

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 970

Introduced by Larson, 40.

Read first time January 14, 2016

Committee: General Affairs

1 A BILL FOR AN ACT relating to gambling; to amend sections 9-329.02,
2 9-340, 9-340.02, 9-344, 9-345.03, 9-347, 9-347.01, 9-348, 9-607,
3 9-646.01, 9-829, and 53-168, Reissue Revised Statutes of Nebraska;
4 to change and eliminate restrictions on rental or purchase and
5 registration of pickle card equipment, pickle card units, payment
6 requirements, taxes, and limitations on definite profit and the use
7 of gross proceeds for awarding prizes for pickle card lotteries; to
8 provide for authorization of methods of payment for participation in
9 certain gaming activities as prescribed; to change provisions
10 relating to keno; to harmonize provisions; to provide an operative
11 date; and to repeal the original sections.
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. A participant may use United States currency or any
2 method of payment representing United States currency in order to
3 participate in any activity authorized under the Nebraska Bingo Act, the
4 Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle
5 Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and
6 Raffle Act, the State Lottery Act, or section 9-701.

7 Sec. 2. Section 9-329.02, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 9-329.02 (1) A pickle card operator shall not be eligible to sell
10 individual pickle cards as opportunities to participate in a lottery by
11 the sale of pickle cards without first obtaining a license.

12 (2) Any sole proprietorship, partnership, limited liability company,
13 or corporation wishing to operate as a pickle card operator in this state
14 shall file an application with the department for a license on a form
15 prescribed by the department. Each application for a license shall
16 include (a) the name, address, and state identification number of the
17 sole proprietorship, partnership, limited liability company, or
18 corporation applying for the license, (b) a description of the premises
19 on which the pickle cards will be sold or offered for sale, (c) if the
20 applicant is an individual, the applicant's social security number, and
21 (d) such other information which the department deems necessary. The
22 information required by this subsection shall be kept current. A pickle
23 card operator shall notify the department within thirty days if any
24 information in the application is no longer correct and shall supply the
25 correct information.

26 (3) A biennial fee of one hundred dollars shall be charged for each
27 license issued pursuant to this section and shall be paid for by the
28 applicant. A licensed organization shall not pay the required licensing
29 fees of a pickle card operator as an inducement for the pickle card
30 operator to sell individual pickle cards on its behalf. Such licenses
31 shall expire on September 30 of each odd-numbered year or on such other

1 date as the department may prescribe by rule and regulation and may be
2 renewed biennially. The department shall remit the proceeds from such
3 license fees to the State Treasurer for credit to the Charitable Gaming
4 Operations Fund. An application for license renewal shall be submitted to
5 the department at least sixty days prior to the expiration date of the
6 license.

7 (4) One license issued to any sole proprietorship, partnership,
8 limited liability company, or corporation under this section as a pickle
9 card operator shall cover the sole proprietorship, partnership, limited
10 liability company, or corporation and the employees of the licensed
11 pickle card operator. Any license issued pursuant to this section shall
12 be valid only for the sole proprietorship, partnership, limited liability
13 company, or corporation in the name of which it was issued and shall
14 allow the sale of individual pickle cards only on the premises described
15 in the pickle card operator's application for a license. A pickle card
16 operator's license may not be transferred under any circumstances
17 including change of ownership.

18 (5) The department may prescribe a separate application form for
19 renewal purposes.

20 (6) A licensed pickle card operator shall not sell individual pickle
21 cards on behalf of a licensed organization until an authorization has
22 been obtained from the department by the licensed organization. The
23 licensed organization shall file an application with the department for
24 such authorization on a form prescribed by the department. Each
25 application for an authorization shall include (a) the name, address, and
26 state identification number of the licensed pickle card operator and (b)
27 such other information which the department deems necessary. The
28 application shall include a statement signed by a person licensed as a
29 utilization-of-funds member signifying that such licensed organization
30 approves the pickle card operator to sell individual pickle cards on
31 behalf of such organization.

1 (7) A pickle card operator may sell individual pickle cards on
2 behalf of more than one licensed organization. Each licensed organization
3 for which the pickle card operator desires to sell individual pickle
4 cards shall obtain the authorization described in subsection (6) of this
5 section.

6 ~~(8) A pickle card operator who sells individual pickle cards through~~
7 ~~a coin-operated or currency-operated dispensing device shall purchase,~~
8 ~~lease, or rent its own equipment. If such equipment is obtained from a~~
9 ~~licensed organization or distributor, it shall be purchased, leased, or~~
10 ~~rented at a rate not less than fair market value. A licensed organization~~
11 ~~or distributor shall not provide such equipment to a pickle card operator~~
12 ~~free of charge or at a rate less than fair market value as an inducement~~
13 ~~for the pickle card operator to sell a licensed organization's individual~~
14 ~~pickle cards. The department may require a licensed organization,~~
15 ~~distributor, or pickle card operator to provide such documentation as the~~
16 ~~department deems necessary to verify that a pickle card operator has~~
17 ~~purchased, leased, or rented the equipment for a rate not less than fair~~
18 ~~market value.~~

19 (8 9) No pickle card operator shall generate revenue from the sale
20 of individual pickle cards which exceeds the revenue generated from other
21 retail sales on an annual basis. For purposes of this subsection, retail
22 sales shall not include revenue generated from other charitable gaming
23 activities authorized by Chapter 9.

24 Sec. 3. Section 9-340, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 9-340 (1) No manufacturer shall sell or otherwise provide any pickle
27 cards or pickle card units to any person in Nebraska except a licensed
28 distributor or a federally recognized Indian tribe for use in a Class II
29 gaming activity authorized by the federal Indian Gaming Regulatory Act.
30 No distributor licensed in Nebraska shall purchase or otherwise obtain
31 any pickle cards or pickle card units except from manufacturers licensed

1 in Nebraska.

2 (2) No distributor shall sell or otherwise provide any pickle card
3 units except to an organization licensed to conduct a lottery by the sale
4 of pickle cards pursuant to the Nebraska Pickle Card Lottery Act or to a
5 federally recognized Indian tribe for use in a Class II gaming activity
6 authorized by the federal Indian Gaming Regulatory Act. No pickle cards
7 shall be sold by a distributor except in the form of pickle card units.
8 No distributor shall market or sell any pickle card unit for use in this
9 state:

10 (a) Which has not been approved and authorized by the department;

11 (b) Which has a card or play count in excess of six thousand per
12 pickle card unit;

13 (c) Which offers less than sixty-five percent or more than eighty-
14 five ~~eighty~~ percent of the gross proceeds to be paid out in prizes;

15 (d) Which contains any pickle card or punch on a punchboard, the
16 individual purchase price of which exceeds one dollar;

17 (e) In which any individual pickle card awards a prize or prizes in
18 excess of one thousand dollars;

19 (f) Which may be used for any gift enterprise as defined in section
20 9-701;

21 (g) Unless and until a stamp obtained from the department containing
22 an identifying number has been permanently and conspicuously affixed upon
23 the flare card supplied by the manufacturer for identification purposes.
24 Once placed, such stamp shall not be removed or tampered with by any
25 person. The state identification stamp shall be placed on each punchboard
26 such that the complete number, together with the symbol appearing
27 thereon, is plainly visible. State identification stamps shall be
28 obtained only from the department and only by a licensed distributor for
29 ten cents each. Such stamps shall be placed by the licensed distributor
30 only on items sold or furnished to licensed organizations in this state.
31 Such stamps shall not be transferred or furnished to any other person

1 unless already placed upon a punchboard or pickle card unit; or

2 (h) Without the information required in section 9-346.

3 (3) The department may require a manufacturer seeking approval of
4 any pickle card unit to pay the actual costs incurred by the department
5 in examining the unit. If required, the anticipated costs shall be paid
6 in advance by the manufacturer. After completion of the examination, the
7 department shall refund overpayments or charge and collect amounts
8 sufficient to reimburse the department for underpayment of actual costs.

9 Sec. 4. Section 9-340.02, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 9-340.02 (1) All pickle card units purchased by a licensed
12 organization from a licensed distributor shall be paid for by a check
13 drawn on the pickle card bank account of the licensed organization within
14 thirty days after the ~~either in advance of or upon~~ delivery of the pickle
15 card units.

16 (2) A licensed pickle card operator shall remit the definite profit,
17 less not more than thirty-five ~~thirty~~ percent of the definite profit as
18 allowed by subsection (4) of section 9-347, of all pickle card units
19 received to the sponsoring licensed organization by check within thirty
20 days after the ~~either in advance of or upon~~ delivery of the pickle card
21 units from the sales agent to the pickle card operator. Upon delivery of
22 the pickle card units, the sales agent shall issue the pickle card
23 operator a standard receipt prescribed by the department.

24 (3) Unless otherwise authorized by the department, pickle card units
25 shall be delivered to a pickle card operator only by a sales agent's
26 personal delivery or by delivery arranged by a sales agent through the
27 mail or by a common carrier.

28 ~~(4) No licensed organization conducting a lottery by the sale of~~
29 ~~pickle cards shall extend credit in any form, including, but not limited~~
30 ~~to, the extension of any credit with regard to the receipt of the~~
31 ~~definite profit, less not more than thirty percent of the definite profit~~

1 ~~as allowed by subsection (4) of section 9-347, of a pickle card unit from~~
2 ~~a pickle card operator upon delivery of a pickle card unit to the pickle~~
3 ~~card operator and the extension of any credit with regard to the sale or~~
4 ~~lease of any equipment or coin-operated or currency-operated pickle card~~
5 ~~dispensing device used in connection with a lottery by the sale of pickle~~
6 ~~cards.~~

7 (4 5) All payments for the purchase, lease, or rental of a coin-
8 operated or currency-operated pickle card dispensing device by a licensed
9 organization shall be made by a check drawn on the organization's pickle
10 card checking account.

11 ~~(6) All payments for the purchase, lease, or rental of a coin-~~
12 ~~operated or currency-operated pickle card dispensing device by a licensed~~
13 ~~pickle card operator from a licensed organization shall be made by a~~
14 ~~check drawn on the business checking account of the pickle card operator~~
15 ~~or a personal checking account of an owner, partner, or officer of the~~
16 ~~pickle card operator, either at the time of or before placement of the~~
17 ~~device or on or before the first day of the period of the lease,~~
18 ~~whichever comes first.~~

19 ~~(7) All lease or rental agreements between a licensed organization~~
20 ~~and a licensed pickle card operator for coin-operated or currency-~~
21 ~~operated pickle card dispensing devices shall be subject to approval by~~
22 ~~the department.~~

23 Sec. 5. Section 9-344, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 9-344 (1) Accompanying the monthly reports required in section
26 9-343, the distributor shall remit to the department a tax equal to five
27 ~~ten~~ percent of the definite profit of each pickle card unit sold by the
28 distributor. Such tax shall be remitted with and reported on a form
29 prescribed by the department on a monthly basis and shall be due and
30 payable within thirty days after each monthly period or by the last day
31 of the month following each monthly period, whichever comes first. The

1 department shall remit the tax to the State Treasurer for credit to the
2 Charitable Gaming Operations Fund. The distributor shall include the tax
3 due under this section in the selling price of units and shall separately
4 state such tax on the invoice. All deficiencies of the tax prescribed in
5 this section shall accrue interest and be subject to a penalty as
6 provided for sales and use taxes in the Nebraska Revenue Act of 1967.

7 (2) Unless otherwise provided in the Nebraska Pickle Card Lottery
8 Act, no occupation tax on any proceeds derived from the conduct of a
9 lottery by the sale of pickle cards shall be levied, assessed, or
10 collected from any licensee under the act by any county, township,
11 district, city, village, or other governmental subdivision or body having
12 power to levy, assess, or collect such tax.

13 (3) For purposes of proper administration of the tax imposed by this
14 section and to prevent evasion of the tax, it shall be presumed that each
15 pickle card unit sold by a distributor or obtained from a manufacturer
16 and not accounted for by a distributor is subject to the tax until the
17 contrary is established. The burden of proving the contrary shall be upon
18 the distributor.

19 Sec. 6. Section 9-345.03, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 9-345.03 (1) Any person who places a coin-operated or currency-
22 operated pickle card dispensing device in operation in this state without
23 a current registration decal affixed permanently and conspicuously to the
24 device shall be subject to an administrative penalty of thirty dollars
25 for each violation. The department shall remit the proceeds from such
26 penalties to the State Treasurer for credit to the Charitable Gaming
27 Operations Fund.

28 (2) Registration of the device with the department shall be made by
29 application to the department and shall be the responsibility of the
30 licensed organization ~~when such device is to be used in a licensed~~
31 ~~organization's designated premises or at the location of its regularly~~

1 ~~scheduled bingo occasion or of the licensed pickle card operator when~~
2 ~~such device is to be used on the premises of the pickle card operator.~~

3 (3) Each application for registration shall include (a) the name and
4 address of the ~~licensed pickle card operator or~~ licensed organization
5 registering the device, (b) the state identification number of the
6 ~~licensed pickle card operator or~~ licensed organization registering the
7 device, (c) a detailed description of the physical appearance and
8 operation of the device, and (d) such other information which the
9 department deems necessary.

10 (4) A fee of fifty dollars shall be charged for each decal issued
11 pursuant to this section. The department shall remit the proceeds from
12 the fee to the State Treasurer for credit to the Charitable Gaming
13 Operations Fund. All decals issued by the department pursuant to this
14 section shall expire on December 31 of each year or such other date as
15 the department may prescribe by rule and regulation and shall be renewed
16 annually.

17 (5) The registration decal issued by the department pursuant to this
18 section shall not be transferable.

19 (6) Upon request by the Tax Commissioner or his or her agents or
20 employees, the licensed organization or pickle card operator ~~responsible~~
21 ~~for registering the device~~ shall provide the requesting individual
22 immediate access to any pickle cards contained within such device.

23 (7) Any person violating any provision of this section shall be
24 deemed guilty of a Class II misdemeanor. Each day on which any person
25 engages in or conducts the business of operating any device subject to
26 this section without having paid the penalty or the registration as
27 provided constitutes a separate offense.

28 Sec. 7. Section 9-347, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 9-347 (1) The gross proceeds of any lottery by the sale of pickle
31 cards shall be used solely for lawful purposes, awarding of prizes,

1 payment of the unit cost, any commission paid to a pickle card operator,
2 allowable expenses, and allocations for bingo expenses as provided by
3 subsection (5) of this section.

4 (2) Not less than sixty-five percent or more than eighty-five ~~eighty~~
5 percent of the gross proceeds of any lottery by the sale of pickle cards
6 shall be used for the awarding of prizes.

7 (3) Not more than twelve percent of the definite profit of a pickle
8 card unit shall be used by the licensed organization to pay the allowable
9 expenses of operating a lottery by the sale of pickle cards, except that
10 license fees paid to the department to license the organization, each
11 utilization-of-funds member, and any sales agent and pickle card
12 dispensing device registration fees shall not be included in determining
13 the twelve-percent limitation on expenses and no portion of such twelve
14 percent shall be used to pay any expenses associated with the sale of
15 pickle cards at a bingo occasion conducted pursuant to the Nebraska Bingo
16 Act, and of such twelve percent not more than six percent of the definite
17 profit may be used by the licensed organization for the payment of any
18 commission, salary, or fee to a sales agent in connection with the
19 marketing, sale, and delivery of a pickle card unit. When determining the
20 twelve percent of definite profit that is permitted to pay the allowable
21 expenses of operating a lottery by the sale of pickle cards, the definite
22 profit from the sale of pickle cards at the organization's bingo
23 occasions shall not be included.

24 (4) Not more than thirty-five ~~thirty~~ percent of the definite profit
25 of a pickle card unit shall be used by a licensed organization to pay a
26 pickle card operator a commission, fee, or salary for selling individual
27 pickle cards as opportunities for participation in a lottery by the sale
28 of pickle cards on behalf of the licensed organization.

29 (5) An organization licensed to conduct bingo pursuant to the
30 Nebraska Bingo Act may allocate a portion of the expenses associated with
31 the conduct of its bingo occasions to its lottery by the sale of pickle

1 cards conducted at such bingo occasions. Such allocation shall be based
2 upon the percentage that pickle card gross proceeds derived from the sale
3 of pickle cards at the bingo occasions represents to the total of bingo
4 gross receipts and pickle card gross proceeds derived from such bingo
5 occasions for the previous annual reporting period. An organization
6 licensed to conduct bingo that has not been previously licensed shall
7 determine such allocation based upon the percentage that pickle card
8 gross proceeds derived from the sale of pickle cards at the bingo
9 occasions represents to the total of bingo gross receipts and pickle card
10 gross proceeds derived from such bingo occasions for the initial three
11 consecutive calendar months of operation. The total amount of expenses
12 that may be allocated to the organization's lottery by the sale of pickle
13 cards shall be subject to the limitations on bingo expenses as provided
14 for in the Nebraska Bingo Act with respect to the fourteen-percent
15 expense limitation and the fair-market-value limitation on the purchase,
16 rental, or lease of bingo equipment and the rental or lease of personal
17 property or of a premises for the conduct of bingo. No expenses
18 associated with the conduct of bingo may be paid directly from the pickle
19 card checking account. A licensed organization which needs to allocate a
20 portion of the expenses associated with the conduct of its bingo
21 occasions to its lottery by the sale of pickle cards conducted at such
22 bingo occasions to pay bingo expenses as provided by this section shall
23 transfer funds from the pickle card checking account to the bingo
24 checking account by a check drawn on the pickle card checking account or
25 by electronic funds transfer.

26 Sec. 8. Section 9-347.01, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 9-347.01 (1) For each type of pickle card unit marketed in this
29 state, the department shall determine the following: (a) When a licensed
30 organization sells pickle cards through pickle card operators, the
31 portion of the definite profit from that pickle card unit which shall go

1 to the licensed organization, such amount to be not less than sixty-five
2 ~~seventy~~ percent of the definite profit from such pickle card unit; (b)
3 the maximum amount of the definite profit from the sale of a pickle card
4 unit that a licensed organization may pay a pickle card operator as a
5 commission, fee, or salary to sell its pickle cards, such amount not to
6 exceed thirty-five ~~thirty~~ percent of the definite profit from such pickle
7 card unit; (c) the portion of the definite profit from the sale of a
8 pickle card unit which may be expended by a licensed organization for
9 allowable expenses, such amount not to exceed twelve percent of the
10 definite profit from such pickle card unit; and (d) the portion of the
11 definite profit from the sale of a pickle card unit which may be utilized
12 by a licensed organization for payment of the organization's sales agent,
13 such amount to be a portion of the allowable expenses and not to exceed
14 six percent of the definite profit from such pickle card unit.

15 (2) The licensed organization's net profit from the sale of a pickle
16 card unit shall be used exclusively for a lawful purpose. A licensed
17 organization shall not donate or promise to donate its net profit or any
18 portion of the net profit to a recipient outside of its organization as
19 an inducement for or in exchange for (a) a payment, gift, or other thing
20 of value from the recipient to any person, organization, or corporation,
21 including, but not limited to, the licensed organization or any of its
22 members, employees, or agents, or (b) a pickle card operator's agreement
23 to sell pickle cards on behalf of the licensed organization.

24 Sec. 9. Section 9-348, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 9-348 (1) The definite profit, less not more than thirty-five ~~thirty~~
27 percent of the definite profit as allowed by subsection (4) of section
28 9-347, of any lottery by the sale of pickle cards and all amounts
29 received by any licensed organization from the sale, lease, or rental of
30 coin-operated or currency-operated pickle card dispensing devices shall
31 be segregated from other revenue of any licensed organization conducting

1 the lottery and placed in a separate checking account. All lawful purpose
2 donations and expenses relating to the licensed organization's lottery by
3 the sale of pickle cards, including the allowable expenses, any license
4 fees paid to the department to license the organization, each
5 utilization-of-funds member, and any sales agent, coin-operated or
6 currency-operated pickle card dispensing device registration fees, and
7 the unit cost but excluding the payment of prizes for winning pickle
8 cards, shall be paid by check from such account and shall be made payable
9 to the ultimate use of such lawful purpose donations or expenses.

10 (2) Separate records shall be maintained by any licensed
11 organization conducting a lottery by the sale of pickle cards. Each
12 nonprofit organization conducting a lottery by the sale of pickle cards
13 shall keep a record of all locations or persons who are paid to sell
14 pickle cards. Records and lists required by the Nebraska Pickle Card
15 Lottery Act shall be preserved for at least three years. Any law
16 enforcement agency or other agency of government shall have the authority
17 to investigate the records relating to lotteries by the sale of pickle
18 cards and gross proceeds from such lotteries at any time. Organizations
19 shall, upon proper written request, deliver all such records to the
20 department, law enforcement agency, or other agency of government for
21 investigation.

22 Sec. 10. Section 9-607, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 9-607 (1) Lottery shall mean a gambling scheme in which:

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

27 (b) Winning opportunities are represented by tickets;

28 (c) Winners are solely determined by one of the following two
29 methods:

30 (i) By a random drawing of tickets differentiated by sequential
31 enumeration from a receptacle by hand whereby each ticket has an equal

1 chance of being chosen in the drawing; or

2 (ii) By use of a game known as keno in which (A) a player selects up
3 to twenty numbers from a total of eighty numbers on a paper or electronic
4 ticket, (B) and a computer, other electronic selection device, or
5 electrically operated blower machine, which is not player-activated,
6 randomly selects up to twenty numbers from the same pool of eighty
7 numbers, and (C) the winning players are determined by the correct
8 matching of the numbers on the paper or electronic ticket selected by the
9 players with the numbers randomly selected by the computer, other
10 electronic selection device, or electrically operated blower machine,
11 except that (A) no keno game shall permit or require player activation of
12 lottery equipment and each player shall be allowed to use a paper ticket
13 for selection of numbers upon request by the player (B) ~~the random~~
14 ~~selection of numbers by the computer, other electronic selection device,~~
15 ~~or electrically operated blower machine shall not occur within five~~
16 ~~minutes of the completion of the previous selection of random numbers;~~
17 and

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

21 (2) Lottery shall not include:

22 (a) Any gambling scheme which uses any mechanical gaming device,
23 computer gaming device, electronic gaming device, or video gaming device
24 which has the capability of awarding something of value, free games
25 redeemable for something of value, or tickets or stubs redeemable for
26 something of value;

27 (b) Any activity authorized or regulated under the Nebraska Bingo
28 Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card
29 Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery
30 Act, section 9-701, or Chapter 2, article 12; or

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

1 (3) Notwithstanding the requirement in subdivision (1)(c)(ii) of
2 this section that a player select up to twenty numbers, a player may
3 select more than twenty numbers on a paper ticket when a top or bottom,
4 left or right, edge, or way ticket is played. For a top or bottom ticket,
5 the player shall select all numbers from one through forty or all numbers
6 from forty-one through eighty. For a left or right ticket, the player
7 shall select all numbers ending in one through five or all numbers ending
8 in six through zero. For an edge ticket, the player shall select all of
9 the numbers comprising the outside edge of the ticket. For a way ticket,
10 the player shall select a combination of groups of numbers in multiple
11 ways on a single ticket.

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

28 Sec. 11. Section 9-646.01, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 9-646.01 No person or licensee, or any employee or agent thereof,
31 accepting wagers on a lottery conducted pursuant to the Nebraska County

1 and City Lottery Act shall extend credit from the gross proceeds of a
2 lottery to participants in the lottery for the purchase of lottery
3 tickets. No person shall purchase or be allowed to purchase any lottery
4 ticket or make or be allowed to make any wager pursuant to the act unless
5 he or she pays for such ticket or wager with a mode of payment authorized
6 under section 1 of this act ~~cash~~. For purposes of this section, cash
7 shall mean United States currency having the same face value as the price
8 of the ticket or wager.

9 Sec. 12. Section 9-829, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 9-829 A lottery game retailer shall sell tickets only on the
12 premises stated in the contract. No ticket shall be sold over a telephone
13 or through the mail. No credit shall be extended by the lottery game
14 retailer for the purchase of a ticket except as authorized under section
15 1 of this act. No lottery tickets shall be sold through a vending or
16 dispensing device.

17 Sec. 13. Section 53-168, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 53-168 (1) It shall be unlawful for any person having a retail
20 license to sell beer to accept credit for the purchase of beer from any
21 manufacturer or wholesaler of beer and for any person having a retail
22 license to sell alcoholic liquor or any officer, associate, member,
23 representative, or agent of such licensee to accept, receive, or borrow
24 money or anything else of value or to accept or to receive credit, other
25 than merchandising credit in the ordinary course of business for a period
26 not to exceed thirty days, directly or indirectly, from (a) any person,
27 partnership, limited liability company, or corporation engaged in
28 manufacturing or wholesaling such liquor, (b) any person connected with
29 or in any way representing such manufacturer or wholesaler, (c) any
30 member of the family of such manufacturer or wholesaler, (d) any
31 stockholders in any corporation engaged in manufacturing or wholesaling

1 such liquor, or (e) any officer, manager, agent, member, or
2 representative of such manufacturer or wholesaler.

3 (2) It shall be unlawful for any manufacturer or wholesaler to give
4 or lend money or otherwise loan or extend credit, except the
5 merchandising credit referred to in subsection (1) of this section,
6 directly or indirectly, to any such licensee or to the manager,
7 representative, agent, member, officer, or director of such licensee. It
8 shall be unlawful for any wholesaler to participate in any manner in a
9 merchandising and coupon plan of any manufacturer involving alcoholic
10 liquor and the redemption in cash. The redemption of any merchandising
11 and coupon plan involving cash shall be made by the manufacturer to the
12 consumer.

13 (3) It shall be unlawful for any person holding a retail license
14 under the Nebraska Liquor Control Act to accept any method of payment
15 other than cash for any activity authorized under the Nebraska Bingo Act,
16 the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle
17 Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and
18 Raffle Act, the State Lottery Act, or section 9-701 unless authorized
19 pursuant to section 1 of this act.

20 (~~4~~ 3) If any holder of a license to sell alcoholic liquor at retail
21 or wholesale violates subsection (1), ~~or~~ (2), or (3) of this section,
22 such license shall be suspended or revoked by the commission in the
23 manner provided by the Nebraska Liquor Control Act.

24 (~~5~~ 4) It shall not be a violation of subsection (1) or (2) of this
25 section for a manufacturer or wholesaler to sell or provide alcoholic
26 liquor exclusively or in minimum quantities in containers bearing a
27 private label or to sell or provide alcoholic liquor in containers
28 bearing a generic label to a wholesaler or retailer.

29 (~~6~~ 5) It shall not be a violation of subsection (1) or (2) of this
30 section for a wholesaler or retailer to accept or purchase from a
31 manufacturer or wholesaler alcoholic liquor exclusively or in minimum

1 quantities in containers bearing a private label or for a wholesaler or
2 retailer to accept or purchase from a manufacturer or wholesaler
3 alcoholic liquor in containers bearing a generic label.

4 Sec. 14. This act becomes operative on January 1, 2017.

5 Sec. 15. Original sections 9-329.02, 9-340, 9-340.02, 9-344,
6 9-345.03, 9-347, 9-347.01, 9-348, 9-607, 9-646.01, 9-829, and 53-168,
7 Reissue Revised Statutes of Nebraska, are repealed.