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HOUSE BILL 9

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Daniel P. Silva

FOR THE LOTTERY OVERSIGHT COMMITTEE

AN ACT

RELATING TO REVENUE; PROVIDING FOR THE DISTRIBUTION OF ONE HUNDRED PERCENT OF LOTTERY NET REVENUES TO THE LOTTERY TUITION FUND; DECLARING AN EMERGENCY.

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

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

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

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

B. The authority shall transmit [all] net revenues to the state treasurer who shall deposit [sixty percent of] the revenues [in the public school capital outlay fund for

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1 ~~expenditure pursuant to the provisions of the Public School~~
2 ~~Capital Outlay Act and forty percent~~] in the lottery tuition
3 fund. Estimated net revenues shall be transmitted monthly to
4 the state treasurer for deposit. [~~in the funds, provided~~] The
5 total amount of annual net revenues for the prior fiscal year
6 shall be transmitted no later than August 1 each year.

7 C. In determining net revenues, operating expenses
8 of the lottery include all costs incurred in the operation and
9 administration of the lottery and all costs resulting from any
10 contracts entered into for the purchase or lease of goods or
11 services required by the lottery, including [~~but not limited~~
12 ~~to~~] the costs of supplies, materials, tickets, independent
13 audit services, independent studies, data transmission,
14 advertising, promotion, incentives, public relations,
15 communications, commissions paid to lottery retailers,
16 printing, distribution of tickets, purchases of annuities or
17 investments to be used to pay future installments of winning
18 lottery tickets, debt service and payment of any revenue bonds
19 issued, contingency reserves, transfers to the reserve fund
20 and any other necessary costs incurred in carrying out the
21 provisions of the New Mexico Lottery Act.

22 D. An amount up to two percent of the gross annual
23 revenues shall be set aside as a reserve fund to cover bonuses
24 and incentive plans for lottery retailers, special promotions
25 for retailers, purchasing special promotional giveaways,

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1 sponsoring special promotional events, compulsive gambling
2 rehabilitation and such other purposes as the board deems
3 necessary to maintain the integrity and meet the revenue goals
4 of the lottery. The board shall report annually to the
5 governor and each regular session of the legislature on the
6 use of the money in the reserve fund. Any balance in excess
7 of fifty thousand dollars (\$50,000) at the end of any fiscal
8 year shall be transferred to the lottery tuition fund."

9 Section 2. REPEAL.--Laws 1995, Chapter 155, Section 38
10 is repealed.

11 Section 3. EMERGENCY.--It is necessary for the public
12 peace, health and safety that this act take effect
13 immediately.