

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 286

Introduced by General Affairs Committee Karpisek, 32, Chairperson;
Coash, 27; Cook, 13; Dierks, 40; Friend, 10; Price,
3; Rogert, 16.

Read first time January 14, 2009

Committee: General Affairs

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 9-812, Reissue Revised Statutes of Nebraska; to change
3 provisions relating to lottery funds; to repeal the
4 original section; to provide an operative date; and to
5 declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 9-812 (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in
5 Nebraska shall be credited to the State Lottery Operation Trust
6 Fund, which fund is hereby created. All payments of the costs
7 of establishing and maintaining the lottery games shall be made
8 from the State Lottery Operation Cash Fund. In accordance with
9 legislative appropriations, money for payments for expenses of the
10 division shall be transferred from the State Lottery Operation
11 Trust Fund to the State Lottery Operation Cash Fund, which fund
12 is hereby created. All money necessary for the payment of lottery
13 prizes shall be transferred from the State Lottery Operation Trust
14 Fund to the State Lottery Prize Trust Fund, which fund is hereby
15 created. The amount used for the payment of lottery prizes shall
16 not be less than forty percent of the dollar amount of the lottery
17 tickets which have been sold.

18 ~~(2)(a)~~ (2) Beginning October 1, 2003, and until July 1,
19 2009, a portion of the dollar amount of the lottery tickets which
20 have been sold on an annualized basis shall be transferred from
21 the State Lottery Operation Trust Fund to the Education Innovation
22 Fund, the Nebraska Scholarship Fund, the Nebraska Environmental
23 Trust Fund, the Nebraska State Fair Board, and the Compulsive
24 Gamblers Assistance Fund. The dollar amount transferred pursuant
25 to this subsection shall equal the greater of (a) the dollar

1 amount transferred to the funds in fiscal year 2002-03 or (b)
2 any amount which constitutes at least twenty-two percent and no
3 more than twenty-five percent of the dollar amount of the lottery
4 tickets which have been sold on an annualized basis. To the extent
5 that funds are available, the Tax Commissioner and director may
6 authorize a transfer exceeding twenty-five percent of the dollar
7 amount of the lottery tickets sold on an annualized basis. ~~7 except~~
8 that the dollar amount transferred shall not be less than the
9 dollar amount transferred to the funds in fiscal year 2002-03.

10 ~~(b) On and after July 1, 2009, at least twenty-five~~
11 ~~percent of the dollar amount of the lottery tickets which have been~~
12 ~~sold on an annualized basis shall be transferred from the State~~
13 ~~Lottery Operation Trust Fund to the Education Innovation Fund,~~
14 ~~the Nebraska Scholarship Fund, the Nebraska Environmental Trust~~
15 ~~Fund, the Nebraska State Fair Board, and the Compulsive Gamblers~~
16 ~~Assistance Fund.~~

17 (3) Of the money available to be transferred to the
18 Education Innovation Fund, the Nebraska Scholarship Fund, the
19 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
20 and the Compulsive Gamblers Assistance Fund:

21 (a) The first five hundred thousand dollars shall be
22 transferred to the Compulsive Gamblers Assistance Fund to be used
23 as provided in section 71-817;

24 (b) Nineteen and three-fourths percent of the money
25 remaining after the payment of prizes and operating expenses and

1 the initial transfer to the Compulsive Gamblers Assistance Fund
2 shall be transferred to the Education Innovation Fund;

3 (c) Twenty-four and three-fourths percent of the money
4 remaining after the payment of prizes and operating expenses and
5 the initial transfer to the Compulsive Gamblers Assistance Fund
6 shall be transferred to the Nebraska Scholarship Fund;

7 (d) Forty-four and one-half percent of the money
8 remaining after the payment of prizes and operating expenses and
9 the initial transfer to the Compulsive Gamblers Assistance Fund
10 shall be transferred to the Nebraska Environmental Trust Fund to be
11 used as provided in the Nebraska Environmental Trust Act;

12 (e) Ten percent of the money remaining after the payment
13 of prizes and operating expenses and the initial transfer to
14 the Compulsive Gamblers Assistance Fund shall be transferred to
15 the Nebraska State Fair Board if the most populous city within
16 the county in which the fair is located provides matching funds
17 equivalent to ten percent of the funds available for transfer. Such
18 matching funds may be obtained from the city and any other private
19 or public entity, except that no portion of such matching funds
20 shall be provided by the state. If the Nebraska State Fair ceases
21 operations, ten percent of the money remaining after the payment
22 of prizes and operating expenses and the initial transfer to the
23 Compulsive Gamblers Assistance Fund shall be transferred to the
24 General Fund; and

25 (f) One percent of the money remaining after the payment

1 of prizes and operating expenses and the initial transfer to the
2 Compulsive Gamblers Assistance Fund shall be transferred to the
3 Compulsive Gamblers Assistance Fund to be used as provided in
4 section 71-817.

5 (4) (a) The Education Innovation Fund is created. At least
6 seventy-five percent of the lottery proceeds allocated to the
7 Education Innovation Fund shall be available for disbursement.

8 (b) For fiscal year 2005-06, the Education Innovation
9 Fund shall be allocated as follows: The first one million dollars
10 shall be transferred to the School District Reorganization Fund,
11 and the remaining amount shall be allocated to the General Fund
12 after operating expenses for the Excellence in Education Council
13 are deducted.

14 (c) For fiscal year 2006-07, the Education Innovation
15 Fund shall be allocated as follows: The first two hundred fifty
16 thousand dollars shall be transferred to the Attracting Excellence
17 to Teaching Program Cash Fund to fund the Attracting Excellence
18 to Teaching Program Act, the next one million dollars shall
19 be transferred to the School District Reorganization Fund, and
20 the amount remaining in the Education Innovation Fund shall be
21 allocated, after administrative expenses, for distance education
22 equipment and incentives pursuant to sections 79-1336 and 79-1337.

23 (d) For fiscal year 2007-08, the Education Innovation
24 Fund shall be allocated as follows: The first five hundred thousand
25 dollars shall be transferred to the Attracting Excellence to

1 Teaching Program Cash Fund to fund the Attracting Excellence to
2 Teaching Program Act, and the amount remaining in the Education
3 Innovation Fund shall be allocated, after administrative expenses,
4 for distance education equipment and incentives pursuant to
5 sections 79-1336 and 79-1337.

6 (e) For fiscal year 2008-09, the Education Innovation
7 Fund shall be allocated as follows: The first seven hundred
8 fifty thousand dollars shall be transferred to the Attracting
9 Excellence to Teaching Program Cash Fund to fund the Attracting
10 Excellence to Teaching Program Act, and the amount remaining in the
11 Education Innovation Fund shall be allocated, after administrative
12 expenses, for distance education equipment and incentives pursuant
13 to sections 79-1336 and 79-1337.

14 (f) For fiscal years 2009-10 through 2015-16, the
15 Education Innovation Fund shall be allocated as follows: The
16 first one million dollars shall be transferred to the Attracting
17 Excellence to Teaching Program Cash Fund to fund the Attracting
18 Excellence to Teaching Program Act, and the amount remaining in the
19 Education Innovation Fund shall be allocated, after administrative
20 expenses, for distance education equipment and incentives pursuant
21 to sections 79-1336 and 79-1337.

22 (g) For fiscal year 2016-17 and each fiscal year
23 thereafter, the Education Innovation Fund shall be allocated,
24 after administrative expenses, for education purposes as provided
25 by the Legislature.

1 (5) Any money in the State Lottery Operation Trust
2 Fund, the State Lottery Operation Cash Fund, the State Lottery
3 Prize Trust Fund, or the Education Innovation Fund available
4 for investment shall be invested by the state investment officer
5 pursuant to the Nebraska Capital Expansion Act and the Nebraska
6 State Funds Investment Act.

7 (6) Unclaimed prize money on a winning lottery ticket
8 shall be retained for a period of time prescribed by rules and
9 regulations. If no claim is made within such period, the prize
10 money shall be used at the discretion of the Tax Commissioner for
11 any of the purposes prescribed in this section.

12 Sec. 2. This act becomes operative on June 30, 2009.

13 Sec. 3. Original section 9-812, Reissue Revised Statutes
14 of Nebraska, is repealed.

15 Sec. 4. Since an emergency exists, this act takes effect
16 when passed and approved according to law.