERY TUITION FUND AS THE LEGISLATIVE TUITION SCHOLARSHIP

FUND; AMENDING SECTIONS OF THE NMSA 1978 TO REMOVE REFERENCES

TO THE LOTTERY; REPEALING SECTIONS OF THE NMSA 1978; MAKING AN

APPROPRIATION.

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

SECTION 1. Section 7-2-30.6 NMSA 1978 (being Laws 2012, Chapter 57, Section 1) is amended to read:

"7-2-30.6. OPTIONAL DESIGNATION OF TAX REFUND

CONTRIBUTION--[LOTTERY] LEGISLATIVE TUITION SCHOLARSHIP FUND.--

A. Except as otherwise provided in Subsection C of this section, any individual whose state income tax liability .224528.1

after application of allowable credits and tax rebates in any year is lower than the amount of money held by the department to the credit of such individual for that tax year may designate any portion of the income tax refund due to the individual to be paid to the [lottery] legislative tuition scholarship fund. In the case of a joint return, both individuals must make such a designation.

B. The department shall revise the state income tax form to allow the designation of such contributions in the following form:

"[Lottery] Legislative Tuition Scholarship Fund Check [] if you wish to contribute a part or all of
your tax refund to the [lottery] legislative tuition
scholarship fund to provide tuition assistance for
New Mexico resident undergraduates. Enter here

\$ the amount of your contribution.".

C. The provisions of this section do not apply to income tax refunds subject to interception under the provisions of the Tax Refund Intercept Program Act, and any designation made under the provisions of this section to such refunds is void."

SECTION 2. Section 9-7-11.4 NMSA 1978 (being Laws 2006, Chapter 8, Section 1) is amended to read:

"9-7-11.4. COMPULSIVE GAMBLING COUNCIL--DUTIES-MEMBERSHIP.--

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2	The council is administratively attached to the department
3	pursuant to the Executive Reorganization Act. The council
4	consists of the following [fifteen] fourteen members, all of
5	whom shall be appointed by and serve at the pleasure of the
6	governor:
7	(1) the secretary or the secretary's designee,
8	who shall serve as chair of the council;
9	(2) a member of the governor's staff;
10	(3) a member of the gaming control board;
11	[(4) a member of the board of directors of the
12	New Mexico lottery authority;
13	(5) (4) a member of a fraternal organization
14	that sponsors gambling;
15	$[\frac{(6)}{(5)}]$ two persons with expertise in the
16	field of compulsive gambling;
17	[(7)] <u>(6)</u> two Native American representatives
18	from a tribe or pueblo with gaming operations;
19	$[\frac{(8)}{(7)}]$ two representatives of the non-
20	Native-American gaming industry;
21	$[\frac{(9)}{(8)}]$ two representatives from the
22	behavioral health profession; and
23	$[\frac{(10)}{(9)}]$ two representatives from the
24	general public.
25	B. The council shall meet regularly and at the call

The "compulsive gambling council" is created.

of the chair.

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- C. A majority of the council constitutes a quorum.
- Council members shall serve voluntarily and D. shall receive no per diem for their services or travel expenses.

The council shall:

- develop and implement a New Mexico (1) strategic prevention and treatment of compulsive gambling plan;
- (2) recommend to the department compulsive gambling prevention and treatment standards;
- (3) collaborate with the appropriate state agencies to link compulsive gambling data collection and referral information to crisis response hotlines or youth and domestic violence initiatives;
- (4) collaborate with the department to improve data collection regarding gambling-related suicide, bankruptcies and domestic violence;
- (5) collaborate with the department and the aging and long-term services department to educate New Mexico seniors through prevention training and materials regarding the recognition and treatment of compulsive gambling problems; and
- develop and recommend to the governor a (6) voluntary self-exclusion program.
- Beginning in 2008, the council shall submit an annual report to the governor and the appropriate legislative .224528.1

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interim committee reporting the key findings and progress on implementation of the New Mexico strategic prevention and treatment of compulsive gambling plan.

G. Two copies of the annual report shall be filed with the legislative council service library annually beginning in August 2008."

SECTION 3. Section 12-6-2 NMSA 1978 (being Laws 1969, Chapter 68, Section 2, as amended) is amended to read:

"12-6-2. DEFINITIONS.--As used in the Audit Act:

A. "agency" means:

- (1) any department, institution, board, bureau, court, commission, district or committee of the government of the state, including district courts, magistrate or metropolitan courts, district attorneys and charitable institutions for which appropriations are made by the legislature;
- (2) any political subdivision of the state, created under either general or special act, that receives or expends public money from whatever source derived, including counties, county institutions, boards, bureaus or commissions; municipalities; drainage, conservancy, irrigation or other special districts; and school districts;
- (3) any entity or instrumentality of the state specifically provided for by law, including the New Mexico finance authority and the New Mexico mortgage finance authority .224528.1

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- (4) every office or officer of any entity listed in Paragraphs (1) through (3) of this subsection; and
- B. "local public body" means a mutual domestic water consumers association, a land grant, an incorporated municipality or a special district."
- SECTION 4. Section 21-21N-1 NMSA 1978 (being Laws 2014, Chapter 80, Section 1, as amended) is amended to read:
- "21-21N-1. SHORT TITLE.--Chapter 21, Article 21N NMSA
 1978 may be cited as the "Legislative [Lottery] Tuition
 Scholarship Act"."
- SECTION 5. Section 21-21N-2 NMSA 1978 (being Laws 2014, Chapter 80, Section 2, as amended) is amended to read:
- "21-21N-2. DEFINITIONS.--As used in the Legislative [Lottery] Tuition Scholarship Act:
- A. "community college" means a branch community college of a four-year state educational institution, a two-year state educational institution or a community college or technical and vocational institute established pursuant to Chapter 21, Article 13 or 16 NMSA 1978, respectively;
- B. "comprehensive institution" means eastern New Mexico university, western New Mexico university, New Mexico highlands university or northern New Mexico college;
- C. "department" means the higher education department;

- D. "full time" means fifteen or more credit hours each semester of the regular academic year in state educational institutions and twelve or more credit hours each semester of the regular academic year in community colleges or for legacy students in any program semester;
- E. "fund" means the [lottery] <u>legislative</u> tuition scholarship fund;
- F. "legacy student" means a full-time resident student who has received for three or more program semesters by the end of fiscal year 2014 the legislative lottery scholarship awarded pursuant to the former provisions of Sections 21-1-4.3, 21-13-10 and 21-16-10.1 NMSA 1978 prior to the enactment of the Legislative Lottery Tuition Scholarship Act;
- G. "program semesters" means those semesters for which a legacy or qualified student may receive a tuition scholarship and excludes the first semester of attendance at a public post-secondary educational institution;
- H. "public post-secondary educational institution" means a four-year state educational institution or a community college;
- I. "qualified student" means a full-time student who graduated from a public or accredited private New Mexico high school in the state or completed the requirements of a home-based or non-public-school primary educational program in the state or received a high school equivalency credential .224528.1

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while maintaining residency in New Mexico and who:

(1) either:

(a) within sixteen months of graduation from a public school in this state or completion of the requirements of a home-based or non-public-school primary educational program or receipt of a high school equivalency credential, was accepted for entrance to and attended a public post-secondary educational institution; or

(b) within four months of graduation from a public school in this state or completion of the requirements of a home-based or non-public-school primary educational program or receipt of a high school equivalency credential, began service in the United States armed forces and within sixteen months of completion of honorable service or medical discharge from the service, attended a public postsecondary educational institution; and

- successfully completed the first semester (2) at a public post-secondary educational institution with a grade point average of 2.5 or higher on a 4.0 scale during the first semester of full-time enrollment;
- "research institution" means the university of J. New Mexico, New Mexico state university or New Mexico institute of mining and technology;
- "state educational institution" means an Κ. institution of higher education enumerated in Article 12, .224528.1

Section 11 of the constitution of New Mexico;

- L. "tribal college" means a tribally, federally or congressionally chartered post-secondary educational institution located in New Mexico that is accredited by the higher learning commission; and
- M. "tuition scholarship" means the scholarship that provides tuition assistance per program semester for a qualified student or legacy student attending a public post-secondary educational institution or tribal college."
- SECTION 6. Section 21-21N-3 NMSA 1978 (being Laws 2014, Chapter 80, Section 3, as amended by Laws 2019, Chapter 33, Section 1 and by Laws 2019, Chapter 54, Section 2) is amended to read:
- "21-21N-3. TUITION SCHOLARSHIPS AUTHORIZED--QUALIFIED STUDENTS.--
- A. To the extent that funds are made available by the legislature from the fund, the boards of regents or governing bodies of public post-secondary educational institutions and tribal colleges shall award tuition scholarships in department-approved amounts to qualified students and legacy students attending their respective public post-secondary educational institutions.
 - B. Beginning in fiscal year 2015:
- (1) a legacy student is eligible to receive a tuition scholarship until the total number of program semesters .224528.1

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for which the legislative [lottery] scholarship is received
pursuant to the former provisions of Sections 21-1-4.3,
21-13-10 and 21-16-10.1 NMSA 1978 or the Legislative [Lottery]
Tuition Scholarship Act reaches eight; provided that the legacy
student maintains residency in New Mexico, maintains a grade
point average of 2.5 or higher on a 4.0 scale and completes
twelve or more credit hours per program semester; and

- a qualified student who is not a legacy (2) student is eligible to receive the tuition scholarship for a maximum of seven program semesters and in an amount determined pursuant to the provisions of Section 21-21N-4 NMSA 1978.
- Except as otherwise provided in this section, a tuition scholarship may be awarded to a qualified student who:
 - maintains residency in New Mexico; (1)
- maintains a grade point average of 2.5 or (2) higher on a 4.0 scale; and

(3) completes:

- for a student attending a four-year public post-secondary educational institution or a tribal college, fifteen or more credit hours per program semester; and
- (b) for a student attending a two-year public post-secondary educational institution, twelve or more credit hours per program semester.
- For students with disabilities who may require accommodations, the department, in consultation with the .224528.1

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student and the office at the public post-secondary educational institution or the tribal college that serves students with disabilities, shall review both the definition of "full time" and the maximum number of consecutive program semesters of eligibility and adjust either or both as deemed reasonable and appropriate, based on the student's disability needs. case, however, shall "full time" mean fewer than six credit hours per semester, and in no case shall eligibility extend beyond fourteen consecutive program semesters. The definition of "qualified student" notwithstanding, a New Mexico resident who had to leave the state to receive an education pursuant to the federal Individuals with Disabilities Education Act shall be eligible for a tuition scholarship if the student graduated from an accredited high school in another state and otherwise meets the qualifications for a tuition scholarship pursuant to the definition of "qualified student" and this section."

SECTION 7. Section 21-21N-5 NMSA 1978 (being Laws 1995, Chapter 155, Section 23, as amended) is amended to read:

"21-21N-5. [LOTTERY] <u>LEGISLATIVE</u> TUITION <u>SCHOLARSHIP</u> FUND CREATED--PURPOSE.--

A. The "[lottery] legislative tuition scholarship fund" is created in the state treasury. The fund shall be administered by the department. Earnings from investment of the fund shall accrue to the credit of the fund. The fund shall maintain an annual average balance of two million dollars .224528.1

(\$2,000,000), and any balance in the fund at the end of any fiscal year shall remain in the fund for appropriation by the legislature as provided in this section.

B. Money in the fund shall be appropriated by the legislature to the department for distribution to New Mexico's public post-secondary educational institutions and tribal colleges to provide tuition assistance for qualified students and legacy students as provided in the Legislative [Lottery] Tuition Scholarship Act."

SECTION 8. Section 21-21N-6 NMSA 1978 (being Laws 2014, Chapter 80, Section 6) is amended to read:

"21-21N-6. DEPARTMENT RULEMAKING AND REPORTING.--

- A. The department shall promulgate rules setting forth explicit criteria in accordance with the Legislative [Lottery] Tuition Scholarship Act for:
- (1) student qualification and continuing eligibility; and
- (2) calculating the tuition scholarship award amount pursuant to Section [4 of the Legislative Lottery

 Tuition Scholarship Act] 21-21N-4 NMSA 1978 and guidelines for the administration of the tuition scholarship program.
- B. The department shall report by November 1 of each year to the legislative finance committee and the department of finance and administration on:
 - (1) the status of the fund;

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(2) tuition scholarship program
participation data aggregated for each public post-secondary
educational institution to show.

- (a) the number of qualified students and the number of legacy students who received tuition scholarships in the prior twelve-month period;
- (b) the total number of students, including qualified students and legacy students, enrolled in the prior twelve-month period;
- (c) for each semester, the amount of tuition scholarships funded and the amount of tuition costs that were not offset by the tuition scholarship; and
- (d) the number of qualified students and the number of legacy students who graduated with a degree and, for each qualified student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation; and
- (3) any additional information required or requested by the legislative finance committee or the department of finance and administration."
- SECTION 9. Section 21-21N-7 NMSA 1978 (being Laws 2015, Chapter 84, Section 2, as amended) is amended to read:
- "21-21N-7. [LOTTERY] LEGISLATIVE TUITION SCHOLARSHIP

 STUDENT COMMUNITY OUTREACH PILOT PROJECT--TUITION SCHOLARSHIP

 RECIPIENTS--ADDITIONAL REQUIREMENTS--MENTORING--TRAINING.--
- A. The "[lottery] <u>legislative tuition scholarship</u>
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student community outreach pilot project" is created as a sixyear study that encourages students who receive a tuition
scholarship pursuant to the Legislative [Lottery] Tuition
Scholarship Act at participating public post-secondary
educational institutions or tribal colleges to volunteer to
provide community outreach, chiefly through mentoring public
school students. Tuition scholarship students are not required
to participate to maintain their tuition scholarship. The
purpose of the pilot project is to demonstrate that:

- (1) both mentors and mentees receive similar benefits, including improved grades and on-time graduation and a renewed sense of confidence, purpose and community and civic engagement;
- (2) this service improves the community in which the student volunteer works and the public school student lives;
- (3) mentoring by young adults can help disadvantaged public school students narrow the achievement gap; improve cognitive, social and behavioral skills; and lead to higher test scores and success in school; and
- (4) mentoring can also help the student volunteer improve the student volunteer's skills, test scores and success in college and inculcate civic and social engagement in community life.
- B. The pilot project shall be administered by the .224528.1

department and shall be conducted with at least three public post-secondary educational institutions around the state, ideally with at least one from the research institutions, at least one from the comprehensive universities or tribal colleges and at least one from the branch and independent community colleges and with at least five hundred tuition scholarship students. Preference for the pilot project shall be given to institutions in areas with high poverty rates and in public schools with eighty-five percent or more of the students eligible for free or reduced-fee lunch and high English language learner populations. The department may expand the pilot project during its term to more participants.

- C. The department shall certify a list of nonprofit community- and education-oriented organizations that maintain relationships with public schools with which student volunteers may work. The organizations shall identify public schools in their areas that are interested in having mentors and shall develop a mentoring training program for student volunteers. The organizations shall also identify community-based outreach or specific community-based projects appropriate for students in their first program semester or students unable to mentor during the school year.
- D. A participating community- and educationoriented organization shall monitor and evaluate the work of
 the student volunteers and the time spent mentoring or
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participating in community-based projects as well as the progress of the public school students being mentored.

- E. The department shall determine application requirements and procedures for public post-secondary educational institutions, tribal colleges, nonprofit community-and education-oriented organizations and student volunteers to apply for the pilot project, criteria to evaluate applications and quantitative and qualitative measures of the pilot project's efficacy.
- F. In addition to other requirements and qualifications in the Legislative [Lottery] Tuition Scholarship Act, a tuition scholarship student who participates in the pilot project shall provide at least two hours per week of community outreach with public school students in the area of the public post-secondary educational institution or tribal college the student attends. The community outreach shall consist of:
- (1) partnering with community-based organizations and assisting with community-based projects;
 - (2) mentoring public school students; or
 - (3) mentoring first-year college students.
- G. The following schedule of community outreach for student volunteers is:
- (1) students in their first program semester shall partner with a community-based organization to assist it .224528.1

in community outreach or specific community-based projects;

- (2) students in their sophomore and junior years shall mentor students in grades kindergarten through twelve; and
- (3) students in their senior year shall mentor freshmen college students.
- H. If a tuition scholarship student who wants to participate is unable to perform the community outreach service during the school year because of class load, work requirements or other reasons, the student volunteer may volunteer for an approved community outreach project that will be available for the student to participate in during semester breaks or the summer for a total of at least thirty-two hours.
- I. Public schools that choose to participate in the pilot project shall identify willing students who would benefit from participation. The student's teacher or school principal shall work with the nonprofit organization and the student volunteer to determine what activities and types of engagement would benefit the mentee student.
- J. The department shall establish reporting and evaluation requirements for all participants in the pilot project. The department shall provide interim and final reports annually to the governor and the legislature.
- K. The participating public post-secondary educational institutions, tribal colleges, nonprofit community-.224528.1

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and education-oriented organizations and public schools shall actively seek public and private grants and donations for any costs of the pilot project. Grants and donations shall be kept and expended as other grants and donations of the institution, tribal college, organization or public school."

SECTION 10. Section 44-9-2 NMSA 1978 (being Laws 2007, Chapter 40, Section 2, as amended) is amended to read:

"44-9-2. DEFINITIONS.--As used in the Fraud Against Taxpayers Act:

- "claim" means a request or demand for money, property or services when all or a portion of the money, property or services requested or demanded issues from or is provided or reimbursed by the state or a political subdivision;
- "employer" includes an individual, corporation, В. firm, association, business, partnership, organization, trust, charter school and the state and any of its agencies, institutions or political subdivisions;
- "knowingly" means that a person, with respect to information, acts:
- with actual knowledge of the truth or falsity of the information;
- in deliberate ignorance of the truth or (2) falsity of the information; or
- (3) in reckless disregard of the truth or falsity of the information;

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D. "person" means an individual, corporation, firm
association, organization, trust, business, partnership,
limited liability company, joint venture or any legal or
commercial entity:

- E. "political subdivision" means a political subdivision of the state or a charter school; and
- F. "state" means the state of New Mexico or any of its branches, agencies, departments, boards, commissions, officers, institutions or instrumentalities, including the New Mexico finance authority <u>and</u> the New Mexico mortgage finance authority [and the New Mexico lottery authority]."
- SECTION 11. Section 60-7A-19 NMSA 1978 (being Laws 1981, Chapter 39, Section 96, as amended) is amended to read:

"60-7A-19. COMMERCIAL GAMBLING ON LICENSED PREMISES.--

- A. It is a violation of the Liquor Control Act for a licensee to knowingly allow commercial gambling on the licensed premises.
- B. In addition to any criminal penalties, a person who violates Subsection A of this section may have the person's license suspended or revoked or a fine imposed, or both, pursuant to the Liquor Control Act.
 - C. As used in this section:
 - (1) "commercial gambling" means:
- (a) participating in the earnings of or operating a gambling place;

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1	(b) receiving, recording or forwarding
2	bets or offers to bet;
3	(c) possessing facilities with the
4	intent to receive, record or forward bets or offers to bet;
5	(d) for gain, becoming a custodian of
6	anything of value bet or offered to be bet;
7	(e) conducting a lottery where both the
8	consideration and the prize are money, or whoever with intent
9	to conduct a lottery possesses facilities to do so; or
10	(f) setting up for use for the purpose
11	of gambling, or collecting the proceeds of, a gambling device
12	or game; and
13	(2) "commercial gambling" does not mean:
14	[(a) activities authorized pursuant to
15	the New Mexico Lottery Act;
16	(b) (a) the conduct of activities
17	pursuant to Subsection B of Section 30-19-6 NMSA 1978 on the
18	licensed premises of the holder of a club license; and
19	[(c)] <u>(b)</u> gaming authorized pursuant to
20	the Gaming Control Act on the premises of a gaming operator
21	licensee licensed pursuant to that act."
22	SECTION 12. Section 60-2F-26 NMSA 1978 (being Laws 2009,
23	Chapter 81, Section 26) is amended to read:
24	"60-2F-26. EXEMPTIONS
25	A. Except as provided in Subsection B of this
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section, nothing in the New Mexico Bingo and Raffle Act shall be construed to apply to:

- (1) a drawing or a prize at a fair or fiesta held in New Mexico under the sponsorship or authority of the state or any of its political subdivisions, or for the benefit of a religious organization situated in this state or for charitable purposes when all the proceeds of the sale or drawing shall be expended within New Mexico for the benefit of that political subdivision, religious organization or charitable purpose; or
- (2) a bingo or a raffle held by a qualified organization that holds no more than one bingo occasion or one raffle in any three consecutive calendar months and not exceeding four occasions in one calendar year.
- B. Notwithstanding the provisions of Subsection A of this section, no raffle with an individual prize exceeding seventy-five thousand dollars (\$75,000) shall be held without a ten-day prior notification to the board of the conduct of the event and a subsequent notification to the board of the names, addresses and phone numbers of all prize winners.
- [C. Nothing in the New Mexico Bingo and Raffle Act shall be construed to apply to a lottery established and operated pursuant to the New Mexico Lottery Act or gaming that is licensed and operated pursuant to the Gaming Control Act.]"
- SECTION 13. APPROPRIATION.--Forty-six million dollars
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(\$46,000,000) is appropriated from the general fund to the legislative tuition scholarship fund for expenditure in fiscal year 2024 and subsequent fiscal years to provide tuition scholarships pursuant to the Legislative Tuition Scholarship Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SECTION 14. REPEAL. --

Sections 6-24-1 through 6-24-22 and 6-24-24 through 6-24-34 NMSA 1978 (being Laws 1995, Chapter 155, Sections 1 through 22 and 24 through 34, as amended) are repealed.

Section 7-9-87 NMSA 1978 (being Laws 1995, Chapter 155, Section 35) is repealed.

Section 7-27-5.21 NMSA 1978 (being Laws 1995, Chapter 155, Section 36) is repealed.

SECTION 15. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2023.

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