SENATE BILL 710

## 42nd Legislature- STATE OF NEW MEXICO - SECOND SESSION 1996

INTRODUCED BY
GARY DON REAGAN

AN ACT
RELATING TO CHARITABLE GAMING; RESTRICTING CHARITABLE GAMES OF CHANCE; AMENDING AND ENACTING CERTAIN SECTIONS OF THE NMSA 1978; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE State OF NEW MEXICO:
Section 1. Section 30-19-1 NMSA 1978 (being Laws 1963, Chapter 303, Section 19-1, as amended) is amended to read:
" 30-19-1. DEFINITIONS RELATING TO GAMBLING..-As used in Chapter 30, Article 19 NMSA 1978:
A. "antique gambling device" means a gambling device twenty-five years of age or older and substantially in original condition that is not used for gambling or commercial gambling or located in a gambling place;
B. "bet" means a bargain in which the parties agree that, dependent upon chance, even though accompanied by some
skill, one stands to win or lose anything of value specified in the agreement. A bet does not include:
(1) bona fide business transactions that are valid under the law of contracts, including without I imitation:
(a) contracts for the purchase or sale, at a future date, of securities or other commodities; and
(b) agreements to compensate for loss caused by the happening of the chance, including without I imitation contracts for indemnity or guaranty and life or health and accident insurance;
(2) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the bona fide owners of animals or vehicles entered in such contest;
(3) a lottery as defined in this section; or (4) betting otherwise permitted by Iaw;
[ C. "lottery" means an enterprise other than the New
 Hew Mexico Lottery Act wherein, for a consideration, the


some skill. As used in this subsection, "consideration" means
 in order to participate in such enterprise:

D-_ C. "gambling device" means a contrivance other
than an antique gambling device that, for a consideration, affords the player an opportunity to obtain anything of value, the award of which is determined by chance, even though accompanied by some skill and whether or not the prize is automatically paid by the device; [and
E.] D. "gambling place" means any building or tent, any vehicle, whether self-propelled or not, or any room within any of them, one of whose principal uses is:
(1) making and settling of bets;
(2) receiving, holding, recording or forwarding bets or offers to bet;
(3) conducting Iotteries; or
(4) playing gambling devices;
E. "Iottery" means an enterprise other than the New Mexico state lottery established and operated pursuant to the New Mexico Lottery Act or a game of chance, the play of which is specifically permitted by state law, where for a consideration the participants are given an opportunity to win a prize, the award of which is determined by chance, even though accompanied by some skill. As used in this subsection, "consideration" means anything of pecuniary value required to be paid to the promoter in order to participate in the enterprise:
F. "raffle" means a game in which the prize is won by random drawing of the name or number of one or more persons purchasing a chance; and
G. "video gambling" means any form of gambling in which, upon payment of a consideration, an electronic device may be played that simulates the play of a game of chance, utilizes a video display and microprocessors and that by chance, or through some combination of chance and skill, a player may receive or the device may dispense to the player currency, coins or tokens or free games or credits that may be redeemed for currency, coins or tokens. "

Section 2. Section 30-19-6 NMSA 1978 (being Laws 1963, Chapter 303, Section 19-6, as amended) is amended to read:
"30-19-6. [ RERMISSIVE LOTTERY] AUTHORIZED GAMBLING.-FAIRS, THEATERS AND TAX-EXEMPT ORGANI ZATIONS --VIDEO GAMBLING ACT AND CHARITY GAMES ACT ACTIVITIES..-
A. Nothing in [Article 19] Chapter 30, Article 19 NMSA 1978 [shat be construed to apply to any] prohibits a sale or drawing of [any] a prize at [any] a fair held in this state for the benefit of [any] church, public library or religious society [steor located in this state or for charitable purposes when all the proceeds of [such] the fair [se] are expended in this state for the benefit of [such] the church, public library, religious society or other charitable purposes. A [totteryshall be operated] sale or drawing conducted pursuant to this subsection is for the benefit of the organization or charitable purpose only [ if the entire proceeds [ $\theta f$ ] from the [ .110105 .2
the organization or charitable purpose and no part of [such] the proceeds go to any individual member or employee [thereof] of the organization.
B. Nothing in [Arte19] Chapter 30, Article 19 NMSA 1978 [shall be held to prohibit any] prohibits a bona fide motion picture [ theater from offering prizes of cash or merchandise for advertising purposes in connection with [such] the business of the theater or for the purpose of stimulating business, whether or not [ansideration other than a monetary consideration in excess of the regular price of admission is [ charged for participation in drawings for prizes.
C. Nothing in [Article 19] Chapter 30, Article 19 NMSA 1978 [shall be held to apply to any] prohibits a bona fide county fair, including [fors] fair for more than one county, [ Which shall have] that has been held annually at the same location for at least two years [and which shall offer] from offering prizes of livestock or poultry in connection with [such] the fair [ when] if the proceeds of [such] the drawings [se] are used for the benefit of [ the fair.
[日. Nothing in Article 19, Chapter 30 NMSA 1978
shall be construed to apply to any lottery operated by an
organization exempt from the state income tax pursuant to
Subsection C of section 7-2-4 NMSA 1978 and not subject to the
provisions of subsection A of this section; prouided that:-
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(1) no more than two lotteries shall be
operated in any year by such an organization;
$(2)$ all the gross proceeds less the reasonable Gost of prizes of any lottery operated by such an organization shall be expended in the state for the benefit of the
organization or public purposes; and
(3) no part of the proceeds of any lottery
shall go to any individual member or employce of any
organization except as payment for the purchase of prizes at no more than the reasonable retail price]
D. Nothing in Chapter 30, Article 19 NMSA 1978 prohibits an organization that is exempt fromstate income tax pursuant to section 7-2.4 NMSA 1978 from conducting bingo games, raffles or paper lotteries at a fundraising event if:
(1) the fundraising events are conducted no more than twice in a calendar year by the qualifying organizationi
(2) the only persons authorized to participate in the operation or management of the fundraising event are:
(a) bona fide members of the qualifying organization who are not paid for their services in the operation or management of the event; or
(b) persons who provide goods or services for the fundraising event for a flat fee or an hourly fee pursuant to a written contract with the qualifying organization: .110105 .2
(3) no person receives any part of the proceeds of the fundraising event except:
(a) as payment for prizes purchased at no more than the reasonable retail prices for the prizes; or
(b) pursuant to a contract described in
Subparagraph (b) of Paragraph (2) of this subsection;
(4) the net proceeds of the fundraising event are expended in the state for the benefit of the qualifying organization or purposes for which it was formedi
(5) gross revenue, expenses, prizes paid and the date, time and location of the fundraising event are reported to the alcohol and gaming division of the regulation and I icensing department within thirty days after the event:
(6) the qualifying organization conducting the fundraising event maintains records for a period of one year after the date of the event that accurately show the gross revenue generated by the event, details of the expenses of conducting the event and details of how the gross revenue is used, and the qualifying organization makes the records available for review by the director of the alcohol and gaming division of the regulation and licensing department or the attorney general, or both, at their request:
(7) no video gambling, card games or casino table games are conducted and no slot machines are operated during the fundraising event;
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(8) no persons less than the age of twenty-one are allowed to participate in the operation or management of the fundraising event or to play any game at the event; and
(9) the fundraising event is conducted pursuant to a permit issued by the alcohol and gaming division of the regulation and Iicensing department.
E. As used in this section, "paper lottery" means a game of chance in which preprinted disposable tickets are available for purchase by a player and may entitle him to a prize or other thing of value. The tickets may:
(1) display preprinted winners that are determined by rubbing or scraping an area on the ticket to match numbers, letters, symbols or configurations or any combination thereof:
(2) have two sections, one section of which is retained by the qualifying organization conducting the fundraising event and added to all the other retained sections of tickets in a container from which one or more can be randomly drawn, and the other section is given to the player. Both sections of the ticket display identical numbers, symbols or configurations so that following a random drawing the drawn ticket can be matched with the part of the ticket retained by the player, so that a winner can be identified; or
(3) display one or a series of numbers, one or more of the numbers of which may be randomly selected by the .110105 .2
qual ifying organization conducting the fundraising event, and the player holding tickets displaying the numbers called wins a prize or other thing of value."

Section 3. 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 $A c t$ :
A. "charitable organization" means any organization, not for pecuniary profit, [hat is operated for the relief of poverty, distress or other condition of public concern in New Mexico, [and that has been so engaged for thee years i mmediately prior to making application for a license under the Bingo and Raffle Act and [ch] that has been granted an exemption from federal income tax by the United States commis sioner of internal revenue as an organization described in Section $501(c)$ of the United States I nternal Revenue Code of 1954, as amended or renumbered;
B. "chartered branch, lodge or chapter of a national or state organization" means any branch, lodge or chapter [ch] 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 [ that has been so engaged for three years immediately prior to making application for a license under the Bingo and Raffle Act;
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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 [ 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 and [ 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. "Iabor 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 [ that 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. "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 [ that 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. "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. "religious organization" means any organization, church, body of communicants or group, not for pecuniary profit, gathered in common membership for mutual support and edification i n piety, worship and religious observances, or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place, which organization, church, body of communicants, group or society has been so gathered or united i $n$ New Mexico for three years immediately prior to making
application for a license under the Bingo and Raffle Act;

1. "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, [ 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;
2. "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 has been in existence in New Mexico for three years immediately prior to making application for a license under the Bingo and Raffle Act;
K. "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;
L. "equipment" means, with respect to bingo or Iotto, 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 toraffes, 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 raffies;
M. "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 [Wich] 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 and that specific game of chance commonly known as "pull tabs";
N. "gross receipts" means receipts from the sale of shares, tickets or rights in any manner 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;
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3. "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 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 Iessening 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. "Iawful use" means the devotion of the entire net proceeds of a game of chance exclusively to lawful purposes;
Q. "licensee" means any qualified organization to which a license has been issued by the licensing authority;
R. "Iicensing authority" means the regulation and I icensing department;
S. "member" means an individual who has qualified for membership in a qualified organization pursuant to its charter, articles of incorporation, bylaws, rules or other written statement;
T. "net proceeds" means the receipts less the

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machines that simulate the game of pull tabs, shall be available for use by any member or other person on the premises of a Iicensee.
B. Any licensee that violates this section shall have its license revoked by the licensing authority."

Section 5. 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.-EQUIPMENT--EXPENSES [ COMPENSATIOH]...
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 [ that 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 [ that 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 license issued 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 [ No games of chance shall be conducted with any equipment, except that which is owned or Ieased 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 Iaws, 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 Ieast 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 [ or uscs].
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 hunded 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.
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 lawf ul purposes of the organization permitted to conduct the games. Any organization desiring to hold the net profits of games of chance for a period Ionger 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 [hat is an auxiliary to the licensee or active members of an organization [hich] that 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 .110105 .2
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 [mest] shall be present in the room where the greatest number of players are present, [ad] all numbers announced shall be plainly audible to the players in the [aforesadroom and also] room where the receptacle and caller are present, and the numbers called shall be 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" as provided in this subsection shall constitute grounds for revoking [such] the license.
P. The receptacle and the caller who [he remove 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 immediately 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 receptacle and not yet drawn. The verification shall be made in .110105 .2
the i mmediate presence of the member designated to be in charge of the occasion [but] or, if [such] that member is also the caller, [ in the immediate presence of any officer of the Itcensee.
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."

Section 6. EMERGENCY.-.It is necessary for the public peace, health and safety that this act take effect immediately. - 21 .
FORTY-SECOND LEGISLATURE SECOND SESSION, 1996
Your COMMI TTEES' COMMITTEE, to whom has been referred
SENATE BILL 710
has had it under consideration and finds same to be GERMANE, PURSUANT O CONSTITUTIONAL PROVISIONS, and thence referred to the COMMI TTEE OF THE WHOLE COMMITTEE.

Respectfully submitted,

SENATOR MANNY M. ARAGON, Chairman


Respectfully submitted,

Manny M. Aragon, Chairman
your COMMI TTEE OF THE WHOLE, to whom has been referred

## SENATE BILL 710 <br> SENATE BILL-710

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FORTY-SECOND LEGISLATURE SECOND SESSION, 1996


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