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SENATE BILL 751

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

SHANNON ROBINSON

AN ACT

RELATING TO THE NEW MEXICO LOTTERY; LIMITING THE ANNUAL  
OPERATING BUDGET OF THE NEW MEXICO LOTTERY AUTHORITY; AMENDING  
CERTAIN SECTIONS OF THE NMSA 1978.

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

Section 1. Section 6-24-7 NMSA 1978 (being Laws 1995,  
Chapter 155, Section 7) is amended to read:

"6-24-7. BOARD OF DIRECTORS--DUTIES.--The board shall  
provide the authority with the private-sector perspective of a  
large marketing enterprise and shall make every effort to  
exercise sound and prudent business judgment in its management  
and promotion of the lottery. It is the duty of the board to:

A. adopt all rules, policies and procedures  
necessary for the establishment and operation of the lottery;

B. maximize the net revenue for the public purposes

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1 of the New Mexico Lottery Act and to that end assure that all  
2 rules, policies and procedures adopted further revenue  
3 maximization;

4 C. appoint a chief executive officer, prescribe his  
5 qualifications, duties and salary and set the salaries of the  
6 other officers and employees of the authority;

7 D. approve, disapprove, amend or modify the annual  
8 budget recommended by the chief executive officer for the  
9 operation of the authority; provided that the annual budget for  
10 the operating expenses of the authority shall not exceed twelve  
11 percent of the projected gross annual revenue;

12 E. approve all major procurements and approve,  
13 disapprove, amend or modify the terms of such procurements  
14 recommended by the chief executive officer;

15 F. supervise the chief executive officer and the  
16 other officers and employees of the authority and meet with the  
17 chief executive officer at least once every three months to make  
18 and consider recommendations, set policies, determine types and  
19 forms of lottery games to be operated by the lottery and  
20 transact other necessary business;

21 G. conduct, with the chief executive officer, a  
22 continuing study of the lottery and other state lotteries to  
23 improve the efficiency, profitability and security of the  
24 authority and the lottery;

25 H. prepare quarterly and annual reports and maintain

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1 records as required under the New Mexico Lottery Act; and

2 I. pursue any [~~and all~~] other matters necessary,  
3 desirable or convenient for the efficient and effective  
4 operation of lottery games, the continued entertainment and  
5 convenience of the public and the integrity of the lottery. "

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

8 "6-24-24. DISPOSITION OF REVENUE. --

9 A. As nearly as practical, an amount equal to at  
10 least fifty percent of the gross annual revenues from the sale  
11 of lottery tickets shall be returned to the public in the form  
12 of lottery prizes.

13 B. The authority shall transmit all net revenues to  
14 the state treasurer who shall deposit sixty percent of the  
15 revenues in the public school capital outlay fund for  
16 expenditure pursuant to the provisions of the Public School  
17 Capital Outlay Act and forty percent in the lottery tuition  
18 fund. Estimated net revenues shall be transmitted monthly to  
19 the state treasurer for deposit in the funds, provided the total  
20 amount of annual net revenues for the fiscal year shall be  
21 transmitted no later than August 1 each year.

22 C. In determining net revenues, operating expenses  
23 of the lottery include all costs incurred in the operation and  
24 administration of the lottery and all costs resulting from any  
25 contracts entered into for the purchase or lease of goods or

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1 services required by the lottery, including [~~but not limited to~~]  
2 the costs of supplies, materials, tickets, independent audit  
3 services, independent studies, data transmission, advertising,  
4 promotion, incentives, public relations, communications,  
5 commissions paid to lottery retailers, printing, distribution of  
6 tickets, purchases of annuities or investments to be used to pay  
7 future installments of winning lottery tickets, debt service and  
8 payment of any revenue bonds issued, contingency reserves,  
9 transfers to the reserve fund and any other necessary costs  
10 incurred in carrying out the provisions of the New Mexico  
11 Lottery Act. Operating expenses of the lottery shall not exceed  
12 twelve percent of the gross annual revenue of the lottery.

13 D. An amount up to two percent of the gross annual  
14 revenues shall be set aside as a reserve fund to cover bonuses  
15 and incentive plans for lottery retailers, special promotions  
16 for retailers, purchasing special promotional giveaways,  
17 sponsoring special promotional events, compulsive gambling  
18 rehabilitation and such other purposes as the board deems  
19 necessary to maintain the integrity and meet the revenue goals  
20 of the lottery. The board shall report annually to the governor  
21 and each regular session of the legislature on the use of the  
22 money in the reserve fund. Any balance in excess of fifty  
23 thousand dollars (\$50,000) at the end of any fiscal year shall  
24 be transferred to the lottery tuition fund. "

25 Section 3. EFFECTIVE DATE. -- The effective date of the

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1 provisions of this act is July 1, 1997.

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1 FORTY-THIRD LEGISLATURE

2 FIRST SESSION, 1997

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5  
6 March 5, 1997

7  
8 Mr. President:

9  
10 Your PUBLIC AFFAIRS COMMITTEE, to whom has been  
11 referred

12  
13 SENATE BILL 751

14  
15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, and thence referred to the  
17 FINANCE COMMITTEE.  
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20 Respectfully submitted,

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Shannon Robinson, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

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(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Garcia, Ingle, Vernon, Smith

Absent: None

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FORTY-THIRD LEGISLATURE SB 751/a  
FIRST SESSION, 1997

March 20, 1997

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 751

has had it under consideration and reports same with  
recommendation that it DO PASS, amended as follows:

1. On page 2, line 10, strike "twelve" and insert in lieu  
thereof "twenty".

2. On page 2, line 11, before the semicolon insert "in fiscal  
year 1998, eighteen percent in fiscal year 1999 and sixteen  
percent in fiscal year 2000 and each fiscal year thereafter".

3. On page 4, line 12, strike "twelve" and insert in lieu  
thereof "twenty", and before the period insert "in fiscal year

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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1998, eighteen percent in fiscal year 1999 and sixteen percent in fiscal year 2000 and each fiscal year thereafter".

4. On page 4, line 24, strike the closing quotation mark and between lines 24 and 25, insert the following new subsection:

"E. If operating expenses of the lottery for any fiscal year are less than the maximum allowed by law, ten percent of the amount of the difference between actual operating expenses and the maximum allowed shall be used to provide bonuses to lottery employees. Bonuses shall be distributed in accordance with a bonus plan adopted by the board that sets bonus amounts commensurate with an employee's cost-savings responsibility. No bonus for any one employee shall exceed ten thousand dollars (\$10,000). The remaining amount of cost-savings realized shall be considered net revenues for distribution as provided in this section. "".

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Respectfully submitted,

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Ben D. Altamirano, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 7 For 0 Against

Yes: 7

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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No: None

Excused: Aragon, Ingle, McKibben, Smith

Absent: None

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