

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 681

Introduced by Karpisek, 32; Larson, 40; McGill, 26.

Read first time January 19, 2011

Committee: General Affairs

A BILL

1 FOR AN ACT relating to gambling; to amend section 9-648, Reissue
2 Revised Statutes of Nebraska, and section 9-1,101,
3 Revised Statutes Cumulative Supplement, 2010; to create a
4 fund; to change the distribution of taxes on lotteries as
5 prescribed; to harmonize provisions; to provide an
6 operative date; and to repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

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

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

11 9-1,101 (1) The Nebraska Bingo Act, the Nebraska County
12 and City Lottery Act, the Nebraska Lottery and Raffle Act, the
13 Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and
14 Raffle Act, and section 9-701 shall be administered and enforced by
15 the Charitable Gaming Division of the Department of Revenue, which
16 division is hereby created. The Department of Revenue shall make
17 annual reports to the Governor, Legislature, Auditor of Public
18 Accounts, and Attorney General on all tax revenue received, expenses
19 incurred, and other activities relating to the administration and
20 enforcement of such acts.

21 (2) The Charitable Gaming Operations Fund is hereby
22 created. Any money in the fund available for investment shall be
23 invested by the state investment officer pursuant to the Nebraska
24 Capital Expansion Act and the Nebraska State Funds Investment Act.

25 (3)(a) Forty percent of the taxes ~~collected~~credited to

1 the Charitable Gaming Operations Fund pursuant to sections 9-239,
2 9-344, 9-429, and 9-648 shall be available to the Charitable Gaming
3 Division for administering and enforcing the acts listed in
4 subsection (1) of this section. The remaining sixty percent shall be
5 transferred to the General Fund. Any portion of the forty percent not
6 used by the division in the administration and enforcement of such
7 acts and section shall be distributed as provided in this subsection.

8 (b) On or before November 1 each year, the State
9 Treasurer shall transfer fifty thousand dollars from the Charitable
10 Gaming Operations Fund to the Compulsive Gamblers Assistance Fund,
11 except that no transfer shall occur if the Charitable Gaming
12 Operations Fund contains less than fifty thousand dollars.

13 (c) Any money remaining in the Charitable Gaming
14 Operations Fund after the transfer pursuant to subdivision (b) of
15 this subsection not used by the Charitable Gaming Division in its
16 administration and enforcement duties pursuant to this section may be
17 transferred to the General Fund at the direction of the Legislature.

18 (4) The Tax Commissioner shall employ investigators who
19 shall be vested with the authority and power of a law enforcement
20 officer to carry out the laws of this state administered by the Tax
21 Commissioner or the Department of Revenue and to enforce sections
22 28-1101 to 28-1117 relating to possession of a gambling device. For
23 purposes of enforcing sections 28-1101 to 28-1117, the authority of
24 the investigators shall be limited to investigating possession of a
25 gambling device, notifying local law enforcement authorities, and

1 reporting suspected violations to the county attorney for
2 prosecution.

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

10 Sec. 3. Section 9-648, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 9-648 (1) Any county, city, or village which conducts a
13 lottery shall submit to the department on a quarterly basis a tax of
14 two percent of the gross proceeds. Such tax shall be remitted not
15 later than thirty days from the close of the preceding quarter on
16 forms provided by the department.

17 (2) The department shall remit the tax to the State
18 Treasurer. The State Treasurer shall credit the proceeds of the tax
19 from the conduct of a keno lottery as defined in subdivision (1)(c)
20 (ii) of section 9-607 to the Charitable Gaming Operations Fund until
21 the proceeds from such tax total four million dollars annually,
22 credit the next two million dollars of such proceeds annually to the
23 Live Horseracing Endowment Fund, and credit fifty percent of the
24 remainder of such proceeds annually to each of such funds. The State
25 Treasurer shall credit the proceeds of the tax from the conduct of

1 any other lottery under the Nebraska County and City Lottery Act for
2 ~~credit~~ to the Charitable Gaming Operations Fund.

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

6 Sec. 4. This act becomes operative on January 1, 2012.

7 Sec. 5. Original section 9-648, Reissue Revised Statutes
8 of Nebraska, and section 9-1,101, Revised Statutes Cumulative
9 Supplement, 2010, are repealed.