

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 6CA

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Karpisek, 32; Fischer, 43.

Read first time January 14, 2009

Committee: General Affairs

1 THE MEMBERS OF THE ONE HUNDRED FIRST LEGISLATURE OF
2 NEBRASKA, FIRST SESSION, RESOLVE THAT:

3 Section 1. At the general election in November 2010 the
4 following proposed amendment to the Constitution of Nebraska shall
5 be submitted to the electors of the State of Nebraska for approval
6 or rejection:

7 To amend Article III, section 24:

8 III-24 (1) Except as provided in this section, the
9 Legislature shall not authorize any game of chance or any
10 lottery or gift enterprise when the consideration for a chance
11 to participate involves the payment of money for the purchase of
12 property, services, or a chance or admission ticket or requires an
13 expenditure of substantial effort or time.

14 (2) The Legislature may authorize and regulate a state
15 lottery pursuant to subsection (3) of this section and other
16 lotteries, raffles, and gift enterprises which are intended solely

1 as business promotions or the proceeds of which are to be used
2 solely for charitable or community betterment purposes without
3 profit to the promoter of such lotteries, raffles, or gift
4 enterprises.

5 (3)(a) The Legislature may establish a lottery to be
6 operated and regulated by the State of Nebraska. The proceeds of
7 the lottery shall be appropriated by the Legislature for the costs
8 of establishing and maintaining the lottery and for the following
9 purposes, as directed by the Legislature:

10 (i) The first five hundred thousand dollars after the
11 payment of prizes and operating expenses shall be transferred to
12 the Compulsive Gamblers Assistance Fund;

13 (ii) Forty-four and one-half percent of the money
14 remaining after the payment of prizes and operating expenses and
15 the initial transfer to the Compulsive Gamblers Assistance Fund
16 shall be transferred to the Nebraska Environmental Trust Fund to be
17 used as provided in the Nebraska Environmental Trust Act;

18 (iii) Forty-four and one-half percent of the money
19 remaining after the payment of prizes and operating expenses
20 and the initial transfer to the Compulsive Gamblers Assistance Fund
21 shall be used for education as the Legislature may direct;

22 (iv) Ten percent of the money remaining after the payment
23 of prizes and operating expenses and the initial transfer to
24 the Compulsive Gamblers Assistance Fund shall be transferred to
25 the Nebraska State Fair Board if the most populous city within

1 the county in which the fair is located provides matching funds
2 equivalent to ten percent of the funds available for transfer. Such
3 matching funds may be obtained from the city and any other private
4 or public entity, except that no portion of such matching funds
5 shall be provided by the state. If the Nebraska State Fair ceases
6 operations, ten percent of the money remaining after the payment
7 of prizes and operating expenses and the initial transfer to the
8 Compulsive Gamblers Assistance Fund shall be transferred to the
9 General Fund; and

10 (v) One percent of the money remaining after the payment
11 of prizes and operating expenses and the initial transfer to the
12 Compulsive Gamblers Assistance Fund shall be transferred to the
13 Compulsive Gamblers Assistance Fund.

14 (b) No lottery game shall be conducted as part of the
15 lottery unless the type of game has been approved by a majority of
16 the members of the Legislature.

17 (4) Nothing in this section shall be construed to
18 prohibit (a) the enactment of laws providing for the licensing
19 and regulation of wagering on the results of horseraces, wherever
20 run, either within or outside of the state, by the parimutuel
21 method, when such wagering is conducted by licensees within a
22 licensed racetrack enclosure or (b) the enactment of laws providing
23 for the licensing and regulation of bingo games conducted by
24 nonprofit associations which have been in existence for a period
25 of five years immediately preceding the application for license,

1 except that bingo games cannot be conducted by agents or lessees of
2 such associations on a percentage basis.

3 (5) (a) Racetrack gaming limited to a total of three
4 thousand five hundred gaming devices, allocated to no more than
5 seven racetrack facilities licensed to conduct such gaming, shall
6 be permitted subject to prior approval or rejection by the
7 governing body of the political subdivision within which the
8 racetrack is located. The licensing, administration, regulation,
9 and financial monitoring of racetrack facilities conducting
10 racetrack gaming and the allocation of gaming devices among
11 racetracks conducting racetrack gaming shall be the duty and
12 responsibility of the State Racing Commission.

13 (b) For purposes of this subsection:

14 (i) Gross gaming revenue means all cash or other
15 consideration utilized to play player-activated electronic or video
16 gaming devices operated at a racetrack facility, less all cash or
17 other consideration paid out to winning players as prizes;

18 (ii) Racetrack facility means a licensed racetrack
19 which conducts wagering by the parimutuel method on thoroughbred
20 horseracing; and

21 (iii) Racetrack gaming means games of chance played
22 for money, credit, or any representation of value using
23 player-activated electronic or video gaming devices at a racetrack
24 facility.

25 (c) Racetrack facilities shall remit gross gaming revenue

1 to the commission for credit to the Gaming Revenue Cash Fund.

2 The Legislature shall appropriate the Gaming Revenue Cash Fund for

3 the following purposes, and the fund shall be allocated by the

4 commission as follows:

5 (i) Forty percent shall be allocated to the State

6 Treasurer. The State Treasurer shall credit such money to the

7 Highway Trust Fund;

8 (ii) Two percent shall be allocated to the Gaming

9 Administration Cash Fund, which fund shall be used solely

10 for administrative expenses incurred by the commission in the

11 performance of its responsibilities in regard to racetrack gaming;

12 (iii) Thirty-nine percent shall be allocated to the

13 racetrack gaming licensees for establishing, equipping, operating,

14 and maintaining their respective racetrack gaming operations and

15 for accounting and security expenses, including the licensees'

16 payment of obligations to contractors who provide some or all of

17 those services;

18 (iv) One percent shall be allocated to the State

19 Treasurer. The State Treasurer shall credit such money to the

20 Compulsive Gamblers Assistance Fund or, if it ceases to operate,

21 to a comparable gamblers assistance fund established under state

22 authority;

23 (v) Four percent shall be allocated to the political

24 subdivisions which approve racetrack gaming within their

25 jurisdictions;

1 (vi) Ten percent shall be allocated to racetrack
2 facilities for the sole purpose of supplementing purses at live
3 thoroughbred races;

4 (vii) Two percent shall be allocated to entities approved
5 by the commission for the development and improvement of the
6 thoroughbred breeding industry in Nebraska; and

7 (viii) Two percent shall be allocated to entities
8 approved by the commission for the development and improvement
9 of the following equine activities in Nebraska: The quarterhorse
10 industry; large-animal veterinary medicine; and equine therapy.

11 (d) Amounts remaining at the end of a biennium in the
12 Gaming Revenue Cash Fund or the Gaming Administration Cash Fund
13 shall be reappropriated for the uses described in this subsection.

14 (e) The commission shall require at least annual auditing
15 by one or more independent auditors approved by the commission of
16 all expenditures by each distributee to ensure that the funds are
17 used only for the purposes described in this subsection and in a
18 manner consistent with the rules and regulations of the commission.

19 (f) Nothing in this Constitution shall be construed to
20 prohibit the Legislature from enacting legislation to facilitate
21 the implementation of this subsection.

22 Sec. 2. The proposed amendment shall be submitted to the
23 electors in the manner prescribed by the Constitution of Nebraska,
24 Article XVI, section 1, with the following ballot language:

25 A constitutional amendment to permit racetrack gaming

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1 limited to a total of three thousand five hundred
2 gaming devices at thoroughbred racetrack facilities, to
3 provide for licensing, administration, regulation, and
4 financial monitoring of racetrack gaming by the State
5 Racing Commission, and to allocate gaming revenue.

6 For

7 Against.