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AN ACT

RELATING TO GAMES OF CHANCE; REPEALING THE BINGO AND RAFFLE ACT; ENACTING THE NEW MEXICO BINGO AND RAFFLE ACT; REGULATING CERTAIN GAMES OF CHANCE; REQUIRING LICENSES AND PERMITS; PROVIDING CIVIL AND CRIMINAL PENALTIES; IMPOSING TAXES.

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

Section 1. SHORT TITLE.--Sections 1 through 26 of this act may be cited as the "New Mexico Bingo and Raffle Act".

Section 2. PURPOSE.--The purpose of the New Mexico Bingo and Raffle Act is to authorize and regulate certain games of chance by licensed nonprofit organizations.

Section 3. GAMING CONTROL BOARD TO ADMINISTER ACT.--The gaming control board shall implement the state's policy on games of chance consistent with the provisions of the New Mexico Bingo and Raffle Act. It shall fulfill all duties assigned to it pursuant to the New Mexico Bingo and Raffle Act, and it shall have the authority necessary to carry out those duties.

Section 4. DEFINITIONS.--As used in the New Mexico Bingo and Raffle Act:

A. "bingo" means a game of chance in which each player has one or more bingo cards printed with different numbers on which to place markers when the respective numbers are drawn and announced by a bingo caller;

1           B. "bingo caller" means the individual who, in the  
2 game of bingo, draws and announces numbers;

3           C. "bingo employee" means a person connected  
4 directly with a game of chance such as cashiers, floor sales  
5 clerks and pull-tab workers. A bingo employee may or may not  
6 be a member of a qualified organization;

7           D. "bingo manager" means the person responsible  
8 for overseeing bingo and pull-tab activities conducted  
9 pursuant to a bingo license;

10          E. "board" means the gaming control board;

11          F. "charitable organization" means an  
12 organization, not for pecuniary profit, that is operated for  
13 the relief of poverty, distress or other condition of public  
14 concern in New Mexico and that has been granted an exemption  
15 from federal income tax as an organization described in  
16 Section 501(c) of the United States Internal Revenue Code of  
17 1986, as amended or renumbered;

18          G. "chartered branch, lodge or chapter of a  
19 national or state organization" means a branch, lodge or  
20 chapter that is a civic or service organization, not for  
21 pecuniary profit, and that is authorized by its written  
22 constitution, charter, articles of incorporation or bylaws to  
23 engage in a fraternal, civic or service purpose in New  
24 Mexico;

25          H. "distributor" means a person, other than a

1 manufacturer, who provides equipment to a qualified  
2 organization but does not manufacture the equipment;

3 I. "educational organization" means an  
4 organization within the state, not organized for pecuniary  
5 profit, whose primary purpose is educational in nature and  
6 designed to develop the capabilities of individuals by  
7 instruction;

8 J. "environmental organization" means an  
9 organization within the state, not organized for pecuniary  
10 profit, that is primarily concerned with the protection and  
11 preservation of the natural environment;

12 K. "equipment" means:

13 (1) with respect to bingo:

14 (a) the receptacle and numbered objects  
15 drawn from it;

16 (b) the master board upon which the  
17 numbered objects are placed as drawn;

18 (c) the cards or sheets bearing numbers  
19 or other designations to be covered and the objects used to  
20 cover them;

21 (d) the board or signs, however  
22 operated, used to announce or display the numbers or  
23 designations as they are drawn; and

24 (e) all other articles having a  
25 significant effect on the outcome of a game and necessary to

1 the operation, conduct and playing of bingo; and

2 (2) with respect to pull-tabs:

3 (a) the pull-tabs;

4 (b) the pull-tab flares; and

5 (c) the dispensing machines;

6 L. "fraternal organization" means an organization  
7 within the state, except college and high school  
8 fraternities, not for pecuniary profit, that is a branch,  
9 lodge or chapter of a national or state organization and that  
10 exists for the common business, brotherhood or other  
11 interests of its members;

12 M. "game accountant" means the individual in  
13 charge of preparing and submitting the quarterly report form;

14 N. "game of chance" means that specific kind of  
15 game of chance commonly known as bingo, that specific kind of  
16 game of chance commonly known as a raffle or that specific  
17 game of chance commonly known as pull-tab;

18 O. "gross receipts" means proceeds received by a  
19 bingo licensee from the sale of bingo cards, raffle tickets  
20 or pull-tab tickets; the sale of rights in any manner  
21 connected with participation in a game of chance or the right  
22 to participate in a game of chance, including any admission  
23 fee or charge; the sale of playing materials; and all other  
24 miscellaneous receipts;

25 P. "lawful purposes" means:

1                   (1) educational, charitable, patriotic,  
2 religious or public-spirited purposes that benefit an  
3 indefinite number of persons either by bringing their minds  
4 or hearts under the influence of education or religion, by  
5 relieving their bodies from disease, suffering or constraint,  
6 by assisting them in establishing themselves in life, by  
7 erecting or maintaining public buildings or works, by  
8 providing legal assistance to peace officers or firefighters  
9 in defending civil or criminal actions arising out of the  
10 performance of their duties or by otherwise lessening the  
11 burden of government. "Lawful purposes" includes the  
12 erection, acquisition, improvement, maintenance, insurance or  
13 repair of property, real, personal or mixed, if the property  
14 is used for one or more of the benefits stated in this  
15 paragraph; or

16                   (2) augmenting the revenue of and promoting  
17 the New Mexico state fair;

18                   Q. "licensee" means any qualified organization to  
19 which a bingo license has been issued by the board or any  
20 person to which a manufacturer's or distributor's license has  
21 been issued by the board;

22                   R. "manufacturer" means a person who manufactures,  
23 fabricates, assembles, produces, programs or makes  
24 modifications to equipment for use or play in games of chance  
25 in New Mexico or for sale or distribution outside of New

1 Mexico;

2 S. "occasion" means a single gathering at which a  
3 series of successive bingo games are played;

4 T. "permittee" means any person issued a permit by  
5 the board;

6 U. "premises" means a room, hall, enclosure or  
7 outdoor area that is identified on a license issued pursuant  
8 to the New Mexico Bingo and Raffle Act and used for the  
9 purpose of playing games of bingo or pull-tabs;

10 V. "prize" means cash or merchandise won for  
11 participation in a game of chance;

12 W. "progressive pot" means a prize from a pull-tab  
13 or a portion of a prize from a pull-tab that is allowed to  
14 carry over from one pull-tab game to the next so that the  
15 carried-over prizes are allowed to accumulate into a larger  
16 prize;

17 X. "pull-tab" means gaming pieces used in a game  
18 of chance that are made completely of paper or paper products  
19 with concealed numbers or symbols that must be exposed by the  
20 player to determine wins or losses or a gaming piece that is  
21 made completely of paper or paper products with an  
22 instant-win component that must be exposed by the player on a  
23 concealed card and can be used in a speed round for  
24 additional winnings utilizing a bingo blower. A "pull-tab"  
25 includes a tip board and can include a progressive pot;

1           Y. "qualified organization" means a bona fide  
2 chartered branch, lodge or chapter of a national or state  
3 organization or any bona fide religious, charitable,  
4 environmental, fraternal, educational or veterans'  
5 organization operating without profit to its members that has  
6 been in existence in New Mexico continuously for a period of  
7 two years immediately prior to conducting a raffle or making  
8 an application for a license under the New Mexico Bingo and  
9 Raffle Act and that has had a membership engaged in carrying  
10 out the objects of the corporation or organization. A  
11 voluntary firefighter's organization is a qualified  
12 organization and a labor organization is a qualified  
13 organization for the purposes of the New Mexico Bingo and  
14 Raffle Act if they use the proceeds from a game of chance  
15 solely for scholarship or charitable purposes;

16           Z. "raffle" means a drawing where multiple persons  
17 buy tickets to win a prize and the winner is determined by  
18 the drawing of the ticket stub out of a container that holds  
19 all the ticket stubs sold for the event;

20           AA. "religious organization" means an  
21 organization, church, body of communicants or group, not for  
22 pecuniary profit, gathered in common membership for mutual  
23 support and edification in piety, worship and religious  
24 observances or a society, not for pecuniary profit, of  
25 individuals united for religious purposes at a definite

1 place; and

2 BB. "veterans' organization" means an organization  
3 within the state or any branch, lodge or chapter of a  
4 national or state organization within this state, not for  
5 pecuniary profit, the membership of which consists of  
6 individuals who were members of the armed services or forces  
7 of the United States.

8 Section 5. APPLICATION OF ACT.--The New Mexico Bingo  
9 and Raffle Act applies to:

10 A. unless exempted pursuant to Section 26 of that  
11 act, qualified organizations that conduct games of chance and  
12 the games of chance conducted by the qualified organizations;

13 B. persons who provide equipment to qualified  
14 organizations for use or play of games of chance in New  
15 Mexico; and

16 C. persons who manufacture, fabricate, assemble,  
17 produce, program or make modifications to equipment for use  
18 or play of games of chance in New Mexico or for sale or  
19 distribution outside of New Mexico.

20 Section 6. BOARD--POWERS.--The board may:

21 A. grant, deny, suspend, condition or revoke  
22 licenses or permits issued pursuant to the New Mexico Bingo  
23 and Raffle Act, establish the terms for each classification  
24 of license to be issued pursuant to that act and set fees for  
25 submitting an application for a license;

1           B. compel the production of documents, books and  
2 tangible items, including documents showing the receipts and  
3 disbursements of a licensee;

4           C. investigate the operations of a licensee and  
5 place a designated representative on the premises for the  
6 purpose of observing compliance with the New Mexico Bingo and  
7 Raffle Act and rules or orders of the board;

8           D. summon witnesses;

9           E. take testimony under oath for the effective  
10 discharge of the board's authority;

11          F. appoint a hearing officer to conduct hearings  
12 required by the New Mexico Bingo and Raffle Act or rules  
13 adopted pursuant to that act;

14          G. make rules to hold, conduct and operate all  
15 games of chance held in the state except those specifically  
16 exempted under the New Mexico Bingo and Raffle Act;

17          H. adopt rules to implement the New Mexico Bingo  
18 and Raffle Act and to ensure that games of chance conducted  
19 in New Mexico are conducted with fairness and that the  
20 participants and patrons are protected against illegal  
21 practices on any premises;

22          I. determine qualifications for licensees;

23          J. establish a system of standard operating  
24 procedures for licensees;

25          K. adopt rules establishing a system of licensing

1 distributors and manufacturers and licensing and governing  
2 qualified organizations;

3 L. adopt rules establishing a system of permits  
4 for individuals designated as bingo managers, bingo callers  
5 and such other bingo employees as the board requires;

6 M. require a statement under oath by the applicant  
7 for a license to be issued pursuant to the New Mexico Bingo  
8 and Raffle Act that the information on the application is  
9 true;

10 N. inspect any games of chance being conducted;

11 O. make on-site inspections of premises where  
12 games of chance are being held;

13 P. inspect all equipment used for games of chance;

14 Q. regulate the monetary value of prizes to be  
15 awarded for games of chance;

16 R. require disclosure of information sufficient to  
17 make a determination of the suitability of an applicant for a  
18 license or permit to be issued pursuant to the New Mexico  
19 Bingo and Raffle Act;

20 S. adopt and enforce all rules necessary to  
21 implement and administer the provisions of the New Mexico  
22 Bingo and Raffle Act; and

23 T. provide an annual report to the governor  
24 regarding the board's administration of the New Mexico Bingo  
25 and Raffle Act.

1           Section 7. ORGANIZATIONS ELIGIBLE FOR BINGO LICENSES.--

2           A. Any qualified organization is eligible to apply  
3 for a bingo license to be issued by the board under the New  
4 Mexico Bingo and Raffle Act.

5           B. The New Mexico state fair:

6                 (1) may apply to the board for and shall be  
7 issued a bingo license pursuant to the New Mexico Bingo and  
8 Raffle Act to conduct games of chance on the grounds of the  
9 New Mexico state fair during the state fair; and

10                (2) shall pay a licensing fee to the board  
11 of one hundred dollars (\$100) per calendar year at the time  
12 of application for or renewal of a license issued pursuant to  
13 the New Mexico Bingo and Raffle Act.

14           C. A qualified organization may conduct a raffle  
15 on the grounds of the New Mexico state fair during the state  
16 fair only after obtaining express prior approval of the state  
17 fair commission and the board.

18           Section 8. CLASSIFICATIONS OF LICENSES AND PERMITS.--

19           A. The board shall establish and may issue the  
20 following categories of licenses:

21                 (1) bingo license;

22                 (2) distributor's license; and

23                 (3) manufacturer's license.

24           B. The board shall establish and may issue permits  
25 for the following employees:

- 1 (1) bingo manager;
  - 2 (2) bingo caller; and
  - 3 (3) any other bingo employee position for
- 4 which the board, by rule, requires a permit.

5 Section 9. DISCLOSURE OF BACKGROUND INFORMATION.--

6 A. The board may require an applicant for a  
7 license or permit to be issued pursuant to the New Mexico  
8 Bingo and Raffle Act to disclose information sufficient for  
9 the board to make a determination as to the applicant's  
10 suitability. The board may adopt rules to coordinate the  
11 manner in which the information is produced.

12 B. An applicant shall provide all of the  
13 information required by the board.

14 C. The cost of a background investigation, not to  
15 exceed one hundred dollars (\$100), shall be paid by the  
16 applicant.

17 Section 10. APPLICATION FOR LICENSES OR PERMITS.--

18 A. Each applicant for a license or permit to be  
19 issued under the New Mexico Bingo and Raffle Act shall file  
20 with the board a written application in the form prescribed  
21 by the board, duly executed and verified and containing:

- 22 (1) the name and address of the applicant;
  - 23 (2) if not an individual, sufficient facts
- 24 relating to its incorporation or organization to enable the  
25 board to determine whether or not the applicant is qualified

1 and the names and addresses of its officers, members of the  
2 board of directors and managers;

3 (3) such other information deemed necessary  
4 by the board to ensure that the applicant complies with the  
5 provisions of the New Mexico Bingo and Raffle Act and rules  
6 adopted pursuant to that act; and

7 (4) an affirmation signed by the applicant  
8 or the applicant's agent that the information contained in  
9 the application is true and accurate. The application shall  
10 be signed by the applicant or the applicant's agent, and the  
11 signature shall be notarized.

12 B. In addition to the requirements of Subsection A  
13 of this section, each applicant for a bingo license shall  
14 provide the board with the following:

15 (1) the names of the bingo manager, the  
16 bingo caller and the game accountant, and a statement from  
17 those persons that they shall be responsible for the holding,  
18 operation and conduct of games of chance in accordance with  
19 the terms of the license and the provisions of the New Mexico  
20 Bingo and Raffle Act;

21 (2) sufficient facts relating to the  
22 organization to enable the board to determine whether or not  
23 it is a qualified organization;

24 (3) the exact location at which the  
25 applicant will conduct bingo and pull-tabs;

1 (4) the specific kind of games of chance  
2 intended to be conducted; and

3 (5) whether the premises are owned or leased  
4 and, if leased, the name and address of the fee owner of the  
5 land or, if the owner is a corporation, the names of the  
6 directors and members of the board of directors.

7 C. The failure to accurately and truthfully  
8 provide the information required in Subsection A or B of this  
9 section is a violation of the New Mexico Bingo and Raffle Act  
10 and shall subject the applicant to the provisions of Sections  
11 14, 23 and 25 of that act.

12 Section 11. STANDARDS FOR GRANTING A LICENSE OR  
13 PERMIT.--

14 A. An application for a bingo license shall not be  
15 granted unless the applicant is a qualified organization and  
16 is authorized to do business in New Mexico.

17 B. An application for a manufacturer's license or  
18 a distributor's license shall not be granted unless the  
19 applicant is qualified to do business in New Mexico.

20 C. An application for a permit shall not be  
21 granted if the applicant has been convicted of a felony  
22 offense or a violation of the New Mexico Bingo and Raffle Act  
23 within ten years of the date of application.

24 D. The board may establish by rule additional  
25 qualifications for a licensee or permittee as it deems in the

1 public interest.

2 Section 12. LICENSES AND PERMITS--SPECIFIC  
3 REQUIREMENTS.--

4 A. A license issued pursuant to the New Mexico  
5 Bingo and Raffle Act shall be valid for three years and may  
6 be renewed for successive three-year terms.

7 B. A permit issued pursuant to the New Mexico  
8 Bingo and Raffle Act shall be valid for three years from the  
9 date of issuance and may be renewed for successive three-year  
10 terms.

11 C. A license or permit or a renewal of a license  
12 or permit is not transferable.

13 Section 13. FEES FOR LICENSES AND PERMITS--DISPOSITION  
14 OF REVENUE.--

15 A. Fees for licenses and permits issued pursuant  
16 to the New Mexico Bingo and Raffle Act shall be established  
17 by board rule but shall not exceed the following amounts:

18 (1) bingo license, five hundred dollars  
19 (\$500) for the initial license and five hundred dollars  
20 (\$500) for each renewal;

21 (2) manufacturer's license, five hundred  
22 dollars (\$500) for the initial license and five hundred  
23 dollars (\$500) for each renewal;

24 (3) distributor's license, five hundred  
25 dollars (\$500) for the initial license and five hundred

1 dollars (\$500) for each renewal; and

2 (4) permit, seventy-five dollars (\$75.00)  
3 for the initial permit and seventy-five dollars (\$75.00) for  
4 each renewal.

5 B. All administrative receipts, including license  
6 and permit fees, collected pursuant to the New Mexico Bingo  
7 and Raffle Act shall be deposited in the general fund.

8 Section 14. FORFEITURE OF LICENSE--INELIGIBILITY TO  
9 APPLY FOR LICENSE OR PERMIT.--Any person who makes a material  
10 false statement in an application for a license or permit to  
11 be issued pursuant to the New Mexico Bingo and Raffle Act or  
12 in any statement submitted with the application, fails to  
13 keep sufficient books and records to substantiate the  
14 quarterly reports required under Section 19 of the New Mexico  
15 Bingo and Raffle Act, falsifies any books or records insofar  
16 as they relate to a transaction connected with the holding,  
17 operating and conducting of a game of chance under any such  
18 license or permit or violates any of the provisions of the  
19 New Mexico Bingo and Raffle Act or of any term of the license  
20 or permit, in addition to any other criminal or civil  
21 penalties that may be imposed, may, at the option of the  
22 board, be required to forfeit any license issued under that  
23 act and be ineligible to apply for a license under that act  
24 for at least one year thereafter.

25 Section 15. PERSONS PERMITTED TO CONDUCT BINGO AND

1 PULL-TAB GAMES--PREMISES.--

2 A. The officers of a bingo licensee shall  
3 designate a bingo manager to be in charge and primarily  
4 responsible for the conduct of all games of bingo and  
5 pull-tabs. The bingo manager shall supervise all activities  
6 on the occasion for which the bingo manager is in charge.  
7 The bingo manager shall be familiar with the provisions of  
8 the state laws, the rules of the board and the provisions of  
9 the bingo license. The bingo manager shall be present on the  
10 premises continuously during the games and for a period of at  
11 least thirty minutes after the last game.

12 B. The bingo manager shall designate a game  
13 accountant to be primarily responsible for the proper  
14 preparation of the quarterly reports in accordance the New  
15 Mexico Bingo and Raffle Act.

16 C. For a bingo game, the bingo manager shall  
17 designate a bingo caller to be responsible for drawing and  
18 announcing the bingo numbers.

19 D. The premises where any game of chance is being  
20 held, operated or conducted or where it is intended that any  
21 equipment be used shall at all times be open to inspection by  
22 the board and its agents and employees and by peace officers  
23 of the state or any political subdivision of the state.

24 E. No owner or co-owner of the premises or, if a  
25 corporation is the owner of the premises, any officer,

1 director or stockholder owning more than ten percent of the  
2 outstanding stock shall be designated as a bingo manager, a  
3 game accountant or a bingo caller.

4 Section 16. DISPLAY OF LICENSE.--Each license issued  
5 pursuant to the New Mexico Bingo and Raffle Act shall contain  
6 a statement of the name and address of the licensee, date of  
7 issuance and date of expiration. Any such license issued for  
8 the conduct of any games of bingo or pull-tab shall be  
9 conspicuously displayed at the place where the games are to  
10 be conducted.

11 Section 17. EQUIPMENT.--

12 A. No bingo or pull-tab game shall be conducted  
13 with any equipment except that which is purchased or leased  
14 from a licensed distributor or manufacturer or another bingo  
15 licensee.

16 B. The equipment used in the playing of a bingo or  
17 pull-tab game and the method of play shall be such that each  
18 bingo card or pull-tab has an equal opportunity to be a  
19 winner. The objects or balls to be drawn shall be  
20 essentially the same as to size, shape, weight, balance and  
21 all other characteristics that may influence their selection.

22 C. Electronic bingo machines and video pull-tabs  
23 are not authorized for use on the premises.

24 Section 18. CONDUCT OF GAMES OF CHANCE.--

25 A. For games of bingo:

1 (1) a bingo licensee may hold, operate or  
2 conduct no more than two hundred sixty occasions in any  
3 twelve-month period;

4 (2) occasions shall not be conducted more  
5 than six times in any one calendar week, with no occasion  
6 lasting more than four hours and not more than three  
7 occasions conducted in one calendar day by any one licensee;

8 (3) when any merchandise prize is awarded in  
9 a bingo game, its value shall be its current retail price.  
10 No merchandise prize shall be redeemable or convertible into  
11 cash;

12 (4) the aggregate amount of all prizes  
13 offered or given in all bingo games played on a single  
14 occasion shall not exceed two thousand five hundred dollars  
15 (\$2,500), exclusive of pull-tabs, raffles and door prizes;

16 (5) all objects or balls to be used in a  
17 game shall be present in the receptacle before the game is  
18 begun. All numbers announced shall be plainly and clearly  
19 audible to all the players present. Where more than one room  
20 is used for any one game, the receptacle and the bingo caller  
21 shall be present in the room where the greatest number of  
22 players are present, and all numbers announced shall be  
23 plainly audible to the players in that room and also audible  
24 to the players in the other rooms;

25 (6) the receptacle and the bingo caller who

1 removes the objects or balls from the receptacle shall be  
2 visible to all the players at all times except where more  
3 than one room is used for any one game, in which case the  
4 provisions of Paragraph (5) of this subsection shall prevail;

5 (7) the particular arrangement of numbers  
6 required to be covered in order to win the game and the  
7 amount of the prize shall be clearly and audibly described  
8 and announced to the players immediately before each game is  
9 begun;

10 (8) any player is entitled to call for a  
11 verification of all numbers drawn at the time a winner is  
12 determined and for a verification of the objects or balls  
13 remaining in the receptacle and not yet drawn. The  
14 verification shall be made in the immediate presence of the  
15 bingo manager; and

16 (9) no person who is not physically present  
17 on the premises where the game is actually conducted shall be  
18 allowed to participate as a player in the game.

19 B. For a raffle:

20 (1) all raffle tickets sold shall be  
21 represented in the container from which the winner is drawn;

22 (2) the drawing shall be open to the public;

23 (3) each raffle ticket shall display all  
24 information as directed by the board; and

25 (4) when any merchandise prize is awarded in

1 a raffle, its value shall be its current retail price. No  
2 merchandise prize shall be redeemable or convertible into  
3 cash.

4 C. For games of pull-tabs:

5 (1) pull-tabs shall be sold only on the  
6 premises;

7 (2) winners shall be paid only on the  
8 premises; and

9 (3) when any merchandise prize is awarded in  
10 a pull-tab game, its value shall be its current retail price.  
11 No merchandise prize shall be redeemable or convertible into  
12 cash.

13 Section 19. QUARTERLY REPORTS REQUIRED--ACCOUNTING  
14 REQUIREMENTS.--

15 A. On or before April 25, July 25, October 25 and  
16 January 25, the game accountant shall file with the board,  
17 upon forms prescribed by the board, a duly verified statement  
18 covering the preceding calendar quarter showing the amount of  
19 the gross receipts derived during that period from games of  
20 chance, the total amount of prizes paid, the name and address  
21 of each person to whom has been paid six hundred dollars  
22 (\$600) or more and the purpose of the expenditure, the gross  
23 receipts derived from each game of chance and the uses to  
24 which the net proceeds have been or are to be applied. It is  
25 the duty of each bingo licensee to maintain and keep the

1 books and records necessary to substantiate the particulars  
2 of each report.

3 B. If a bingo licensee fails to file reports  
4 within the time required or if the reports are not properly  
5 verified or not fully, accurately and truthfully completed,  
6 the licensee is subject to disciplinary action, including a  
7 suspension, until the default has been corrected.

8 C. All money collected or received from the sale  
9 of admission, extra regular cards, special game cards, sale  
10 of supplies and all other receipts from the games of chance  
11 shall be deposited in a bingo and raffle operating account of  
12 the bingo licensee that shall contain only such money. All  
13 expenses for the game shall be withdrawn from the account by  
14 consecutively numbered checks duly signed by specified  
15 officers of the licensee and payable to a specific person or  
16 organization. There shall be written on the check the nature  
17 of the expense for which the check is drawn.

18 D. No check shall be drawn to "cash" or a  
19 fictitious payee.

20 E. No portion of any contribution to lawful  
21 purposes, after it has been given over to another  
22 organization, shall be returned to the donor organization.

23 Section 20. EXPENSES--COMPENSATION.--

24 A. No item of expense shall be incurred or paid in  
25 connection with the holding, operating or conducting of a

1 game of chance held, operated or conducted pursuant to a  
2 bingo license except bona fide expenses in reasonable amounts  
3 for goods, wares and merchandise furnished or services  
4 rendered reasonably necessary for the holding, operating or  
5 conducting of a game of chance. Bona fide expenses include  
6 expenditures for payroll, building and equipment rent,  
7 utilities, security, janitorial supplies, office supplies,  
8 equipment, insurance, bank charges, automated teller machine  
9 fees, legal fees, advertising, accounting fees, state and  
10 federal payroll-related taxes, state and federal  
11 gaming-related taxes and all other reasonable expenses  
12 necessary for the operation of games of chance.

13 B. A qualified organization desiring to retain the  
14 receipts derived from games of chance in the bingo and raffle  
15 operating account and for a period longer than one year shall  
16 apply to the board for special permission and, upon good  
17 cause shown, the board shall grant the request.

18 Section 21. TAX IMPOSITION.--

19 A. A bingo and raffle tax equal to one-half  
20 percent of the gross receipts of any game of chance held,  
21 operated or conducted for or by a qualified organization  
22 shall be imposed on the qualified organization.

23 B. No other state or local gross receipts tax  
24 shall apply to a qualified organization's receipts generated  
25 by a game of chance authorized by the New Mexico Bingo and

1 Raffle Act.

2 C. The tax imposed pursuant to this section shall  
3 be submitted quarterly to the taxation and revenue department  
4 on or before April 25, July 25, October 25 and January 25.

5 D. The taxation and revenue department shall  
6 administer the tax imposed in this section pursuant to the  
7 Tax Administration Act.

8 Section 22. VIOLATION OF ACT.--

9 A. Unless exempted pursuant to Section 26 of the  
10 New Mexico Bingo and Raffle Act, it is a violation of that  
11 act for a qualified organization to hold a game of bingo or  
12 pull-tabs for profit or gain in any manner unless the person  
13 has been issued a bingo license by the board and has been  
14 authorized by the board to hold the game of chance.

15 B. It is a violation of the New Mexico Bingo and  
16 Raffle Act for a person who does not manufacture, fabricate,  
17 assemble, produce, program or make modifications to equipment  
18 to provide equipment to a qualified organization for use or  
19 play of games of chance in New Mexico unless the person has  
20 been issued a distributor's license pursuant to that act.

21 C. It is a violation of the New Mexico Bingo and  
22 Raffle Act for a person to manufacture, fabricate, assemble,  
23 produce, program or make modifications to equipment for use  
24 or play of games of chance in New Mexico or for sale or  
25 distribution outside of New Mexico unless the person has been

1 issued a manufacturer's license pursuant to that act.

2 D. It is a violation of the New Mexico Bingo and  
3 Raffle Act for a person to act as a bingo manager, a bingo  
4 caller or any other bingo employee position for which the  
5 board, by rule, requires a permit unless the person has been  
6 issued a permit pursuant to that act.

7 Section 23. ENFORCEMENT HEARINGS.--

8 A. A license or permit shall not be revoked or  
9 suspended without just cause.

10 B. The board shall make appropriate investigations  
11 to:

12 (1) determine whether there has been any  
13 violation of the New Mexico Bingo and Raffle Act or of any  
14 regulations adopted pursuant to that act;

15 (2) determine any facts, conditions,  
16 practices or matters that it deems necessary or proper to aid  
17 in the enforcement of the New Mexico Bingo and Raffle Act or  
18 regulations adopted pursuant to that act; or

19 (3) aid in adopting regulations.

20 C. If after an investigation the board is  
21 satisfied that a license or permit issued pursuant to the New  
22 Mexico Bingo and Raffle Act or prior approval by the board of  
23 any transaction for which approval was required by the  
24 provisions of the New Mexico Bingo and Raffle Act should be  
25 limited, conditioned, suspended or revoked, or that a fine

1 should be levied, the board shall initiate a hearing by  
2 filing a complaint and transmitting a copy of it to the  
3 licensee or permittee, together with a summary of evidence in  
4 its possession bearing on the matter and the transcript of  
5 testimony at any investigative hearing conducted by or on  
6 behalf of the board. The complaint shall be a written  
7 statement of charges that sets forth in ordinary and concise  
8 language the acts or omissions with which the respondent is  
9 charged. It shall specify the statutes or regulations that  
10 the respondent is alleged to have violated but shall not  
11 consist merely of charges raised in the language of the  
12 statutes or regulations.

13 D. The respondent shall file an answer within  
14 thirty days after service of the complaint.

15 E. Upon filing the complaint, the board shall  
16 appoint a hearing examiner to conduct further proceedings.

17 F. The hearing examiner shall conduct proceedings  
18 in accordance with the New Mexico Bingo and Raffle Act and  
19 the regulations adopted by the board. At the conclusion of  
20 the proceedings, the hearing examiner may recommend that the  
21 board take any appropriate action, including revocation,  
22 suspension, limitation or conditioning of a license or permit  
23 issued pursuant to the New Mexico Bingo and Raffle Act or the  
24 imposition of a fine not to exceed one thousand dollars  
25 (\$1,000) for each violation or any combination of the

1 foregoing actions.

2 G. The hearing examiner shall prepare a written  
3 decision containing the hearing examiner's recommendation to  
4 the board and shall serve it on all parties.

5 H. The board shall by a majority vote accept,  
6 reject or modify the recommendation.

7 I. If the board limits, conditions, suspends or  
8 revokes any license or permit issued pursuant to the New  
9 Mexico Bingo and Raffle Act or limits, conditions, suspends  
10 or revokes any prior approval or imposes any fine, it shall  
11 issue a written order specifying its action.

12 J. The board's order is effective on the date  
13 issued and continues in effect unless reversed upon judicial  
14 review, except that the board may stay its order pending a  
15 rehearing or judicial review upon such terms and conditions  
16 as it deems proper.

17 Section 24. APPEALS.--

18 A. The decision of the board in denying,  
19 suspending or revoking any license or permit issued pursuant  
20 to the New Mexico Bingo and Raffle Act or imposing any fine  
21 shall be subject to review. A licensee or permittee  
22 aggrieved by a decision of the board may appeal to the  
23 district court pursuant to the provisions of Section 39-3-1.1  
24 NMSA 1978.

25 B. No proceeding to vacate, reverse or modify any

1 final order rendered by the board shall operate to stay the  
2 execution or effect of any final order unless the district  
3 court, on application and three days' notice to the board,  
4 allows the stay. In the event a stay is ordered, the  
5 petitioner shall be required to execute the petitioner's bond  
6 in a sum the court may prescribe, with sufficient surety to  
7 be approved by the judge or clerk of the court, which bond  
8 shall be conditioned upon the faithful performance by the  
9 petitioner of the petitioner's obligation as a licensee or  
10 permittee and upon the prompt payment of all damages arising  
11 from or caused by the delay in the taking effect or  
12 enforcement of the order complained of and for all costs that  
13 may be assessed or required to be paid in connection with the  
14 proceedings.

15 Section 25. DUTY TO ENFORCE ACT--CRIMINAL PENALTIES.--

16 A. It is the duty of all law enforcement officers  
17 to enforce the provisions of the New Mexico Bingo and Raffle  
18 Act. It is the duty of the district attorney of the county  
19 in which a violation is committed to prosecute such violation  
20 of that act in the manner and form as is now provided by law  
21 for the prosecutions of crimes and misdemeanors.

22 B. A licensee, a permittee or an officer, agent or  
23 employee of a licensee or any other person who willfully  
24 violates or who procures, aids or abets in the willful  
25 violation of the New Mexico Bingo and Raffle Act is guilty of

1 a misdemeanor and, upon conviction thereof:

2 (1) for a first offense, shall be punished  
3 by a fine of not more than one thousand dollars (\$1,000) or  
4 by imprisonment for not more than six months, or both; or

5 (2) for a subsequent offense, shall be  
6 punished by a fine of not more than two thousand five hundred  
7 dollars (\$2,500) or by imprisonment for not more than one  
8 year, or both.

9 Section 26. EXEMPTIONS.--

10 A. Except as provided in Subsection B of this  
11 section, nothing in the New Mexico Bingo and Raffle Act shall  
12 be construed to apply to:

13 (1) a drawing or a prize at a fair or fiesta  
14 held in New Mexico under the sponsorship or authority of the  
15 state or any of its political subdivisions, or for the  
16 benefit of a religious organization situated in this state or  
17 for charitable purposes when all the proceeds of the sale or  
18 drawing shall be expended within New Mexico for the benefit  
19 of that political subdivision, religious organization or  
20 charitable purpose; or

21 (2) a bingo or a raffle held by a qualified  
22 organization that holds no more than one bingo occasion or  
23 one raffle in any three consecutive calendar months and not  
24 exceeding four occasions in one calendar year.

25 B. Notwithstanding the provisions of Subsection A

1 of this section, no raffle with an individual prize exceeding  
2 seventy-five thousand dollars (\$75,000) shall be held without  
3 a ten-day prior notification to the board of the conduct of  
4 the event and a subsequent notification to the board of the  
5 names, addresses and phone numbers of all prize winners.

6 C. Nothing in the New Mexico Bingo and Raffle Act  
7 shall be construed to apply to a lottery established and  
8 operated pursuant to the New Mexico Lottery Act or gaming  
9 that is licensed and operated pursuant to the Gaming Control  
10 Act.

11 Section 27. Section 30-19-6 NMSA 1978 (being Laws 1963,  
12 Chapter 303, Section 19-6, as amended) is amended to read:

13 "30-19-6. PERMISSIVE LOTTERY.--

14 A. Nothing in Chapter 30, Article 19 NMSA 1978  
15 shall be held to prohibit any bona fide motion picture  
16 theater from offering prizes of cash or merchandise for  
17 advertising purposes, in connection with such business or for  
18 the purpose of stimulating business, whether or not any  
19 consideration other than a monetary consideration in excess  
20 of the regular price of admission is exacted for  
21 participation in drawings for prizes.

22 B. Nothing in Chapter 30, Article 19 NMSA 1978  
23 shall be construed to apply to any activity:

24 (1) regulated by the New Mexico Bingo and  
25 Raffle Act; or

1 (2) specifically exempted from regulation by  
2 the provisions of the New Mexico Bingo and Raffle Act."

3 Section 28. Section 60-2E-7 NMSA 1978 (being Laws 1997,  
4 Chapter 190, Section 9, as amended) is amended to read:

5 "60-2E-7. BOARD'S POWERS AND DUTIES.--

6 A. The board shall implement the state's policy on  
7 gaming consistent with the provisions of the Gaming Control  
8 Act and the New Mexico Bingo and Raffle Act. It has the duty  
9 to fulfill all responsibilities assigned to it pursuant to  
10 those acts, and it has all authority necessary to carry out  
11 those responsibilities. It may delegate authority to the  
12 executive director, but it retains accountability. The board  
13 is an adjunct agency.

14 B. The board shall:

15 (1) employ the executive director;

16 (2) make the final decision on issuance,  
17 denial, suspension and revocation of all licenses pursuant to  
18 and consistent with the provisions of the Gaming Control Act  
19 and the New Mexico Bingo and Raffle Act;

20 (3) develop, adopt and promulgate all  
21 regulations necessary to implement and administer the  
22 provisions of the Gaming Control Act and the New Mexico Bingo  
23 and Raffle Act;

24 (4) conduct itself, or employ a hearing  
25 officer to conduct, all hearings required by the provisions

1 of the Gaming Control Act and other hearings it deems  
2 appropriate to fulfill its responsibilities;

3 (5) meet at least once each month; and

4 (6) prepare and submit an annual report in  
5 December of each year to the governor and the legislature,  
6 covering activities of the board in the most recently  
7 completed fiscal year, a summary of gaming activities in the  
8 state and any recommended changes in or additions to the laws  
9 relating to gaming in the state.

10 C. The board may:

11 (1) impose civil fines not to exceed  
12 twenty-five thousand dollars (\$25,000) for the first  
13 violation of any prohibitory provision of the Gaming Control  
14 Act or any prohibitory provision of a regulation adopted  
15 pursuant to that act and fifty thousand dollars (\$50,000) for  
16 subsequent violations;

17 (2) conduct investigations;

18 (3) subpoena persons and documents to compel  
19 access to or the production of documents and records,  
20 including books and memoranda, in the custody or control of a  
21 licensee;

22 (4) compel the appearance of employees of a  
23 licensee or persons for the purpose of ascertaining  
24 compliance with provisions of the Gaming Control Act or a  
25 regulation adopted pursuant to its provisions;

1                   (5) administer oaths and take depositions to  
2 the same extent and subject to the same limitations as would  
3 apply if the deposition were pursuant to discovery rules in a  
4 civil action in the district court;

5                   (6) sue and be sued subject to the  
6 limitations of the Tort Claims Act;

7                   (7) contract for the provision of goods and  
8 services necessary to carry out its responsibilities;

9                   (8) conduct audits, relevant to their gaming  
10 activities, of applicants, licensees and persons affiliated  
11 with licensees;

12                   (9) inspect, examine, photocopy and audit  
13 all documents and records of an applicant or licensee  
14 relevant to the applicant's or licensee's gaming activities  
15 in the presence of the applicant or licensee or the  
16 applicant's or licensee's agent;

17                   (10) require verification of income and all  
18 other matters pertinent to the gaming activities of an  
19 applicant or licensee affecting the enforcement of any  
20 provision of the Gaming Control Act;

21                   (11) inspect all places where gaming  
22 activities are conducted and inspect all property connected  
23 with gaming in those places;

24                   (12) summarily seize, remove and impound  
25 from places inspected any gaming devices, property connected

1 with gaming, documents or records for the purpose of  
2 examination or inspection;

3 (13) inspect, examine, photocopy and audit  
4 documents and records, relevant to the affiliate's gaming  
5 activities, of an affiliate of an applicant or licensee that  
6 the board knows or reasonably suspects is involved in the  
7 financing, operation or management of the applicant or  
8 licensee. The inspection, examination, photocopying and  
9 audit shall be in the presence of a representative of the  
10 affiliate or its agent when practicable;

11 (14) conduct background investigations  
12 pursuant to the Horse Racing Act; and

13 (15) except for the powers specified in  
14 Paragraphs (1) and (4) of this subsection, carry out all or  
15 part of the foregoing powers and activities through the  
16 executive director.

17 D. The board shall monitor all activity  
18 authorized in an Indian gaming compact between the state and  
19 an Indian nation, tribe or pueblo. The board shall appoint  
20 the state gaming representative for the purposes of the  
21 compact."

22 Section 29. TEMPORARY PROVISION--EXISTING LICENSEES,  
23 OBLIGATIONS, VIOLATIONS AND PROSECUTIONS.--

24 A. On the effective date of this act, a licensee  
25 under the Bingo and Raffle Act shall, for all purposes, be

