



# insight

## MESSAGE FROM CHAIRMAN DAVID L. NORVELL

### A NOTE ABOUT THE RATON CONUNDRUM



On August 29 Governor Richardson officially selected Marc Prelo to fill the vacated seat on the Gaming Control Board.

Marc has had a very interesting and diverse life. He was born on May 9, 1934, and assumes the vaunted position of elder statesman on the board, a position which I happily relinquish to my new colleague.

Marc grew up in Mescalero country and received his early childhood education in Tularosa. He received his undergraduate training at the University of New Mexico where he received his Bachelor in Business Administration

degree and then was off to serve his country in the United States Navy where he spent two years in San Juan, Puerto Rico. After dodging margaritas for two years, he returned to Tularosa where he helped his ageing father for a few years and, lucky for him, it is where he met his wife, Cecilia (we know her as CC). They were married in 1960. CC was an educator and diagnostician for special needs children.

In 1963 Marc enrolled at the University of New Mexico School of Law where he received his law degree in 1966. After that, he clerked for U.S. District Judge H. Vearl Payne for a time before entering the full time practice of law in Albuquerque.

The Prelo's have one daughter, Roxanna, who is also a lawyer. She practiced for awhile before learning there were better things in life to keep one busy and now lives in California.

The Prelo's moved to Ruidoso nearly 14 years ago where Marc continued to practice law and eventually CC retired from the educational field.

One of the highlights in Marc's legal career occurred when he was representing the Santa Clara Pueblo. One of the female members of the Pueblo, Julia Martinez, and others similarly situated, filed a lawsuit in the U. S. District Court in New Mexico challenging an ordinance of the Pueblo which denied membership to children of female members who married outside the tribe while extending membership to children of male members who married outside the tribe. This was obviously an equal protection issue and was brought under the Indian Civil Rights Act. Marc represented the Pueblo and was successful in the trial court where Judge Edwin L. Mechem ruled in the Pueblo's favor finding the ordinance reflected traditional values of patriarchy still significant in tribal life. The trial court recognized the vital importance of petitioners' interests, but also determined that membership rules were "no more or less than a mechanism of social...self-definition," and as such were basic to the tribe's survival as a cultural and economic entity. In sustaining the ordinance's validity, the court concluded that the balance to be struck between these competing interests was better left to the judgment of the Pueblo. On appeal, the 10th Circuit Court of Appeals in Denver disagreed and reversed, but certiorari was granted to the U. S. Supreme Court where Marc argued successfully that the trial court's decision was correct and Justice Marshall, writing for the majority, agreed. Congratulations to Marc. Frankly, I believe I would have ruled in favor of the Petitioners' but then I don't have a vote. I, like Marc, was fortunate enough to have the opportunity to appear before the United States Supreme Court on one occasion while I was Attorney General. A rare and exhilarating experience I can assure you. The only difference—he won, I lost. Well, enough of the Martinez case but if you are interested in reading it you can find it at 436 U.S. 49, 98 S.Ct. 1670, 56 L.Ed.2d 106 (1978).

The Board and staff extend a raucous welcome to Marc and CC. We are happy to have you on board and will try to make your transition from litigator to regulator as smooth as possible.

## TRAINING FOR NONPROFITS

By: Tom Fair, Director of Audit and Compliance

There have been many requests from nonprofit licensees to conduct more comprehensive training for the nonprofits. This issue has also been raised at recent Veteran Fraternals non profit, Inc. (VFnp) meetings. In response to these requests, the NMGCB is in the process of developing a comprehensive training package that should be available by the end of October. A training session will be held in our board room on October 15, 2009, starting at 10:00 a.m. This training will differ significantly from the one-on-one training that the individual auditors have been providing. In addition to providing detailed training to gaming employees, the training program will also include information for organizational management and a discussion of the oversight responsibilities of the organization's senior management. We will provide demonstrations of correct paperwork preparation as well as explanations as to why each form and piece of information is necessary from an internal control and regulatory point of view. We will also provide some takeaways including completed examples of gaming paperwork and detailed instructions on their use, as well as checklists for each gaming position that can be used to make sure all necessary steps have been taken to achieve and maintain compliance. The checklists will be by Gaming employee position. We will also make every effort to video tape the training so that it can be available on DVD. This will assist

licensees in training new employees and serve as a reference guide for gaming operations in the future.

The Board and the staff are committed to providing comprehensive, high quality training for all nonprofit licensees. We have recently solicited the input of all nonprofit gaming operators regarding their suggestions for training and we will continue to work with our licensees to make sure their training needs are met. We look forward to conducting the first training session October 15, 2009. All nonprofit licensees will be notified by mail.

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# Update to Rules Revisions

By: Peggy A. Hardwick, Senior Staff Counsel

As a regulatory agency, the New Mexico Gaming Control Board has the statutory obligation to promulgate rules, consistent with the Gaming Control Act. The Board's rulemaking authority has been codified by the New Mexico State Legislature in Section 60-2E-8 of the Act. Section 60-2E-8 of the Act mandates specific areas where the Board is required to adopt regulations, as well as providing broad, discretionary authority for the Board to adopt regulations "[c]onsistent with the Gaming Control Act ... [that] it decides is necessary to implement the provisions of the Gaming Control Act."

The initial regulations under the Gaming Control Act were adopted shortly after the Gaming Control Board was created by the Act in 1997. Since that time, the Board has periodically amended the rules to keep them current with evolving gaming technology, to streamline and modify our procedures to better serve our constituents, and to accommodate legislative amendments to the Gaming Control Act. When amending the rules, the Board uses a collaborative process, involving licensee stakeholder input in order to create rules that are workable for our licensees in practice, while accomplishing the Board's regulatory objectives.

The Gaming Control Board is now in the process of completing a new set of revisions to our rules. The Board has distributed the draft rules to all licensees to allow them to provide feedback to the Board. In addition to taking comments in writing, the Board held a public meeting at its headquarters in Albuquerque on August 25, 2009 to allow licensees to make comments in person. As a final step in this process, on October 7, 2009 the Board will hold a formal public hearing before a hearing officer who will make a recommendation to the Board.

Among the rule revisions are a major revision of Board Rule 15.1.7, dealing with technical specifications for gaming machines and associated equipment. This revision was necessary to keep pace with the rapidly evolving technology in the gaming industry. Additionally, the Board adopted several of its existing policies into rule form. Among the policies adopted into rule are the policy permitting racetrack gaming operators to operate multi-station games and establishing standards for those games, the policies establishing procedures and standards for shipping and storage of gaming machines, the policy establishing qualification standards for gaming device technicians and the policy establishing universal work permits.

At this time, the Board has begun working internally on additional rule changes. As new rules are drafted, the Board will work to make sure that all licensees are informed about and involved with the process. Be sure to periodically check our website at <http://www.nmgcb.org> for the latest information.

## Benefits In New rules for Games Of chance Easier Requirements for Obtaining and Maintaining a License

By: Raechelle Jacobo, Licensing Specialist

"BINGO!" yells an elderly woman with 18 games in front of her.

"BINGO!" yells a young boy sitting with his grandfather as he dabs the winning number.

"BINGO!" yells the mom and daughter duo as they jump up and scream out their joy.

It is getting much easier now to hear this five-letter word come out of your patrons' mouths. The New Mexico Bingo and Raffle Act and the new Bingo & Raffle Policy which went into effect July 1st of this year, as you may have read in the last edition of the Insight Newsletter, is good news for the licensed bingo operators. While we have had several meetings about the new Act, policy, applications, and forms; we would like to reiterate a couple of items previously addressed.

For those organizations whose license expires on December 31st, 2009, the renewal applications, along with all supporting documentation and the applicable non-refundable application fee of \$200 are due in our office no later than October 31st.

The good news is, the revised form is much easier to fill out. There are only three pages to the renewal application. Halleluia!! While the required attachments and documentation accompanying the application have not changed much, it is a relief to see those extra eight pages fall right off the application and become nonexistent.

It is imperative that all applications are received in our office no later than October 31st. All applications received after this date will be considered late and assessed a late fee of \$100 and \$10 a day thereafter up to 30 days. Applications that are incomplete may also be sent back. If the application is sent back and returned after the deadline, those will also be considered late. This money could definitely be going toward your charitable cause rather than penalties and fines for disregarding the rules.

The individual applications for callers and the managers have a new look and new requirements. They have also been revised and revamped to fit the requirements of our new law. Staff Permits, as those of you who have received the new, beautiful, bright, fuchsia-colored badge noticed, are now valid for a term of three years. As you are renewing your staff permits for the remainder of this year and into the next, you will be receiving the new Universal Staff Permit badge.

Start your shredders! We are no longer asking for the Roster of Bingo Workers Form that you were required to send to our office each time you added a bingo worker to your organization in hopes they may be a caller after a six month time permit showing valid membership with your organization. The form was removed because the requirements for membership changed in the new Act. Callers are no longer required to be a member of your licensed organization in order to apply for a caller's license. Instead, we are only requiring a membership card or equivalent for the Bingo Manager and Alternate Bingo Managers. They are still required to be a member of each organization before they are able to perform and be licensed as a Bingo Manager or Alternate Bingo Manager.

Aside from the perfect color, the new Universal Staff Permit also has other advantages. Those who hold a valid staff permit are now able to register with our office via the Staff Permit Registration Form to work at multiple bingo and raffle organizations that are licensed with the NMGCGB. It is important upon renewal for those who do work at multiple organizations to indicate each organization they are working for and the position held. The applicant will be considered late for any other organization not indicated on the application. We are now enforcing the penalties for renewal applications received late. Staff permit renewal applications must be in our office, along with a recent photo and the non-refundable application fee of \$50, at least ten days prior to expiration. There will be a \$20 penalty for those who do not meet the deadline.

We currently have 98 Bingo & Raffle licensees across New Mexico. With an initial number of 91 licensees at the beginning of 2009, the number is steadily growing this year. My hope is that we surpass the 100 mark by the end of this year! It is an exciting year for not only our agency and the Bingo & Raffle organizations in the way of new Bingo & Raffle laws, but also for the patrons. They now have a chance of winning \$8,500 or more in prizes nightly from those licensees who are playing the maximum amount of occasions a night with the maximum amount of pay outs and door prizes. The amount of prizes can grow past \$8,500 if the organization also plays pull tab games or conducts raffles during bingo occasions.

I would also like to extend a "thank you" to all of the licensees that participated in the public meetings and gave your feedback about the Act, Policy, and the applications and forms. Together we will make charitable gaming in New Mexico a fun, profitable, and exciting way to raise money for great causes.

# Total Gaming Revenue Amounts

## Gaming Revenue Earned by Licensees

	April - 09	May - 09	June - 09
Racetrack Operators	\$20,914,819.00	\$22,619,981.00	\$ 19,373,581.00
Nonprofit Operators	\$1,033,829.00	\$1,044,690.00	\$ 905,028.00
<b>Total</b>	<b>\$21,948,648.00</b>	<b>\$23,664,671.00</b>	<b>\$20,278,609.00</b>

## Gaming Taxes Billed

	April - 09	May - 09	June - 09
Racetrack Operators	\$5,437,853.00	\$5,881,195.00	\$5,037,131.00
Nonprofit Operators	\$103,383.00	\$104,469.00	\$90,503.00
<b>Total</b>	<b>\$5,541,236.00</b>	<b>\$5,985,664.00</b>	<b>\$5,127,634.00</b>

## Average Daily Net Take Per Machine (=Arithmetic Mean)

	April - 09	May - 09	June - 09
Racetrack Operators	\$258.78	\$270.35	\$240.52
Nonprofit Operators	\$53.02	\$51.77	\$46.20

## Gaming Taxes Paid

	April - 09	May - 09	June - 09
Manufacturers	\$21,843.00	\$21,028.00	\$ 178,380.00
Distributors	\$33,539.00	\$25,164.00	\$ 31,678.00

## Amount Paid into Horse Racing Purses

	April - 09	May - 09	June - 09
Racetrack Operators	\$4,182,964.00	\$4,523,996.00	\$3,874,716.00

### Tribal Revenue-Quarter Ending June 30, 2009\*\*

**Total Revenue Sharing Payments Received by the State: \$15,725,673**

**Total Tribal Net Win: \$178,656,442**

\*\*\*These tribal figures are based on all submitted reports in NMGCB possession at the time of release and are subject to change upon receipt of additional information.

## Upcoming Meetings

### NM Gaming Control Board

Meetings in Albuquerque  
Executive Session 9:00 a.m.  
Public Session 1:30 p.m.

Wednesday, October 28, 2009  
Hobbs

Wednesday, November 18, 2009

Tuesday, December 15, 2009

### NM Racing Commission

Executive Session 8:30 a.m.  
Public Session 9:30 a.m.

Thursday, October 29, 2009  
Hobbs

Thursday, November 19, 2009  
Albuquerque - NMGCB Headquarters

NO DECEMBER MEETING

### Veterans, Fraternal, & Non-Profit Clubs of New Mexico

Meetings are held the 4th Tuesday of each month. Lunch is served at 12:00 noon, with the meeting immediately following. For location information contact Bruce Jorgenson at 314-6723.

## Newsletter Staff

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## NMGCB Mission Statement

The mission of the New Mexico Gaming Control Board is to uphold the integrity of gaming regulations at licensed racetracks and nonprofit organizations, and to monitor tribal gaming activity in the state. The Gaming Control Board qualifies gaming venues through a rigorous licensing and certification process designed to ensure a fair and honest gaming environment, while recognizing the broad importance of gaming tax revenue to the state economy.