

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LR375CA

Hearing Date: Monday January 30, 2012
Committee On: General Affairs
Introducer: Schumacher
One Liner: Constitutional amendment to permit the Legislature to authorize games of chance, lotteries, and gift enterprises, provide for compacts with bordering states, and distribute revenue

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye:	5	Senators Bloomfield, Brasch, Coash, Krist, Lambert
Nay:	1	Senator Karpisek
Absent:	1	Senator Larson
Present Not Voting:	1	Senator McGill

Proponents:
Sen. Paul Schumacher

Representing:
Introducer

Opponents:
Pat Loontjer
Al Riskowski
Hannah Buell
John Neuberger
Loretta Fairchild

Representing:
Gambling With the Good Life
Nebraska Family Council
Nebraska Family Council
self
self

Neutral:

Representing:

Summary of purpose and/or changes:

Article III, section 24 (1) states, "Except as provided in this section, the Legislature shall not authorize any game of chance or any lottery or gift enterprise when the consideration for a chance to participate involves the payment of money for the purchase of property, services, or a chance or admission ticket or requires an expenditure of substantial effort or time." Section 24 (2) creates the state lottery exception and section (4) creates the horseracing exception.

LR 375CA would add section (5)(a), which would allow the Legislature to authorize everything listed in subsection (1), but would prohibit games of chance within 60 miles of a bordering state if that state signed a compact with Nebraska within one year to share that state's gambling revenues. The amount of revenue from the bordering state would be proportional based on the most recent census data from a 60 mile radius of the game of chance operated by that state or by a qualifying Native American Tribe.

(5)(b) provides definitions for "Gaming premises" and "Gaming revenue." Under (5)(b)(i) "gaming premises" is defined as any place authorized in Nebraska to operate games of chance and "any hotel, liquor establishment, or entertainment facility located in the same county of such site and from which income is derived by the owner of the site, the operator of the game of chance, or any affiliate of the owner or operator." (5)(b)(ii) defines "gaming revenue" to include various fees or taxes that the bordering state would collect for its games of chance.

Section (5)(c) outlines how the revenues that Nebraska would receive would be allocated. Of those revenues, the Legislature would determine the amount to transfer to the Cash Reserve Fund and the remaining amount would be distributed as follows:

- 1) 75% for education
 - 2) 24% for public transportation infrastructure
 - 3) 1% for the Compulsive Gamblers Assistance Fund
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Russ Karpisek, Chairperson