

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 763

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

INTRODUCED BY

Jose R. Abeyta

AN ACT

RELATING TO LOTTERY REVENUE; DISTRIBUTING ALL NET LOTTERY REVENUES TO THE LOTTERY TUITION FUND FOR TUITION SCHOLARSHIPS AS PROVIDED BY LAW; LIMITING LOTTERY TUITION SCHOLARSHIP ELIGIBILITY TO STUDENTS WITH EXCEPTIONAL FINANCIAL NEED; AMENDING SECTIONS OF THE NMSA 1978 AND REPEALING A SECTION OF LAWS 1995; DECLARING AN EMERGENCY.

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

Section 1. Section 6-24-3 NMSA 1978 (being Laws 1995, Chapter 155, Section 3) is amended to read:

"6-24-3. PURPOSES. -- The purposes of the New Mexico Lottery Act are to:

- A. establish and provide for the conduct of a fair and honest lottery for the entertainment of the public; and
- B. provide the maximum amount of revenues, without

underscored material = new
[bracketed material] = del ete

underscored material = new
[bracketed material] = delete

1 imposing additional taxes or using other state revenues, for
2 the [~~purposes of:~~

3 ~~(1) funding critical capital outlay needs of~~
4 ~~the public schools; and~~

5 ~~(2)]~~ purpose of providing tuition assistance
6 to resident undergraduates at New Mexico post-secondary
7 educational institutions. "

8 Section 2. Section 6-24-23 NMSA 1978 (being Laws 1995,
9 Chapter 155, Section 23, as amended) is amended to read:

10 "6-24-23. LOTTERY TUITION FUND CREATED--PURPOSE. --

11 A. The "lottery tuition fund" is created in the
12 state treasury. The fund shall be administered by the
13 commission on higher education. Earnings from investment of
14 the fund shall accrue to the credit of the fund. Any balance
15 in the fund at the end of any fiscal year shall remain in the
16 fund for appropriation by the legislature as provided in this
17 section.

18 B. [~~After appropriation, if any, by the~~
19 ~~legislature for scholarships pursuant to Subsection C of~~
20 ~~Section 21-1-2 NMSA 1978, the remaining]~~ Money in the lottery
21 tuition fund is appropriated to the commission on higher
22 education for distribution to New Mexico's public
23 post-secondary educational institutions to provide tuition
24 assistance for New Mexico resident undergraduates as provided
25 by law. "

underscored material = new
[bracketed material] = delete

1 Section 3. Section 6-24-24 NMSA 1978 (being Laws 1995,
2 Chapter 155, Section 24) is amended to read:

3 "6-24-24. DISPOSITION OF REVENUE. --

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

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

17 C. In determining net revenues, operating expenses
18 of the lottery include all costs incurred in the operation and
19 administration of the lottery and all costs resulting from any
20 contracts entered into for the purchase or lease of goods or
21 services required by the lottery, including [~~but not limited~~
22 ~~to~~] the costs of supplies, materials, tickets, independent
23 audit services, independent studies, data transmission,
24 advertising, promotion, incentives, public relations,
25 ~~communications, commissions paid to lottery retailers,~~

underscored material = new
[bracketed material] = delete

1 printing, distribution of tickets, purchases of annuities or
2 investments to be used to pay future installments of winning
3 lottery tickets, debt service and payment of any revenue bonds
4 issued, contingency reserves, transfers to the reserve fund
5 and any other necessary costs incurred in carrying out the
6 provisions of the New Mexico Lottery Act.

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

19 Section 4. Section 6-24-27 NMSA 1978 (being Laws 1995,
20 Chapter 155, Section 27) is amended to read:

21 "6-24-27. REVENUE AND BUDGET REPORTS--RECORDS--
22 INDEPENDENT AUDITS.--

23 A. The board shall:
24 (1) submit quarterly and annual reports to
25 the governor, legislative finance committee and lottery

underscored material = new
[bracketed material] = delete

1 oversight committee disclosing the total lottery revenue,
2 prizes, commissions, ticket costs, operating expenses and net
3 revenues of the authority during the reporting period and, in
4 the annual report, describe the organizational structure of
5 the authority and summarize the functions performed by each
6 organizational division within the authority;

7 (2) maintain weekly or more frequent records
8 of lottery transactions, including the distribution of lottery
9 tickets to retailers, revenue received, claims for prizes,
10 prizes paid, prizes forfeited and other financial transactions
11 of the authority; and

12 (3) use the state government fiscal year.

13 B. The board shall provide, for informational
14 purposes, to the department of finance and administration and
15 the legislative finance committee, by December 1 of each year,
16 a copy of the annual proposed operating budget for the
17 authority for the succeeding fiscal year. This budget
18 proposal shall also be accompanied by an estimate of the net
19 revenues to be deposited in the [~~public school capital outlay~~
20 ~~fund and the~~] lottery tuition fund for the current and
21 succeeding fiscal years.

22 C. The board shall contract with an independent
23 certified public accountant or firm for an annual financial
24 audit of the authority. The certified public accountant or
25 firm shall have no financial interest in any lottery

underscored material = new
[bracketed material] = delete

1 contractor. The certified public accountant or firm shall
2 present an audit report no later than March 1 for the prior
3 fiscal year. The certified public accountant or firm shall
4 evaluate the internal auditing controls in effect during the
5 audit period. The cost of this financial audit shall be an
6 operating expense of the authority. The legislative finance
7 committee may, at any time, order an audit of any phase of the
8 operations of the authority, at the expense of the authority,
9 and shall receive a copy of the annual independent financial
10 audit. A copy of any audit performed by the certified public
11 accountant or ordered by the legislative finance committee
12 shall be transmitted to the governor, the speaker of the house
13 of representatives, the president pro tempore of the senate,
14 the legislative finance committee and the lottery oversight
15 committee. "

16 Section 5. Section 21-1-4.3 NMSA 1978 (being Laws 1996,
17 Chapter 71, Section 3) is amended to read:

18 "21-1-4.3. TUITION SCHOLARSHIPS AUTHORIZED-- CERTAIN
19 EDUCATIONAL INSTITUTIONS. --

20 A. To the extent that funds are made available by
21 the legislature from the lottery tuition fund, the boards of
22 regents of New Mexico state university, New Mexico institute
23 of mining and technology, eastern New Mexico university,
24 western New Mexico university, the university of New Mexico,
25 New Mexico highlands university and northern New Mexico state

underscored material = new
[bracketed material] = del ete

1 school shall award tuition scholarships for qualified resident
2 students attending their respective institutions and branches
3 of those institutions.

4 B. Except as authorized in Subsection C of this
5 section, the tuition scholarships authorized in this section
6 shall apply only to full-time resident students with
7 exceptional financial need who, immediately upon completion of
8 a high school curriculum at a public or accredited private New
9 Mexico high school or upon receiving a graduate equivalent
10 diploma, are accepted for entrance to and attend one of the
11 state educational institutions set forth in this section or
12 one of the branches of those institutions. Each tuition
13 scholarship shall be awarded for up to four consecutive years
14 beginning the second semester of the recipient's first year of
15 enrollment, provided that the recipient has maintained
16 residency in New Mexico and maintained a grade point average
17 of 2.5 or higher on a 4.0 scale during his first semester of
18 full-time enrollment.

19 C. The tuition scholarships authorized in this
20 section shall also apply to full-time resident students with
21 exceptional financial need who, immediately upon completion of
22 a high school curriculum at a public or accredited private New
23 Mexico high school or upon receiving a graduate equivalent
24 diploma, attend a two-year public post-secondary educational
25 institution in New Mexico and who, upon the completion of that

underscored material = new
[bracketed material] = delete

1 curriculum or at the end of two years, whichever is sooner,
2 transfer to one of the post-secondary state educational
3 institutions set forth in this section. Those students shall
4 be eligible for a tuition scholarship for two consecutive
5 years, provided that those students maintain residency in New
6 Mexico, maintain a grade-point average of 2.5 or higher on a
7 4.0 scale and attend the institution full time during the
8 regular academic year.

9 D. The commission on higher education shall
10 prepare guidelines setting forth explicit student continuing
11 eligibility criteria and guidelines for administration of the
12 tuition scholarship program. Guidelines shall be distributed
13 to the board of regents of each institution to enable a
14 uniform availability of the resident student tuition
15 scholarships.

16 E. For purposes of this section, "students with
17 exceptional financial need" means students with the lowest
18 expected family contribution as determined for financial aid
19 purposes pursuant to federal law in the year in which the
20 students qualify for a lottery tuition scholarship. "

21 Section 6. Section 21-13-10 NMSA 1978 (being Laws 1963,
22 Chapter 17, Section 9, as amended) is amended to read:

23 "21-13-10. BOARD DUTIES. --

24 A. It [~~shall be~~] is the duty of the community
25 college board to determine financial and educational policies

underscored material = new
[bracketed material] = delete

1 of the community college. The community college board shall
2 provide for the management of the community college and
3 execution of these policies by selecting a competent president
4 for the community college, and, upon the president's
5 recommendation, the board shall employ other administrative
6 personnel, instructional staff or other personnel as may be
7 needed for the operation, maintenance and administration of
8 the community college.

9 B. The community college board shall have the
10 power to fix tuition and fee rates for resident and
11 nonresident students of the district, to accept gifts, to
12 accept federal aid, to purchase, hold, sell and rent property
13 and equipment and to promote the general welfare of the
14 institution for the best interest of educational service to
15 the people of the community college district.

16 C. To the extent that funds are made available by
17 the legislature from the lottery tuition fund, the community
18 college board shall award tuition scholarships for qualified
19 resident students attending their respective institutions.

20 D. The tuition scholarships authorized in this
21 section shall apply only to full-time resident students with
22 exceptional financial need who, immediately upon completion of
23 a high school curriculum at a public or accredited private New
24 Mexico high school or upon receiving a graduate equivalent
25 diploma, are accepted for entrance to and attend a community

underscored material = new
[bracketed material] = delete

1 college. Each tuition scholarship shall be awarded for up to
2 two consecutive years beginning the second semester of the
3 recipient's first year of enrollment, provided that the
4 recipient has maintained residency in New Mexico and
5 maintained a grade-point average of 2.5 or higher on a 4.0
6 scale during his first semester of full-time enrollment.

7 E. The commission on higher education shall
8 prepare guidelines setting forth explicit student continuing
9 eligibility criteria and guidelines for administration of the
10 tuition scholarship program. Guidelines shall be distributed
11 to community college boards to enable a uniform availability
12 of the resident student tuition scholarship.

13 F. For purposes of this section, "students with
14 exceptional financial need" means students with the lowest
15 expected family contribution as determined for financial aid
16 purposes pursuant to federal law in the year in which the
17 students qualify for a lottery tuition scholarship. "

18 Section 7. Section 21-16-10.1 NMSA 1978 (being Laws
19 1996, Chapter 71, Section 6) is amended to read:

20 "21-16-10.1. TUITION SCHOLARSHIPS AUTHORIZED. --

21 A. To the extent that funds are made available by
22 the legislature from the lottery tuition fund, the board of a
23 technical and vocational institute shall award tuition
24 scholarships for qualified resident students attending a
25 technical and vocational institute.

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

B. The tuition scholarships authorized in this section shall apply only to full-time resident students with exceptional financial need who, immediately upon completion of a high school curriculum at a public or accredited private New Mexico high school or upon receiving a graduate equivalent diploma, are accepted for entrance to and attend a technical and vocational institute. Each tuition scholarship shall be awarded for up to two consecutive years beginning the second semester of the recipient's first year of enrollment, provided that the recipient has maintained residency in New Mexico and maintained a grade-point average of 2.5 or higher on a 4.0 scale during his first semester of full-time enrollment.

C. The commission on higher education shall prepare guidelines setting forth explicit student continuing eligibility criteria and guidelines for administration of the tuition scholarship program. Guidelines shall be distributed to the boards of technical and vocational institutes to enable a uniform availability of the resident student tuition scholarships.

D. For purposes of this section, "students with exceptional financial need" means students with the lowest expected family contribution as determined for financial aid purposes pursuant to federal law in the year in which the students qualify for a lottery tuition scholarship. "

Section 8. Section 21-17-6.1 NMSA 1978 (being Laws 1996,

underscored material = new
[bracketed material] = delete

1 Chapter 71, Section 7) is amended to read:

2 "21-17-6. 1. TUITION SCHOLARSHIPS AUTHORIZED. --

3 A. To the extent that funds are made available by
4 the legislature from the lottery tuition fund, the board of an
5 area vocational school shall award tuition scholarships for
6 qualified resident students attending its area vocational
7 school.

8 B. The tuition scholarships authorized in this
9 section shall apply only to full-time resident students with
10 exceptional financial need who, immediately upon completion of
11 a high school curriculum at a public or accredited private New
12 Mexico high school or upon receiving a graduate equivalent
13 diploma, are accepted for entrance to and attend an area
14 vocational school. Each tuition scholarship shall be awarded
15 for up to two consecutive years beginning the second semester
16 of the recipient's first year of enrollment, provided that the
17 recipient has maintained residency in New Mexico and
18 maintained a grade-point average of 2.5 or higher on a 4.0
19 scale during his first semester of full-time enrollment.

20 C. The commission on higher education shall
21 prepare guidelines setting forth explicit student
22 qualification criteria and guidelines for administration of
23 the tuition scholarship program. Guidelines shall be
24 distributed to the boards of all area vocational schools to
25 enable a uniform availability of the resident student tuition

scholarships.

D. For purposes of this section, "students with exceptional financial need" means students with the lowest expected family contribution as determined for financial aid purposes pursuant to federal law in the year in which the students qualify for a lottery tuition scholarship. "

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

Section 10. EMERGENCY.--It is necessary for the public peace, health and safety for this act to take effect immediately.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25