

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT (CORRECTED)
LB724

Hearing Date: Monday January 22, 2018
Committee On: General Affairs
Introducer: Wayne
One Liner: Provide for segregation of keno funds, electronic fund transfers, and deposit of gross proceeds by a sales outlet location as prescribed

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 8 Senators Blood, Brasch, Krist, Larson, Quick, Riepe, Thibodeau, Wayne
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:
Jake Seeman
Sean Kelley

Representing:
Introducer
Big Red Keno

Opponents:

Representing:

Neutral:
Brian Rockey

Representing:
Charitable Gaming - Dept. of Revenue

Summary of purpose and/or changes:

LB 724 establishes procedures for how a keno location is to handle keno revenue and allows for the electronic transfer of keno funds.

LB 724 requires that the starting bank and keno cash receipts are to be segregated from other lottery revenue until deposited into a bank account designated by the applicable lottery operator, county, city, or village. 9-650(2)

LB 724 allows the Tax Commissioner to authorize electronic transfers of funds between the keno location and the keno operator, which could also be a county, city, or village. The transfer must occur within a commercially reasonable amount of time, but within five business days. The funds may be commingled with other funds once the last keno game is finished. 9-650(3)

LB 724 clarifies that even if electronic transfers are not utilized that the proceeds of any lottery after prizes are paid out also must be deposited within a commercially reasonable time, but within five business days. 9-7650(4)

Explanation of amendments:

Explanation of Committee Amendment

Page 2, Lines 17 and 19 - Harmonizes language regarding the segregation of revenues by striking "lottery" so keno

funds shall be segregated from all other revenue and not just "lottery" revenue.

Page 2, Line 18 - Strikes "After the last keno game of the day," and inserts language stating that the Department will determine through its rules and regulations the record keeping and recording requirements for electronic transfers of keno revenues.

Page 2, Line 25 - Clarifies that the general business account is a "nonsegregated" general business account.

Page 2, Line 27 - Strikes "within a commercially reasonable time" and leaves five business days as the timeframe for when the keno revenues are to be transferred.

Page 2, Lines 29-30 - References the rules and regulations that the Department will adopt regarding the electronic transfer of keno revenue.

Page 2, Line 31 - Again, clarifies that the general business account is a "nonsegregated" general business account.

Page 3, Line 5 - Again, strikes "within a commercially reasonable time" and leaves five business days as the timeframe for when the keno revenues are to be transferred.

Tyson Larson, Chairperson