HOUSE BILL 550
43Rd Legislature- STATE OF NEW MEXICO - FIRst SESSION 1997
I NTRODUCED BY
JOHN A. HEATON

AN ACT
RELATING TO GAMING; AMENDING SECTIONS OF THE NMSA 1978 TO AUTHORIZE SENI OR ORGANIZATIONS LICENSED AND FUNDED By the State AGENCY ON AGING TO APPLY FOR A LICENSE UNDER THE BINGO AND RAFFLE ACT.
be It enacted by the legi Slature of the state of new mexico:
Section 1. Section 60-2B-3 NMSA 1978 (being Laws 1981, Chapter 259, Section 3, as amended) is amended to read:
"60-2B-3. DEFINITIONS.-.As used in the Bingo and Raffle Act:
A. "charitable organization" means any organization, not for pecuniary profit, [ch] that is operated for the relief of poverty, distress or other condition of public concern in New Mexico and [ that has been so engaged for three years immediately prior to making application for a license
under the Bingo and Raffle Act and [hat has been granted an exemption from federal income tax by the United States commissioner of internal revenue as an organization described in Section $501(c)$ of the United States Internal Revenue Code of [1954, as amended or renumbered] 1986;
B. "chartered branch, Iodge or chapter of a national or state organization" means any branch, Iodge or chapter [ that is a civic or service organization, not for pecuniary profit, and authorized by its written constitution, charter, articles of incorporation or bylaws to engage in a fraternal, civic or service purpose in New Mexico and [and that has been so engaged for three years immediately prior to making application for a license under the Bingo and Raffle Act;
C. "educational organization" means any organization within the state, not organized for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction and [which] that has been in existence in New Mexico for three years immediately prior to making application for a license under the Bingo and Raffle Act;
D. "fraternal organization" means any organization within the state, except college and high school fraternities, not for pecuniary profit, [hat is a branch, lodge or chapter of a national or state organization and exists for the common business, brotherhood or other interests of its members
. 114822.1
and [ch] that has existed in New Mexico for three years i mmediately prior to making application for a license under the Bingo and Raffle Act;
E. "I abor organization" means any organization, not for pecuniary profit, within the state [which] that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work and [hat has existed in New Mexico for that purpose and has been so engaged for three years immediately prior to making application for a I icense under the Bingo and Raffle Act;
F. "senior organization" means any organization or center within the state, not for pecuniary profit, that is licensed and funded pursuant to approved area plans by the state agency on aging, whose members gather for a common social and recreational purpose and that has existed in New Mexico for three years immediately prior to making application for a license under the Bingo and Raffle Act:
[F.] G. "qualified organization" means any bona fide chartered branch, lodge or chapter of a national or state organization or any bona fide religious, charitable, environmental, fraternal, educational or veterans' organization operating without profit to its members [hath has been in existence in New Mexico continuously for a period of three years i mmediately prior to the making of an application for a icense
under the Bingo and Raffle Act and [hat has had, during the entire three-year period, a dues-paying membership engaged in carrying out the objects of the corporation or organization. A voluntary firemen's organization is a qualified organization and a labor organization is a qualified organization for the purpose of the Bingo and Raffle Act if it uses the proceeds from a game of chance solely for scholarship or charitable purposes;
[G-] H. "environmental organization" means any organization primarily concerned with the protection and preservation of the natural environment and [hat has existed in New Mexico for three years immediately prior to making application for a license under the Bingo and Raffle Act;
[ H-] L_ "religious organization" means any
organization, church, body of communicants or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship and religious observances or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place, [ and the organization, church, body of communicants, group or society has been so gathered or united in New Mexico for three years immediately prior to making application for a I icense under the Bingo and Raffle Act;

## $[\vdash]$ L. "veterans' organization" means any

organization within the state or any branch, lodge or chapter of a national or state organization within this state, not for
pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States, [hen that has been in existence in New Mexico for three years immediately prior to making application for a license under the Bingo and Raffle Act;
[ち] K. "voluntary firemen's organization" means any organization for firefighting within the state, not for pecuniary profit, established by the state or any of its political subdivisions, [hat hat been in existence in New Mexico for three years immediately prior to making application for a license under the Bingo and Raffle Act;
[K.] L. "dues-paying membership" means those members of an organization who pay regular monthly, annual or other periodic dues or who are excused from paying such dues by the charter, articles of incorporation or bylaws of the organization and those who contribute voluntarily to the corporation or organization to which they belong for the support of the corporation or organization;
[Ł.] M. "equipment" means, with respect to bingo or I otto, the receptacle and numbered objects drawn fromit; the master board upon which the numbered objects are placed as drawn; the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them; the board or signs, however operated, used to announce or display the numbers or designations as they are drawn; the public address system;
and all other articles essential to the operation, conduct and playing of bingo or lotto; or, with respect to raffles, i mplements, devices and machines designed, intended or used for the conduct of raffles and the identification of the winning number or unit and the ticket or other evidence or right to participate in raffles;
[M.] N. "game of chance" means that specific kind of game of chance commonly known as bingo or lotto in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random and that specific kind of game of chance commonly known as raffles [ ch] that is conducted by drawing for prizes or the allotment of prizes by chance or by the selling of shares, tickets or rights to participate in the game;
[ H-] O. "gross receipts" means receipts from the sale of shares, tickets or rights in any maner connected with participation in a game of chance or the right to participate in a game of chance, including any admi ssion fee or charge, the sale of equipment or supplies and all other miscellaneous receipts;
[ $\theta$ - $]$ P. "Iawful purposes" means educational, charitable, patriotic, religious or public-spirited purposes, which terms are defined to be the benefiting of an indefinite number of persons either by bringing their minds or hearts under the influence of education or religion, by relieving their
. 114822.1
bodies from disease, suffering or constraint, by assisting them in establishing themselves in life, by erecting or maintaining public buildings or works, by providing legal assistance to peace officers or firemen in defending civil or criminal actions arising out of the performance of their duties or by otherwise l es sening the burden of government. These terms include the erection, acquisition, improvement, maintenance, insurance or repair of property, real, personal or mixed, if the property is used for one or more of the purposes stated in this subsection;
[ P.] Q. "|awful use" means the devotion of the entire net proceeds of a game of chance exclusively to lawful purposes;
[Q.] R. "I icensee" means any qualified organization to which a license has been issued by the I icensing authority;
[R.] S. "Iicensing authority" means the regulation and I icensing department;
[ $\varsigma_{-}$] T. "member" means an individual who has qual ified for membership in a qualified organization pursuant to its charter, articles of incorporation, bylaws, rules or other written statement;
[F.] $\underline{U_{-}}$"net proceeds" means the receipts less the expenses, charges, fees and deductions as are specifically authorized under the Bingo and Raffle Act;
[ $\forall+$ ] V. "occasion" means a single gathering or
session at which a series of successive bingo or lotto games is
.114822 .1
played;
[ $\forall$.$] W. "person" means a natural person, firm,$ association, corporation or other Iegal entity; and
[W.] X. "premises" means any room, hall, enclosure or outdoor area used for the purpose of playing a game of chance."

Section 2. Section 60-2B-5 NMSA 1978 (being Laws 1981, Chapter 259, Section 5) is amended to read:
"60-2B-5. ORGANIZATIONS ENTITLED TO LICENSES--FEES...
A. Any bona fide chartered branch, Iodge or chapter of a national or state organization or any bona fide religious, charitable, labor, environmental, fraternal, senior, educational or veterans' organization [hat operates without profit to its members and [hen] that has been in existence in New Mexico continuously for a period of three years immediately prior to the making of application for a license under the Bingo and Raffle Act and has had, during the making of application for a license under that act and during the entire three-year period, dues-paying [members] membersip, except in a senior organization, engaged in carrying out the objects of the corporation or organization is eligible for a license to be issued by the licensing authority under the Bingo and Raffle Act. In the event any license is revoked, the licensee and holder [thercof] of the license is not eligible to apply for another license under Subsection $B$ of this section until after
the expiration of the period of one year from the date of [such] revocation. Any voluntary firemen's organization established by the state or any political subdivision and [hat has been in existence in New Mexico for three years shall also be an organization entitled to license under the provisions of that act.
B. The licenses provided by the Bingo and Raffle Act shall be issued by the licensing authority to applicants qualified under that act upon payment of a fee of one hundred dollars (\$100), with the exception of a senior organization, which shall pay a fee of five dollars (\$5.00). The licenses shall expire at the end of the calendar year in which they are issued by the licensing authority and may be renewed by the I icensing authority upon the filing of an application for renewal provided by the licensing authority and the payment of a fee of one hundred dollars (\$100) for the renewal with the exception of a senior organization, which shall pay a fee of five dollars (\$5.00). No license or renewal granted under that act [shallbe] is transferable."

Section 3. Section 60-2B-6 NMSA 1978 (being Laws 1981, Chapter 259, Section 6) is amended to read:
"60-2B-6. APPLICATION FOR LICENSE...
A. Each applicant for a license to be issued under the provisions of this section shall file with the licensing authority a written application in duplicate in the form
prescribed by the licensing authority, duly executed and verified, [and] in which shall be stated:
(1) the name and address of the applicant;
(2) sufficient facts relating to [ts] the applicant's incorporation and organization to enable the I icensing authority to determine whether or not it is a bona fide chartered branch, Iodge or chapter of a national or state organization or a bona fide religious, charitable, labor, environmental, fraternal, educational, senior, voluntary firemen's or veterans' organization [hat operates without profit to its members and [hat has been in existence continuously in New Mexico for a period of three years i mmediately prior to the making of application for a license and that has had during the entire three-year period dues-paying [ membership, except in a senior organization, engaged in carrying out the objectives of the applicant;
(3) the names and addresses of [its] the applicant's officers;
(4) the specific kind of games of chance intended to be held, operated and conducted by the applicant;
(5) the place where the games of chance are intended to be held, operated and conducted by the applicant under the license applied for;
(6) the items of expense intended to be incurred or paid in connection with the holding, operating and
conducting of [shes games of chance and the names and addresses of the persons to whom and the purposes for which they are to be paid;
(7) a statement that no commission, salary, compensation, reward or recompense shall be paid to any person for holding, operating or conducting [ games of chance or for assisting [therein] in games of chance except as [otherwise] provided in the Bingo and Raffle Act; and
(8) such other information deemed advisable by the licensing authority to ensure that the applicant falls within the restrictions set forth by the Bingo and Raffle Act.
B. In each application there shall be designated active members of the applicant organization under whom the games of chance described in the application are to be held, operated and conducted, and to the application shall be appended a statement executed by the applicant and by the members so designated that they will be responsible for the holding, operation and conduct of games of chance in accordance with the terms of the license and the provisions of the Bingo and Raffle Act.
C. In the event any premises are to be leased or rented in connection with the holding, operating or conducting of any game of chance under the Bingo and Raffle Act, a written statement shall accompany the application signed and verified by the person leasing or renting the premises stating his address
and the a mount of rent [hat will be paid for the premi ses and that the person, or its officers and directors if a corporation, is of good moral character and has not been convicted of any crime involving moral turpitude."

Section 4. Section 60-2B-8 NMSA 1978 (being Laws 1981, Chapter 259, Section 8) is amended to read:
"60-2B-8. PERSONS PERMITTED TO CONDUCT GAMES-PREMISES-E QUI PMENT - EXPENSES [ COMPENSATIOA]...
A. No person shall hold, operate or conduct any games of chance under any license issued under the Bingo and Raffle Act except an active member of the organization to which the license is issued, and no person shall assist in the hol ding, operating or conducting of any games of chance under that license except an active member or a member of an organization or association [hat is an auxiliary to the I icensee, a member of an organization or association of which the licensee is an auxiliary or a member of an organization or association [hat is affiliated with the licensee by being, with it, auxiliary to another organization or association and except bookkeepers or accountants as provided in this section. No item of expense shall be incurred or paid in connection with the holding, operating or conducting of any game of chance held, operated or conducted pursuant to any i cense i ssued under that act except bona fide expenses in reasonable a mount for goods, wares and merchandise furnished or services
rendered, reasonably necessary for the holding, operating or conducting [thef] of the game. No games of chance shall be conducted with any equipment except that which is owned or I eased by the licensee.
B. The officers of a licensee shall designate a bona fide active member of the licensee to be in charge of and primarily responsible for the conduct of the games of bingo or Iotto on each occasion. The member in charge shall supervise all activities on the occasion for which he is in charge and be responsible for the making of the required report. The member in charge shall be familiar with the provisions of the state I aws, the rules and regulations of the licensing authority and the provisions of the license. He shall be present on the premises continuously during the games and for a period of at I east thirty minutes after the last game.
C. The officers of a licensee shall designate an officer to be in full charge and primarily responsible for the proper utilization of the entire net proceeds of any game in accordance with state Iaw.
D. The entire net proceeds of any game shall be devoted to a lawful use [of uses].
E. Each license issued for the conduct of games of chance shall be conspicuously displayed at the place where any game is being conducted at all times during the conduct of the game and for at least thirty minutes after the last game has
been concluded.
F. The premises where any game of chance is being held, operated or conducted or where it is intended that any equipment be used shall at all times be open to inspection by the licensing authority, its agents and employees and by peace officers of any political subdivision of the state.
G. No licensee may hold, operate or conduct a game of bingo or lotto more often than on two hundred sixty occasions in any calendar year.
H. When any merchandise prize is awarded in a game of bingo, its value shall be its current retail price. No merchandise prize shall be redeemable or convertible into cash directly or indirectly.

1. Equipment, prizes and supplies for games of bingo shall not be purchased or sold at prices in excess of the usual price [thereof] of the equipment, prizes and supplies.
J. The aggregate amount of all prizes offered or given in all games played on a single occasion shall not exceed one thousand five hundred dollars (\$1,500), which shall be exclusive of pull tabs; provided that the aggregate amount of all prizes offered or given in all games played on a single occasion at a senior organization shall not exceed one hundred dollars (\$100).
K. No games shall be conducted more than five times in any one calendar week, with no game lasting more than four
hours on each occasion and not more than two occasions in one calendar day by any one licensee.
L. The net profits derived from the holding of games of chance [must] shall be devoted to the lawful purposes of the organization permitted to conduct the games. Any organization desiring to hold the net profits of games of chance for a period I onger than one year [must] shall apply to the licensing authority for special permission, and, upon good cause shown, the authority shall grant the request.
M. Any licensee [ that does not report, during any one-year period, net profits [-1] shall be required to show cause before the licensing authority why its right to conduct games of bingo should not be revoked.
N. No person shall assist in the holding, operating or conducting of a bingo game under any license except bona fide active members of the licensee, active members of any organization [mich] that is an auxiliary to the licensee or active members of an organization [hat is affiliated with the licensee by being, with it, auxiliary to another organization.
2. The equipment used in the playing of bingo and the method of play shall be such that each card has an equal opportunity to be a winner. The objects or balls to be drawn shall be essentially the same as to size, shape, weight, balance and all other characteristics that may influence their
selection. All objects or balls shall be present in the receptacle before each game is begun. All numbers announced shall be plainly and clearly audible to all the players present. Where more than one room is used for any one game, the receptacle and the caller [must] shall be present in the room where the greatest number of players are present, and all numbers announced shall be plainly audible to the players in the [ oresad] room where the receptacle and caller are and [atso] audible to the players in the other rooms. A fair and equal chance shall be given to all participants, and any licensee, its representative, agent or employees whose acts or action may tend to negate the "right of equal chance" shall constitute grounds for revoking [such] the license.
P. The receptacle and the caller who removes the objects or balls from the receptacle [must] shall be visible to all the players at all times except where more than one room is used for any one game, in which case the provisions of Subsection 0 of this section shall prevail.
Q. The particular arrangement of numbers required to be covered in order to win the game and the amount of the prize shall be clearly and audibly described and announced to the players i mmediately before each game is begun.
R. Any player is entitled to call for a verification of all numbers drawn at the time a winner is determined and for a verification of the objects or balls remaining in the
.114822 .1
receptacle and not yet drawn. The verification shall be made in the immediate presence of the member designated to be in charge of the occasion [ ort if [such] that member is also the caller, [ in the immediate presence of any officer of the I icensee.
S. In the playing of bingo, no person who is not physically present on the premises where the game is actually conducted shall be allowed to participate as a player in the game.
T. No person shall act as a caller in the conduct of any game of bingo unless he has been a member in good standing of the licensee conducting the game or one of its licensed auxiliaries for at least six months immediately prior to the date of [such] the game, is of good moral character and has never been convicted of a felony.
U. No owner, co-owner or lessee of the premises [or] and, if a corporation is the owner of the premises, [any] no officer, director or stockholder owning more than ten percent of the outstanding stock shall be a person responsible for or assisting in the holding, operating or conducting of any game of bingo."

$$
\text { - } 17 \text {. }
$$

## State of New Mexico House of Representatives

FORTY-THIRD LEGI SLATURE
FIRST SESSION, 1997
February 25, 1997
Mr. Speaker:
Your BUSINESS AND INDUSTRY COMMITTEE, to whom has peen referred
HOUSE BILL 550
has had it under consideration and reports same with ecommendation that it DO PASS, amended as follows:

1. On page 3, line 14, strike "licensed and".,
and thence referred to the JUDICIARY COMMITTEE.
FORTY-THIRD LEGI SLATURE FIRST SESSION, 1997
Your JUDICIARY COMMI TTEE, to whom has been referred HOUSE BILL 550, as amended
has had it under consideration and reports same with ecommendation that it DO PASS, amended as follows:
2. On page 14, line 20, strike the semicolon and the underscored material and insert in lieu thereof a period.
3. On page 14 , strike lines 21 through 23 in their entirety., and thence referred to the TAXATION AND REVENUE COMMITTEE.
[bracketed materia]] = delete

has had it under consideration and reports same with
ecommendation that it DO PASS.
Respectfully submitted,
Max Coll, Chairman
Date
$\qquad$
The roll call vote was $\underline{15}$ For -1 Against
res: $\quad 15$
Excused: Marquardt, Watchman

## FORTY-THI RD LEGI SLATURE FIRST SESSION, 1997

Page 23
Date
Absent: None



FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997 $\quad$ Page 24


