

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE RESOLUTION 375CA**

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Schumacher, 22.

Read first time January 17, 2012

Committee: General Affairs

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

3                   Section 1. At the general election in November 2012 the  
4 following proposed amendment to the Constitution of Nebraska shall be  
5 submitted to the electors of the State of Nebraska for approval or  
6 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 lottery or  
10 gift enterprise when the consideration for a chance to participate  
11 involves the payment of money for the purchase of property, services,  
12 or a chance or admission ticket or requires an expenditure of  
13 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 as  
17 business promotions or the proceeds of which are to be used solely  
18 for charitable or community betterment purposes without profit to the

1 promoter of such lotteries, raffles, or gift enterprises.

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

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

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

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

19 (iv) Ten percent of the money remaining after the payment  
20 of prizes and operating expenses and the initial transfer to the  
21 Compulsive Gamblers Assistance Fund shall be transferred to the  
22 Nebraska State Fair Board if the most populous city within the county  
23 in which the fair is located provides matching funds equivalent to  
24 ten percent of the funds available for transfer. Such matching funds  
25 may be obtained from the city and any other private or public entity,

1 except that no portion of such matching funds shall be provided by  
2 the state. If the Nebraska State Fair ceases operations, ten percent  
3 of the money remaining after the payment of prizes and operating  
4 expenses and the initial transfer to the Compulsive Gamblers  
5 Assistance Fund shall be transferred to the General Fund; and

6 (v) One 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 Compulsive Gamblers Assistance Fund.

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

13 (4) Nothing in this section shall be construed to  
14 prohibit (a) the enactment of laws providing for the licensing and  
15 regulation of wagering on the results of horseraces, wherever run,  
16 either within or outside of the state, by the parimutuel method, when  
17 such wagering is conducted by licensees within a licensed racetrack  
18 enclosure or (b) the enactment of laws providing for the licensing  
19 and regulation of bingo games conducted by nonprofit associations  
20 which have been in existence for a period of five years immediately  
21 preceding the application for license, except that bingo games cannot  
22 be conducted by agents or lessees of such associations on a  
23 percentage basis.

24 (5)(a) The Legislature may authorize and regulate any  
25 other game of chance, lottery, or gift enterprise, except that the

1 Legislature shall not authorize any game of chance, lottery, or gift  
2 enterprise under this subsection to be operated within sixty miles of  
3 the border of a bordering state which, within one year after the  
4 adoption of this subsection, enters into a compact that, in  
5 substance, provides for the bordering state to share gaming revenue  
6 with the State of Nebraska in consideration for the State of Nebraska  
7 not authorizing games of chance under this subsection within sixty  
8 miles of the border of the bordering state. The bordering state shall  
9 share its gaming revenue with the State of Nebraska in proportion to  
10 its population as determined by the most recent federal decennial  
11 census residing within sixty miles of a game of chance operated under  
12 its authority or by its agreement with a federally recognized Indian  
13 tribe compared to the population as determined by the most recent  
14 federal decennial census residing in the State of Nebraska within  
15 sixty miles of any such game of chance.

16 (b) For purposes of this subsection:

17 (i) Gaming premises means the site where games of chance  
18 of the type which could be authorized in Nebraska only under this  
19 subsection are conducted and any hotel, liquor establishment, or  
20 entertainment facility which is located in the same county as such  
21 site and from which income is derived by the owner of the site, the  
22 operator of the game of chance, or any affiliate of the owner or  
23 operator; and

24 (ii) Gaming revenue means revenue derived by the  
25 bordering state or any political subdivision thereof from (A)

1 taxation or licensing of the types of games of chance which could be  
2 authorized in Nebraska only under this subsection, (B) access or  
3 admission fees for the gaming premises, (C) property and ad valorem  
4 taxes levied upon gaming premises in excess of ten thousand dollars  
5 annually, (D) sales, use, and excise taxes on activities conducted on  
6 the gaming premises, (E) taxes on income produced on the gaming  
7 premises, and (F) a compact with a federally recognized Indian tribe  
8 having jurisdiction over Indian lands in the bordering state.

9 (c) Subject to the terms of any gaming compact entered  
10 into by the State of Nebraska and a federally recognized Indian tribe  
11 having jurisdiction over Indian lands in Nebraska, the proceeds of  
12 any compact entered into by the State of Nebraska and a bordering  
13 state as described in this subsection and the proceeds of any tax on  
14 gaming activity authorized by the Legislature under this subsection  
15 which are credited to the General Fund at the direction of the  
16 Legislature shall be distributed by the Legislature for the following  
17 purposes, as directed by the Legislature:

18 (i) The Legislature shall provide for the transfer of an  
19 amount it determines to be prudent to the Cash Reserve Fund; and

20 (ii) Of the balance remaining:

21 (A) Seventy-five percent shall be appropriated for  
22 education as the Legislature may direct;

23 (B) Twenty-four percent shall be appropriated for public  
24 transportation infrastructure as the Legislature may direct; and

25 (C) One percent shall be transferred to the Compulsive

1 Gamblers Assistance Fund.

2 (d) Nothing in this subsection limits the authority of  
3 the Legislature under subsections (1) through (4) of this section.

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

7 A constitutional amendment to permit the Legislature to  
8 authorize and regulate games of chance, lotteries, and gift  
9 enterprises, to provide requirements for compacts with bordering  
10 states, and to provide for the distribution of tax proceeds from such  
11 activities to the state Cash Reserve Fund, education, public  
12 transportation infrastructure, and the Compulsive Gamblers Assistance  
13 Fund.

14 For

15 Against.