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FISCAL IMPACT REPORT

SPONSOR:	Chavez	DATE TYPED:	02/06/00	HB	256
SHORT TITLE:	Lottery & Gaming Tax Revenue Distribution			SB	
				ANALYST:	Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ (11,910.6)		Recurring	School Capital Outlay
	\$ 11,910.6		Recurring	Lottery Tuition Fund
	\$ 27,500.0		Recurring	School Capital Outlay
	\$ (27,500.0)		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

???HB256 is virtually identical except 6-24-3 modification in HB 256; ???

Relates to HB 19, HB 53, HB 254, HB 410, SB 114, SB 157, SB 253, HJM 2, HJM 9, SJM 42

SOURCES OF INFORMATION

LFC Files

State Department of Education (SDE)

Commission on Higher Education (CHE)

Taxation and Revenue Department (TRD)

New Mexico Lottery (NMLA) only indicated no impact on that agency

SUMMARY

Synopsis of Bill

This bill would eliminate distribution of net receipts of the New Mexico Lottery to the public school capital outlay fund and transfer the gaming tax revenues to the school capital outlay fund from the general fund. These gaming tax revenues are the amounts received from slot machines at racetracks and veteran and fraternal organizations. Effective date is July 1, 2000.

Significant Issues

Currently, net lottery revenue is distributed 60% to the public school capital outlay fund and 40% to the lottery tuition fund. According to the SDE, public school capital outlay council applications on file for FY01 total \$113,733.9 for priority one requests. Many of these projects address safety concerns, such as fire and building code compliance. According to the CHE, based on current projections, the amount of each tuition scholarship is expected to be reduced to an amount less than the full cost of tuition beginning in FY01.

FISCAL IMPLICATIONS

The fiscal impact would be to eliminate the distribution of lottery revenues to the public school capital outlay

fund, an estimated \$11,910.6 in FY01. Effectively, all net lottery revenues would then be distributed to the lottery tuition fund. The provisions redirected gaming tax revenue from the general fund to the public school capital outlay fund would result in an estimated \$27,500.0 in general fund recurring revenue loss, with an increase in distribution to public school capital outlay of the same amount.

AW/gm