

AMENDMENTS TO LB 490

Introduced by General Affairs

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. The Live Horseracing Endowment Fund is
4 created. The State Racing Commission may use up to five percent of
5 the fund for administrative expenses of the commission and shall
6 use the remainder of the fund for purses for thoroughbred race
7 meets at racetracks conducting live horseracing in Nebraska. Any
8 money in the fund available for investment shall be invested by the
9 state investment office pursuant to the Nebraska Capital Expansion
10 Act and the Nebraska State Funds Investment Act.

11 Sec. 2. Section 9-1,101, Revised Statutes Cumulative
12 Supplement, 2010, is amended to read:

13 9-1,101 (1) The Nebraska Bingo Act, the Nebraska County
14 and City Lottery Act, the Nebraska Lottery and Raffle Act, the
15 Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery
16 and Raffle Act, and section 9-701 shall be administered and
17 enforced by the Charitable Gaming Division of the Department
18 of Revenue, which division is hereby created. The Department of
19 Revenue shall make annual reports to the Governor, Legislature,
20 Auditor of Public Accounts, and Attorney General on all tax revenue
21 received, expenses incurred, and other activities relating to the
22 administration and enforcement of such acts.

23 (2) The Charitable Gaming Operations Fund is hereby

1 created. Any money in the fund available for investment shall be
2 invested by the state investment officer pursuant to the Nebraska
3 Capital Expansion Act and the Nebraska State Funds Investment Act.

4 (3) (a) Forty percent of the taxes ~~collected~~ credited to
5 the Charitable Gaming Operations Fund pursuant to sections 9-239,
6 9-344, 9-429, and 9-648 shall be available to the Charitable
7 Gaming Division for administering and enforcing the acts listed
8 in subsection (1) of this section. The remaining sixty percent
9 shall be transferred to the General Fund. Any portion of the
10 forty percent not used by the division in the administration
11 and enforcement of such acts and section shall be distributed as
12 provided in this subsection.

13 (b) On or before November 1 each year, the State
14 Treasurer shall transfer fifty thousand dollars from the Charitable
15 Gaming Operations Fund to the Compulsive Gamblers Assistance Fund,
16 except that no transfer shall occur if the Charitable Gaming
17 Operations Fund contains less than fifty thousand dollars.

18 (c) Any money remaining in the Charitable Gaming
19 Operations Fund after the transfer pursuant to subdivision (b)
20 of this subsection not used by the Charitable Gaming Division in
21 its administration and enforcement duties pursuant to this section
22 may be transferred to the General Fund at the direction of the
23 Legislature.

24 (4) The Tax Commissioner shall employ investigators who
25 shall be vested with the authority and power of a law enforcement
26 officer to carry out the laws of this state administered by the Tax
27 Commissioner or the Department of Revenue and to enforce sections

1 28-1101 to 28-1117 relating to possession of a gambling device. For
2 purposes of enforcing sections 28-1101 to 28-1117, the authority
3 of the investigators shall be limited to investigating possession
4 of a gambling device, notifying local law enforcement authorities,
5 and reporting suspected violations to the county attorney for
6 prosecution.

7 (5) The Charitable Gaming Division may charge a fee for
8 publications and listings it produces. The fee shall not exceed the
9 cost of publication and distribution of such items. The division
10 may also charge a fee for making a copy of any record in its
11 possession equal to the actual cost per page. The division shall
12 remit the fees to the State Treasurer for credit to the Charitable
13 Gaming Operations Fund.

14 Sec. 3. Section 9-601, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 9-601 Sections 9-601 to 9-653 and section 5 of this act
17 shall be known and may be cited as the Nebraska County and City
18 Lottery Act.

19 Sec. 4. Section 9-603, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 9-603 For purposes of the Nebraska County and City
22 Lottery Act, the definitions found in sections 9-603.02 to 9-618
23 and section 5 of this act shall be used.

24 Sec. 5. Activation, with regard to lottery equipment,
25 means initiating the selection of winning numbers.

26 Sec. 6. Section 9-607, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 9-607 (1) Lottery shall mean a gambling scheme in which:

2 (a) The players pay or agree to pay something of value
3 for an opportunity to win;

4 (b) Winning opportunities are represented by tickets;

5 (c) Winners are solely determined by one of the following
6 two methods:

7 (i) By a random drawing of tickets differentiated by
8 sequential enumeration from a receptacle by hand whereby each
9 ticket has an equal chance of being chosen in the drawing; or

10 (ii) By use of a game known as keno in which a player
11 selects up to twenty numbers from a total of eighty numbers on a
12 paper ticket and a computer, other electronic selection device, or
13 electrically operated blower machine which is not player-activated
14 randomly selects up to twenty numbers from the same pool of
15 eighty numbers and the winning players are determined by the
16 correct matching of the numbers on the paper ticket selected by
17 the players with the numbers randomly selected by the computer,
18 other electronic selection device, or electrically operated blower
19 machine, except that (A) no keno game shall permit or require
20 player access ~~or~~ activation of lottery equipment and (B) the random
21 selection of numbers by the computer, other electronic selection
22 device, or electrically operated blower machine shall not occur
23 within five minutes of the completion of the previous selection of
24 random numbers; and

25 (d) The holders of the winning paper tickets are to
26 receive cash or prizes redeemable for cash. Selection of a winner
27 or winners shall be predicated solely on chance.

1 (2) Lottery shall not include:

2 (a) Any gambling scheme which uses any mechanical gaming
3 device, computer gaming device, electronic gaming device, or video
4 gaming device which has the capability of awarding something of
5 value, free games redeemable for something of value, or tickets or
6 stubs redeemable for something of value;

7 (b) Any activity authorized or regulated under the
8 Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, the
9 Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and
10 Raffle Act, the State Lottery Act, section 9-701, or Chapter 2,
11 article 12; or

12 (c) Any activity prohibited under Chapter 28, article 11.

13 (3) Notwithstanding the requirement in subdivision
14 (1)(c)(ii) of this section that a player select up to twenty
15 numbers, a player may select more than twenty numbers on a paper
16 ticket when a top or bottom, left or right, edge, or way ticket
17 is played. For a top or bottom ticket, the player shall select
18 all numbers from one through forty or all numbers from forty-one
19 through eighty. For a left or right ticket, the player shall select
20 all numbers ending in one through five or all numbers ending in
21 six through zero. For an edge ticket, the player shall select all
22 of the numbers comprising the outside edge of the ticket. For a way
23 ticket, the player shall select a combination of groups of numbers
24 in multiple ways on a single ticket.

25 (4) A county, city, or village conducting a keno lottery
26 shall designate the method of winning number selection to be used
27 in the lottery and submit such designation in writing to the

1 department prior to conducting a keno lottery. Only those methods
2 of winning number selection described in subdivision (1)(c)(ii) of
3 this section shall be permitted, and the method of winning number
4 selection initially utilized may only be changed once during that
5 business day as set forth in the designation. A county, city, or
6 village shall not change the method or methods of winning number
7 selection filed with the department or allow it to be changed
8 once such initial designation has been made unless (a) otherwise
9 authorized in writing by the department based upon a written
10 request from the county, city, or village or (b) an emergency
11 arises in which case a ball draw method of number selection would
12 be switched to a number selection by a random number generator.
13 An emergency situation shall be reported by the county, city,
14 or village to the department within twenty-four hours of its
15 occurrence.

16 Sec. 7. Section 9-648, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 9-648 (1) Any county, city, or village which conducts a
19 lottery shall submit to the department on a quarterly basis a tax
20 of two percent of the gross proceeds. Such tax shall be remitted
21 not later than thirty days from the close of the preceding quarter
22 on forms provided by the department.

23 (2) The department shall remit the tax to the State
24 Treasurer. The State Treasurer shall credit the proceeds of the
25 tax from the conduct of a keno lottery as defined in subdivision
26 (1)(c)(ii) of section 9-607 to the Charitable Gaming Operations
27 Fund until the proceeds from such tax total four million dollars

1 annually and, of the remainder of such proceeds for each year,
2 credit fifty percent to the Charitable Gaming Operations Fund and
3 fifty percent to the Live Horseracing Endowment Fund. The State
4 Treasurer shall credit the proceeds of the tax from the conduct of
5 any other lottery under the Nebraska County and City Lottery Act
6 ~~for credit~~ to the Charitable Gaming Operations Fund.

7 (3) All deficiencies of the tax imposed by this section
8 shall accrue interest and be subject to a penalty as provided for
9 sales and use taxes in the Nebraska Revenue Act of 1967.

10 Sec. 8. Sections 1, 2, 7, and 9 of this act become
11 operative on January 1, 2012. The other sections of this act become
12 operative on their effective date.

13 Sec. 9. Original section 9-648, Reissue Revised Statutes
14 of Nebraska, and section 9-1,101, Revised Statutes Cumulative
15 Supplement, 2010, are repealed.

16 Sec. 10. Original sections 9-601, 9-603, and 9-607,
17 Reissue Revised Statutes of Nebraska, are repealed.