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SENATE BILL 79

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

Michael S. Sanchez

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

underscored material = new  
~~[bracketed material] = delete~~

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1 of more than five thousand dollars (\$5,000) shall be conducted  
2 and videotaped by the security division and witnessed by the  
3 internal auditor of the authority or [~~his~~] the internal  
4 auditor's designee. Promotional drawings for a prize of less  
5 than five thousand dollars (\$5,000) are exempt from the  
6 requirements of this subsection if prior written approval is  
7 given by the chief executive officer and the executive vice  
8 president for security. All lottery drawing equipment used in  
9 public drawings to select winning numbers or entries or  
10 participants for prizes shall be examined and tested by the  
11 chief executive officer's staff and the internal auditor of the  
12 authority or [~~his~~] the internal auditor's designee prior to and  
13 after each public drawing.

14 B. Any lottery prize is subject to applicable state  
15 taxes. The authority shall report to the state and federal  
16 taxing authorities any lottery prize exceeding six hundred  
17 dollars (\$600).

18 C. The authority shall adopt rules, policies and  
19 procedures to conduct fair and equitable drawings and establish  
20 a system of verifying the validity of tickets claimed to win  
21 prizes and to effect payment of such prizes, provided:

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

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

3 (3) the board may by rule provide for the  
4 payment of prizes by lottery retailers, whether or not the  
5 lottery retailer sold the winning ticket, whenever the amount  
6 of the prize is less than an amount set by board rule. Payment  
7 shall not be made directly to a player by a machine or a  
8 mechanical or electronic device;

9 (4) prizes not claimed within the time period  
10 established by the authority are forfeited and shall be paid  
11 into the [~~prize~~] lottery tuition fund under Section 21-21N-5  
12 NMSA 1978. No interest is due on a prize when a claim is  
13 delayed;

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

17 (6) until a signature or mark is placed on a  
18 ticket in the area designated for signature, a ticket is owned  
19 by the bearer of the ticket, but after a signature or mark is  
20 placed on a ticket in the area designated for signature, a  
21 ticket is owned by the person whose signature or mark appears,  
22 and that person is entitled to any prize attributable to the  
23 owner; and

24 (7) the authority is not responsible for lost  
25 or stolen tickets."

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