

## NOTICE OF PROPOSED RULEMAKING

The Gaming Control Board hereby gives notice that the Board, at a Regular Board Meeting open to the public, will consider public comments received and determine whether to adopt the described rules below.

The Regular Board Meeting will be held on Wednesday, April 17, 2024 beginning at 9:00 am at the Gaming Control Board, 4900 Alameda Blvd. NE, Albuquerque, NM 87113. Interested individuals may also attend via Microsoft Teams as follows:

Telephonically: 1-505-312-4308, Conference ID: 826 595 824#

Join the meeting through a Web Browser or the MS Teams Application:

Meeting ID: 242 890 768 740

Passcode: V9KMML

**The public comment period for this rulemaking closed with the public comment hearing which occurred on January 8, 2024.**

Subsection G of 15.1.10.7 NMAC Definitions:

Purpose: To help nonprofits better allocate money in light of recent stator changes to Section 60-2E-47 NMSA 1978 of the Gaming Control Act.

Summary of Full Text: The Definitions section provides definitions of commonly used terms in the Gaming Control Regulations. Specifically, this rule will only be revised as to Subsection G in that the definition of “allowable gaming expenses” by removing all of the sub-subsections and simply defining “allowable gaming expenses as “license fees, including renewals and gaming machine license fees”.

15.1.10.25 NMAC - Payment of Winnings:

Purpose: Revising the maximum jackpot amounts to conform to recently passed legislation. The revisions are also designed to protect nonprofit clubs from having to produce payouts in excess of the jackpots that are supposed to be set on their machines by requiring that the intended maximum jackpots be posted on the machines and making distributors responsible for the difference should the machines produce a jackpot above that requested by the nonprofit organization.

Summary of Full Text: The maximum payout allowed for any gaming machine located within a nonprofit organization is raised from \$4,000 to \$10,000. A section is also added to require the posting of the intended jackpot amount on each machine and to make distributors liable for the excess amount should any machine display a jackpot above the intended amount.

15.1.10.45 NMAC - Nonprofit Contracts:

Purpose: To keep the Board informed of agreements concerning requested jackpot amounts on machines located in nonprofit organizations for purposes of ensuring that machines are being set at the jackpots requested by the nonprofits so they may avoid having to pay jackpots above what they had intended and above what they can afford.

Summary: Language will be added to the current Rule requiring lease agreements between distributors and nonprofits to state the machines and their max amounts set. Lease agreements between distributors and nonprofit organizations already require approval by the Board.

Subsection D of 15.1.10.32 NMAC - Use of Gaming Receipts by Nonprofit Operator Licensee:

Purpose: Revising the amount of net take nonprofits give to charitable organizations in Subsection D to conform with recently passed legislation modifying Section 60-2E-47 NMSA 1978 of the Gaming Control Act.

Summary: The Rule will be revised to change sixty percent to twenty percent.

#### 15.1.5.23 NMAC - Application Fees:

Purpose: The purpose is to update application fees as they have not changed since the inception of the agency.

Summary: The Rule will be revised to raise application fees as follows:

Manufacturer license application fees will be raised from \$10,000 to \$15,000

Associated Equipment Manufacturer license application fees will be raised from \$2,500 to \$5,000

Distributor license application fees will be raised from \$5,000 to \$7,500

Authority: Section 60-2E-7 NMSA1978 and Section 60-2E-8 NMSA 1978.

All written public comments are posted on the website throughout the written comment period at:

<https://www.gcb.nm.gov/rulemaking/>.

Any person with a disability who needs a reader, amplifier, qualified sign language interpreter, or auxiliary aid or service to attend or participate in the hearing should contact (505) 841-9700.