

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1102

Introduced by Friesen, 34.

Read first time January 18, 2018

Committee:

- 1 A BILL FOR AN ACT relating to county and city lotteries; to amend
2 sections 9-631 and 9-648, Reissue Revised Statutes of Nebraska, and
3 section 9-1,101, Revised Statutes Cumulative Supplement, 2016; to
4 change provisions relating to distribution of taxes collected,
5 license renewals, license fees, and the tax on gross proceeds; to
6 harmonize provisions; to provide an operative date; and to repeal
7 the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-1,101, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 9-1,101 (1) The Nebraska Bingo Act, the Nebraska County and City
4 Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle
5 Card Lottery Act, the Nebraska Small Lottery and Raffle Act, and section
6 9-701 shall be administered and enforced by the Charitable Gaming
7 Division of the Department of Revenue, which division is hereby created.
8 The Department of Revenue shall make annual reports to the Governor,
9 Legislature, Auditor of Public Accounts, and Attorney General on all tax
10 revenue received, expenses incurred, and other activities relating to the
11 administration and enforcement of such acts. The report submitted to the
12 Legislature shall be submitted electronically.

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

17 (3)(a) Forty percent of the taxes collected pursuant to sections
18 9-239, 9-344, 9-429, and subdivision (2)(a) of section 9-648 shall be
19 available to the Charitable Gaming Division for administering and
20 enforcing the acts listed in subsection (1) of this section and providing
21 administrative support for the Nebraska Commission on Problem Gambling.
22 The remaining sixty percent shall be transferred to the General Fund. Any
23 portion of the forty percent not used by the division in the
24 administration and enforcement of such acts and section shall be
25 distributed as provided in this subsection.

26 (b) On or before November 1 each year, the State Treasurer shall
27 transfer fifty thousand dollars from the Charitable Gaming Operations
28 Fund to the Compulsive Gamblers Assistance Fund, except that no transfer
29 shall occur if the Charitable Gaming Operations Fund contains less than
30 fifty thousand dollars.

31 (c) Any money remaining in the Charitable Gaming Operations Fund

1 after the transfer pursuant to subdivision (b) of this subsection not
2 used by the Charitable Gaming Division in its administration and
3 enforcement duties pursuant to this section may be transferred to the
4 General Fund at the direction of the Legislature.

5 (4) The Tax Commissioner shall employ investigators who shall be
6 vested with the authority and power of a law enforcement officer to carry
7 out the laws of this state administered by the Tax Commissioner or the
8 Department of Revenue and to enforce sections 28-1101 to 28-1117 relating
9 to possession of a gambling device. For purposes of enforcing sections
10 28-1101 to 28-1117, the authority of the investigators shall be limited
11 to investigating possession of a gambling device, notifying local law
12 enforcement authorities, and reporting suspected violations to the county
13 attorney for prosecution.

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

20 (6) For administrative purposes only, the Nebraska Commission on
21 Problem Gambling shall be located within the Charitable Gaming Division.
22 The division shall provide office space, furniture, equipment, and
23 stationery and other necessary supplies for the commission. Commission
24 staff shall be appointed, supervised, and terminated by the director of
25 the Gamblers Assistance Program pursuant to section 9-1004.

26 Sec. 2. Section 9-631, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 9-631 (1) All licenses issued to any county, city, or village to
29 conduct a lottery and licenses issued to any lottery operator or any
30 authorized sales outlet location shall expire on May 31 of every even-
31 numbered year, or such other date as the department may prescribe by rule

1 and regulation, and may be renewed annually ~~biennially~~. All licenses
2 issued to any lottery worker shall expire on May 31 of every ~~odd-numbered~~
3 year, or such other date as the department may prescribe by rule and
4 regulation, and may be renewed annually ~~biennially~~. Applications for
5 renewal of a county, city, or village license, a lottery operator
6 license, an authorized sales outlet location license, or a lottery worker
7 license shall be submitted to the department at least sixty days prior to
8 the expiration date of the license.

9 (2) An annual ~~A biennial~~ license fee of one hundred dollars shall be
10 charged for each license issued to any county, city, or village to
11 conduct a lottery. An annual ~~A biennial~~ license fee of one thousand five
12 ~~hundred~~ dollars shall be charged for each license issued to a lottery
13 operator. No license fee shall be charged for an authorized sales outlet
14 location or a lottery worker license.

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

17 9-648 (1) Any county, city, or village which conducts a lottery
18 shall submit to the department on a quarterly basis a tax of four ~~two~~
19 percent of the gross proceeds. Such tax shall be remitted not later than
20 thirty days from the close of the preceding quarter on forms provided by
21 the department.

22 (2) The department shall remit the tax to the State Treasurer for
23 credit as follows: ~~to~~

24 (a) Two percent to the Charitable Gaming Operations Fund; and ~~-~~

25 (b) Two percent to the Property Tax Credit Cash Fund.

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

29 Sec. 4. This act becomes operative on January 1, 2019.

30 Sec. 5. Original sections 9-631 and 9-648, Reissue Revised Statutes
31 of Nebraska, and section 9-1,101, Revised Statutes Cumulative Supplement,

1 2016, are repealed.