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HOUSE BILL 275

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Ray Begaye

AN ACT

RELATING TO HIGHER EDUCATION; ALLOWING STUDENTS ATTENDING  
TRIBAL COLLEGES TO RECEIVE LOTTERY TUITION SCHOLARSHIPS.

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

Section 1. Section 6-24-3 NMSA 1978 (being Laws 1995,  
Chapter 155, Section 3, as amended) is amended to read:

"6-24-3. PURPOSES.--The purposes of the New Mexico  
Lottery Act are to:

A. establish and provide for the conduct of a fair  
and honest lottery for the entertainment of the public; and

B. provide the maximum amount of revenues, without  
imposing additional taxes or using other state revenues, for  
the purpose of providing tuition assistance to resident  
undergraduates at New Mexico post-secondary educational  
institutions and tribal colleges."

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1           Section 2. Section 6-24-23 NMSA 1978 (being Laws 1995,  
2 Chapter 155, Section 23, as amended) is amended to read:

3           "6-24-23. LOTTERY TUITION FUND CREATED--PURPOSE.--

4           A. The "lottery tuition fund" is created in the  
5 state treasury. The fund shall be administered by the  
6 [~~commission on~~] higher education department. Earnings from  
7 investment of the fund shall accrue to the credit of the fund.  
8 Any balance in the fund at the end of any fiscal year shall  
9 remain in the fund for appropriation by the legislature as  
10 provided in this section.

11           B. Money in the lottery tuition fund is  
12 appropriated to the [~~commission on~~] higher education department  
13 for distribution to New Mexico's public post-secondary  
14 educational institutions and tribal colleges to provide tuition  
15 assistance for New Mexico resident undergraduates as provided  
16 by law."

17           Section 3. Section 6-24-27 NMSA 1978 (being Laws 1995,  
18 Chapter 155, Section 27, as amended) is amended to read:

19           "6-24-27. REVENUE AND BUDGET REPORTS--RECORDS--  
20 INDEPENDENT AUDITS.--

21           A. The board shall:

22                   (1) submit quarterly and annual reports to the  
23 governor and the legislative finance committee disclosing the  
24 total lottery revenue, prizes, commissions, ticket costs,  
25 operating expenses and net revenues of the authority during the

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1 reporting period and, in the annual report, describe the  
2 organizational structure of the authority and summarize the  
3 functions performed by each organizational division within the  
4 authority;

5 (2) maintain weekly or more frequent records  
6 of lottery transactions, including the distribution of lottery  
7 tickets to retailers, revenue received, claims for prizes,  
8 prizes paid, prizes forfeited and other financial transactions  
9 of the authority; and

10 (3) use the state government fiscal year.

11 B. The board shall provide, for informational  
12 purposes, to the department of finance and administration and  
13 the legislative finance committee, by December 1 of each year,  
14 a copy of the annual proposed operating budget for the  
15 authority for the succeeding fiscal year. This budget proposal  
16 shall also be accompanied by an estimate of the net revenues to  
17 be deposited in the [~~public school capital outlay fund and the~~]  
18 lottery tuition fund for the current and succeeding fiscal  
19 years.

20 C. The board shall contract with an independent  
21 certified public accountant or firm for an annual financial  
22 audit of the authority. The certified public accountant or  
23 firm shall have no financial interest in any lottery  
24 contractor. The certified public accountant or firm shall  
25 present an audit report no later than March 1 for the prior

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1 fiscal year. The certified public accountant or firm shall  
2 evaluate the internal auditing controls in effect during the  
3 audit period. The cost of this financial audit shall be an  
4 operating expense of the authority. The legislative finance  
5 committee may, at any time, order an audit of any phase of the  
6 operations of the authority, at the expense of the authority,  
7 and shall receive a copy of the annual independent financial  
8 audit. A copy of any audit performed by the certified public  
9 accountant or ordered by the legislative finance committee  
10 shall be transmitted to the governor, the speaker of the house  
11 of representatives, the president pro tempore of the senate and  
12 the legislative finance committee."

13 Section 4. A new section of Chapter 21 NMSA 1978 is  
14 enacted to read:

15 "[NEW MATERIAL] TRIBAL COLLEGES--TUITION SCHOLARSHIPS FROM  
16 LOTTERY.--

17 A. As used in this section, "tribal college" means  
18 a tribally, federally or congressionally chartered post-  
19 secondary educational institution located in New Mexico that is  
20 accredited by the north central association of colleges and  
21 schools.

22 B. To the extent that funds are made available by  
23 the legislature from the lottery tuition fund, the governing  
24 bodies of tribal colleges may award tuition scholarships for  
25 qualified resident students attending their respective

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1 institutions.

2 C. The tuition scholarships authorized in this  
3 section shall apply only to full-time resident students who,  
4 immediately upon completion of a high school curriculum at a  
5 public or accredited private New Mexico high school or upon  
6 receiving a general education development certificate, are  
7 accepted for entrance to and attend a tribal college. Each  
8 tuition scholarship shall be awarded for up to two consecutive  
9 years beginning the second semester of the recipient's first  
10 year of enrollment if the recipient maintains residency in New  
11 Mexico and maintains a grade point average of 2.5 or higher on  
12 a 4.0 scale during the first semester of full-time enrollment.

13 D. The tuition scholarships authorized in this  
14 section shall also apply to full-time resident students who:

15 (1) within one hundred twenty days of  
16 completion of a high school curriculum at a public or  
17 accredited private New Mexico high school, or of receiving a  
18 general education development certificate, begin service in the  
19 United States armed forces; and

20 (2) within one hundred twenty days of  
21 completion of honorable service or medical discharge from the  
22 service are accepted for entrance to and attend a tribal  
23 college.

24 E. The higher education department shall prepare  
25 guidelines setting forth explicit student continuing

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1 eligibility criteria and guidelines for administration of the  
2 tuition scholarship program at tribal colleges. Guidelines  
3 shall be distributed to the governing body of each tribal  
4 college to enable a uniform availability of the resident  
5 student tuition scholarships. The department shall enter into  
6 agreements with the tribal colleges that allow for financial  
7 and programmatic audits of the resident student tuition  
8 scholarship program."

9 Section 5. EFFECTIVE DATE.--The effective date of the  
10 provisions of this act is July 1, 2007.

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