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AN ACT

RELATING TO THE NEW MEXICO LOTTERY ACT; PROVIDING FOR THE
PAYMENT OF FORFEITED LOTTERY PRIZES TO THE LOTTERY TUITION
FUND.

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

SECTION 1. Section 6-24-21 NMSA 1978 (being Laws 1995,
Chapter 155, Section 21, as amended) is amended to read:

"6-24-21. DRAWINGS FOR AND PAYMENT OF PRIZES--UNCLAIMED
PRIZES--APPLICABILITY OF TAXATION.--

A. All lottery prize drawings shall be open to the
public. If the prior written approval of the chief executive
officer and the executive vice president for security are
obtained, the selection of winning entries may be performed
by an employee of the lottery. A member of the board shall
not perform the selection of a winning entry. Drawings for a
prize of more than five thousand dollars (\$5,000) shall be
conducted and videotaped by the security division and
witnessed by the internal auditor of the authority or the
internal auditor's designee. Promotional drawings for a
prize of less than five thousand dollars (\$5,000) are exempt
from the requirements of this subsection if prior written
approval is given by the chief executive officer and the
executive vice president for security. All lottery drawing
equipment used in public drawings to select winning numbers

1 or entries or participants for prizes shall be examined and
2 tested by the chief executive officer's staff and the
3 internal auditor of the authority or the internal auditor's
4 designee prior to and after each public drawing.

5 B. Any lottery prize is subject to applicable
6 state taxes. The authority shall report to the state and
7 federal taxing authorities any lottery prize exceeding six
8 hundred dollars (\$600).

9 C. The authority shall adopt rules, policies and
10 procedures to conduct fair and equitable drawings and
11 establish a system of verifying the validity of tickets
12 claimed to win prizes and to effect payment of such prizes,
13 provided:

14 (1) no prize shall be paid upon a ticket
15 purchased or sold in violation of the New Mexico Lottery Act.
16 Any such prize shall constitute an unclaimed prize for
17 purposes of this section;

18 (2) the authority is discharged from all
19 liability upon payment of a prize;

20 (3) the board may by rule provide for the
21 payment of prizes by lottery retailers, whether or not the
22 lottery retailer sold the winning ticket, whenever the amount
23 of the prize is less than an amount set by board rule.

24 Payment shall not be made directly to a player by a machine
25 or a mechanical or electronic device;

1 (4) prizes not claimed within the time
2 period established by the authority are forfeited and shall
3 be paid into the lottery tuition fund under Section 21-21N-5
4 NMSA 1978. No interest is due on a prize when a claim is
5 delayed;

6 (5) the right to a prize is not assignable,
7 but prizes may be paid to a deceased winner's estate or to a
8 person designated by judicial order;

9 (6) until a signature or mark is placed on a
10 ticket in the area designated for signature, a ticket is
11 owned by the bearer of the ticket, but after a signature or
12 mark is placed on a ticket in the area designated for
13 signature, a ticket is owned by the person whose signature or
14 mark appears, and that person is entitled to any prize
15 attributable to the owner; and

16 (7) the authority is not responsible for
17 lost or stolen tickets." _____