

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 990**

Introduced by Wayne, 13.

Read first time January 14, 2020

Committee:

1 A BILL FOR AN ACT relating to gambling; to amend sections 28-1101,  
2 28-1105, and 28-1113, Reissue Revised Statutes of Nebraska, section  
3 79-1001, Revised Statutes Cumulative Supplement, 2018, and sections  
4 9-1,101 and 77-3442, Revised Statutes Supplement, 2019; to adopt the  
5 Games of Skill Act; to redefine duties for the Department of  
6 Revenue; to provide a gambling exception for operating or  
7 participating in games of skill; to change a provision relating to  
8 the possession of gambling records; to change provisions relating to  
9 property tax levies; to change the Tax Equity and Educational  
10 Opportunities Support Act; to harmonize provisions; to provide an  
11 operative date; and to repeal the original sections.  
12 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 9 of this act shall be known and may be  
2 cited as the Games of Skill Act.

3           Sec. 2. (1) The Legislature finds that:

4           (a) Sports betting and fantasy sports require knowledge and skill.  
5 Knowledge of a sport and skill in analyzing and predicting the  
6 performance of athletes and the outcomes of sporting events is essential  
7 for a participant in sports betting or fantasy sports to be successful;  
8 and

9           (b) Certain poker games also require knowledge and skill. While  
10 poker does have a random component in the cards that are dealt to  
11 participants, there is more skill than chance necessary for successful  
12 participation in a game where strategic decisions influence the other  
13 participants and ultimately the outcome of the game.

14           (2) It is the intent of the Legislature to recognize sports betting,  
15 fantasy sports, and various forms of poker as games of skill.

16           Sec. 3. For purposes of the Games of Skill Act:

17           (1) Athlete means a person who competes in a sport or sporting  
18 event;

19           (2) Confidential information means information related to  
20 participation in a game of skill obtained by an operator or by an  
21 employee of such operator;

22           (3) Department means the Charitable Gaming Division of the  
23 Department of Revenue;

24           (4) Entry fee means cash or a cash equivalent required to be paid by  
25 a participant in a game of skill to an operator in order to participate  
26 in such game of skill;

27           (5) Fantasy sport means a game in which participants assemble  
28 imaginary or virtual teams of real athletes who play a sport, such teams  
29 compete based on the statistical performance of such athletes in actual  
30 sporting events, and such teams are not based on the current membership  
31 of an actual team that is a member of an amateur or professional sports

1 organization as defined in 28 U.S.C. 3701, as such section existed on  
2 January 1, 2020. Each fantasy sport shall meet the following conditions:

3 (a) All prizes offered to winning participants are established and  
4 made known to the participants in advance of the game and the value of  
5 any prize is not determined by the number of participants or the amount  
6 of entry fees paid by such participants;

7 (b) All winning outcomes reflect the relative knowledge and skill of  
8 the participants and are determined predominantly by accumulated  
9 statistical results of the performance of individual athletes in multiple  
10 real-world sporting events; and

11 (c) No winning outcome is based on (i) the score, point-spread, or  
12 performance or performances of any single real-world team or combination  
13 of teams or (ii) any single performance of an individual athlete in any  
14 single real-world sporting event;

15 (6) Game of skill means a fantasy sport, sports betting, or poker;

16 (7) Gross revenue means the total entry fees that an operator  
17 collects from participants less the total of sums paid out as prizes to  
18 participants with such difference multiplied by the location percentage;

19 (8) Location percentage means, for each game of skill, the  
20 percentage rounded to the nearest tenth of a percent of the total entry  
21 fees collected from participants located in Nebraska at the time of entry  
22 into the game of skill divided by the total entry fees collected from  
23 participants in all locations for such game of skill;

24 (9) Operator means a person that offers an opportunity for  
25 participants to engage in a game of skill, collects an entry fee from  
26 each participant, administers such game of skill, and awards prizes;

27 (10) Participant means a person who pays an entry fee to engage in a  
28 game of skill offered by an operator;

29 (11) Poker means a draw or community card game in which a  
30 participant bets that the value of his or her hand is greater than the  
31 value of the hands held by other participants in such game, and each

1 subsequent participant in such game must either equal or raise the bet or  
2 drop out. Poker includes draw poker, such as five-card draw in which the  
3 participant determines whether to discard and then receive new cards from  
4 the dealer, and community card poker such as Texas Hold'em and Omaha  
5 Hold'em in which the participant combines the cards he or she is holding  
6 along with the community cards that all participants in such game share  
7 and the participant with the highest hand at the end of the betting wins  
8 the pot unless the participant is the only participant playing once the  
9 other participants in such game have dropped out; and

10 (12) Sports betting means the placement of a wager on the outcome of  
11 a sporting event where a winning wager is based on the score, point  
12 total, point spread, or performance of a team in a team sport or on the  
13 score, point total, point spread, or performance of an individual athlete  
14 in a nonteam sport.

15 Sec. 4. (1) No operator shall offer any game of skill in this state  
16 without first registering with the department. An application for  
17 registration shall be in electronic or paper form prescribed by the  
18 department and shall include submission of the applicant's fingerprints  
19 pursuant to subsection (2) of this section. To be eligible to register to  
20 offer a game of skill in this state, an operator shall (a) be authorized  
21 to transact business in Nebraska, (b) pay a registration fee of ten  
22 thousand dollars to the department, (c) pass a national criminal history  
23 record information check pursuant to subsection (2) of this section, and  
24 (d) comply with any other applicable provisions of the Games of Skill  
25 Act.

26 (2)(a) To become a registered operator, an applicant shall provide a  
27 full legible set of his or her fingerprints to the Nebraska State Patrol.  
28 The Nebraska State Patrol shall undertake a search for criminal history  
29 record information relating to the applicant, including transmittal of  
30 the applicant's fingerprints to the Federal Bureau of Investigation for a  
31 national criminal history record information check. The criminal history

1 record information shall include information concerning the applicant  
2 from federal repositories of such information and repositories of such  
3 information in other states if authorized by federal law. The Nebraska  
4 State Patrol shall issue a report to the department that includes the  
5 criminal history record information concerning the applicant. The  
6 applicant shall pay the actual cost of the fingerprinting and criminal  
7 history record information check. The department shall maintain a record  
8 of the results of the criminal history record information check. The  
9 criteria for failing the criminal history record information check shall  
10 include, at a minimum, any felony conviction within the last ten years or  
11 any conviction involving fraudulent activities.

12 (b) For purposes of this subsection, an applicant includes (i) each  
13 officer, director, and shareholder owning a beneficial interest in ten  
14 percent or more of an applicant corporation, (ii) each partner or joint  
15 venturer of an applicant partnership or joint venture, and (iii) each  
16 member and manager of an applicant limited liability company.

17 (3) After initial registration, an operator shall pay an annual  
18 registration renewal fee of six percent of such operator's gross revenue  
19 for the preceding twelve-month period, not to exceed ten thousand  
20 dollars, to the department. Initial and renewal registration fees shall  
21 be paid in a manner prescribed by the department. No refunds shall be  
22 allowed of any registration fees collected by the department. Any  
23 operator that allows a registration to lapse without requesting an  
24 extension of time to file an application for renewal shall be required to  
25 resubmit a new initial registration application. The department may grant  
26 an extension upon receipt of an operator.

27 (4) The department shall remit all registration and renewal fees  
28 collected under this section, after payment of all reasonable and  
29 necessary operating expenses and prizes, to the State Treasurer for  
30 credit to the Games of Skill School Property Tax Reduction Fund.

31 Sec. 5. (1) The department shall issue a valid registration to any

1 applicant who meets the criteria set forth in the Games of Skill Act. The  
2 department shall deny registration to any applicant who does not meet  
3 such criteria.

4 (2) The department shall approve or deny a registration application  
5 within thirty days after receipt of the completed application or the  
6 report from the Nebraska State Patrol pursuant to subsection (2) of  
7 section 4 of this act, whichever is later. If the registration is not  
8 issued, the department shall provide the operator with the specific  
9 justification for not issuing such registration.

10 (3) The department shall maintain and publish a list of all  
11 registered operators on the department's web site. Any pending  
12 application made under the Games of Skill Act shall not be considered a  
13 public record for purposes of sections 84-712 to 84-712.09 until such  
14 application has been approved by the department.

15 Sec. 6. (1) The department shall adopt and promulgate rules and  
16 regulations to implement and administer the Games of Skill Act,  
17 including, but not limited to, rules and regulations:

18 (a) To provide for the prevention of practices detrimental to the  
19 public interest and to safeguard the integrity of games of skill;

20 (b) To establish the necessary scope of review of registration  
21 applications filed by operators; and

22 (c) To establish criteria for failing the criminal history record  
23 information check.

24 (2) The department shall not adopt and promulgate rules and  
25 regulations limiting or regulating:

26 (a) Game rules governing the play of an individual game of skill;

27 (b) The statistical components of a game of skill; or

28 (c) Any digital platform to be used by an operator.

29 Sec. 7. (1) As a condition of registration, an operator shall  
30 submit evidence, deemed satisfactory to the department, that the operator  
31 has established and implemented, or has the ability to implement, prior

1 to conducting operations, commercially reasonable procedures for a game  
2 of skill that:

3 (a) Prevent such operator, any employee of such operator, any  
4 relative living in the same household as such operator or any employee of  
5 such operator from engaging as a participant in any game of skill offered  
6 by such operator. For purposes of this subdivision, relative means the  
7 parent, child, brother, sister, or spouse of the operator or employee;

8 (b) Prevent the sharing of confidential information with third  
9 parties that could affect game of skill play until such information is  
10 made publicly available;

11 (c) Prohibit the following persons from engaging as a participant in  
12 any game of skill:

13 (i) A referee, umpire, coach, trainer, or other individual who  
14 officials or participates in or prepares athletes for a sporting event  
15 that is the subject of a game of skill; or

16 (ii) Any sports agent, team employee, or league official associated  
17 with a sport or sporting event that is the subject of a game of skill;

18 (d) Verify that a participant in a game of skill is nineteen years  
19 of age or older;

20 (e) Provide a participant with access to information on responsible  
21 play and access to information on seeking assistance for compulsive  
22 gambling behavior;

23 (f) Provide a participant with information regarding the  
24 participant's play history and account details;

25 (g) Ensure that any athlete in a real-world sporting event is  
26 restricted from participating in a game of skill that is determined, in  
27 whole or in part, on the accumulated statistical results of such athlete,  
28 such athlete's real-world team, or the sport or sporting event in which  
29 such athlete is participating as an athlete;

30 (h) Allow a person to restrict himself or herself from participating  
31 in a game of skill upon request and provide reasonable steps to prevent

1 the person from participating in any game of skill offered by such  
2 operator;

3 (i) Disclose the number of entries or wagers that a participant may  
4 submit to each game of skill and provide reasonable steps to prevent a  
5 participant from submitting more than the allowable number;

6 (j) Segregate participant funds from operational funds or maintain a  
7 reserve that exceeds the amount of participant funds on deposit, which  
8 reserve may not be used for operational activities. The reserve funds may  
9 be in the form of cash, cash equivalents, payment processor reserves,  
10 payment processor receivables, an irrevocable letter of credit, a bond,  
11 or any combination thereof, in the amount that must exceed the total  
12 balances of the accounts of all participants; and

13 (k) Prohibit the use of unauthorized third-party computer scripts.

14 (2) An operator shall not offer a game of skill based on the  
15 performance of a participant in a collegiate, high school, or youth  
16 sporting event.

17 (3) An operator shall:

18 (a) Contract annually with a certified public accountant to conduct  
19 an independent financial audit consistent with the standards accepted by  
20 the American Institute of Certified Public Accountants; and

21 (b) Submit a copy of the audit report prepared pursuant to  
22 subdivision (a) of this subsection to the department.

23 Sec. 8. Any person who knowingly violates any provision of the  
24 Games of Skill Act shall be subject to payment of a civil penalty of not  
25 more than one thousand dollars for each violation, not to exceed five  
26 thousand dollars for violations arising out of the same transaction or  
27 occurrence. Such penalty may be recovered in a civil action brought by  
28 the department. All penalty money collected by the department pursuant to  
29 this section shall be remitted to the State Treasurer for distribution in  
30 accordance with Article VII, section 5, of the Constitution of Nebraska.

31 Sec. 9. The Games of Skill School Property Tax Reduction Fund is

1 hereby created. The fund shall consist of all registration and renewal  
2 fees collected by the department under section 4 of this act, after  
3 payment of reasonable and necessary operating expenses and prizes. The  
4 fund shall be used solely for games of skill school property tax  
5 reduction aid pursuant to section 16 of this act. Any money in the fund  
6 available for investment shall be invested by the state investment  
7 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
8 State Funds Investment Act.

9       Sec. 10. Section 9-1,101, Revised Statutes Supplement, 2019, is  
10 amended to read:

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

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

26       (3)(a) Forty percent of the taxes collected pursuant to sections  
27 9-239, 9-344, 9-429, and 9-648 shall be available to the Charitable  
28 Gaming Division for administering and enforcing the acts listed in  
29 subsection (1) of this section and providing administrative support for  
30 the Nebraska Commission on Problem Gambling. The remaining sixty percent  
31 shall be transferred to the General Fund. Any portion of the forty

1 percent not used by the division in the administration and enforcement of  
2 such acts and section shall be distributed as provided in this  
3 subsection.

4 (b) Beginning July 1, 2019, through June 30, 2021, on or before the  
5 last day of the last month of each calendar quarter, the State Treasurer  
6 shall transfer one hundred thousand dollars from the Charitable Gaming  
7 Operations Fund to the Compulsive Gamblers Assistance Fund. Beginning  
8 July 1, 2021, on or before November 1 each year, the State Treasurer  
9 shall transfer one hundred thousand dollars from the Charitable Gaming  
10 Operations Fund to the Compulsive Gamblers Assistance Fund, except that  
11 no transfer shall occur if the Charitable Gaming Operations Fund contains  
12 less than one hundred thousand dollars.

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

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

27 (5) The Charitable Gaming Division may charge a fee for publications  
28 and listings it produces. The fee shall not exceed the cost of  
29 publication and distribution of such items. The division may also charge  
30 a fee for making a copy of any record in its possession equal to the  
31 actual cost per page. The division shall remit the fees to the State

1 Treasurer for credit to the Charitable Gaming Operations Fund.

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

8 Sec. 11. Section 28-1101, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 28-1101 As used in this article, unless the context otherwise  
11 requires:

12 (1) A person advances gambling activity if, acting other than as a  
13 player, he or she engages in conduct that materially aids any form of  
14 gambling activity. Conduct of this nature includes, but shall not be  
15 limited to, conduct directed toward (a) the creation or establishment of  
16 the particular game, contest, scheme, device, or activity involved, (b)  
17 the acquisition or maintenance of premises, paraphernalia, equipment, or  
18 apparatus therefor, or (c) engaging in the procurement, sale, or offering  
19 for sale within this state of any chance, share, or interest in a lottery  
20 of another state or government whether or not such chance, share, or  
21 interest is an actual lottery ticket, receipt, contingent promise to pay,  
22 order to purchase, or other record of such interest except as provided in  
23 the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle  
24 Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and  
25 Raffle Act, the State Lottery Act, the Games of Skill Act, or section  
26 9-701;

27 (2) Bookmaking means ~~shall mean~~ advancing gambling activity by  
28 unlawfully accepting bets from members of the public as a business upon  
29 the outcome of future contingent events. Bookmaking does not include a  
30 wager placed in a game of skill conducted under the Games of Skill Act;

31 (3) A person profits from gambling activity if, other than as a

1 player, he or she accepts or receives money or other property pursuant to  
2 an agreement or understanding with any person whereby he or she  
3 participates or is to participate in the proceeds of gambling activity;

4 (4) A person engages in gambling if he or she bets something of  
5 value upon the outcome of a future event, which outcome is determined by  
6 an element of chance, or upon the outcome of a game, contest, or  
7 election, or conducts or participates in any bingo, lottery by the sale  
8 of pickle cards, lottery, raffle, gift enterprise, or other scheme not  
9 authorized or conducted in accordance with the Nebraska Bingo Act, the  
10 Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle  
11 Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and  
12 Raffle Act, the State Lottery Act, the Games of Skill Act, or section  
13 9-701, but a person does not engage in gambling by:

14 (a) Entering into a lawful business transaction;

15 (b) Playing an amusement device or a coin-operated mechanical game  
16 which confers as a prize an immediate, unrecorded right of replay not  
17 exchangeable for something of value;

18 (c) Conducting or participating in a prize contest; ~~or~~

19 (d) Conducting or participating in any bingo, lottery by the sale of  
20 pickle cards, lottery, raffle, or gift enterprise conducted in accordance  
21 with the Nebraska Bingo Act, the Nebraska County and City Lottery Act,  
22 the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery  
23 Act, the Nebraska Small Lottery and Raffle Act, the State Lottery Act, or  
24 section 9-701; or

25 (e) Operating a game of skill as a registered operator pursuant to  
26 the Games of Skill Act;

27 (5) Gambling device shall mean any device, machine, paraphernalia,  
28 writing, paper, instrument, article, or equipment that is used or usable  
29 for engaging in gambling, whether that activity consists of gambling  
30 between persons or gambling by a person involving the playing of a  
31 machine. Gambling device shall also includes ~~include~~ any mechanical

1 gaming device, computer gaming device, electronic gaming device, or video  
2 gaming device which has the capability of awarding something of value,  
3 free games redeemable for something of value, instant-win tickets which  
4 also provide the possibility of participating in a subsequent drawing or  
5 event, or tickets or stubs redeemable for something of value, except as  
6 authorized in the furtherance of parimutuel wagering. Supplies,  
7 equipment, cards, tickets, stubs, and other items used in any bingo,  
8 lottery by the sale of pickle cards, other lottery, raffle, ~~or~~ gift  
9 enterprise, or game of skill conducted in accordance with the Nebraska  
10 Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery  
11 and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small  
12 Lottery and Raffle Act, the State Lottery Act, the Games of Skill Act, or  
13 section 9-701 are not gambling devices within this definition;

14 (6) Something of value shall mean any money or property, any token,  
15 object, or article exchangeable for money or property, or any form of  
16 credit or promise directly or indirectly contemplating transfer of money  
17 or property or of any interest therein, or involving extension of a  
18 service or entertainment; and

19 (7) Prize contest shall mean any competition in which one or more  
20 competitors are awarded something of value as a consequence of winning or  
21 achieving a certain result in the competition and (a) the value of such  
22 awards made to competitors participating in the contest does not depend  
23 upon the number of participants in the contest or upon the amount of  
24 consideration, if any, paid for the opportunity to participate in the  
25 contest or upon chance and (b) the value or identity of such awards to be  
26 made to competitors is published before the competition begins.

27 Sec. 12. Section 28-1105, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 28-1105 (1) A person commits the offense of possession of gambling  
30 records if, other than as a player, he or she knowingly possesses any  
31 writing, paper, instrument, or article which is:

1 (a) Of a kind commonly used in the operation or promotion of a  
2 bookmaking scheme or enterprise and such writing, paper, instrument, or  
3 article has been used for the purpose of recording, memorializing, or  
4 registering any bet, wager, or other gambling information; or

5 (b) Of a kind commonly used in the operation, promotion, or playing  
6 of a lottery or mutuel scheme or enterprise or other scheme not conducted  
7 pursuant to the Nebraska Bingo Act, the Nebraska County and City Lottery  
8 Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card  
9 Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery  
10 Act, the Games of Skill Act, or section 9-701 and such writing, paper,  
11 instrument, or article has been used for the purpose of recording,  
12 memorializing, or registering any bet, wager, or other gambling  
13 information not permitted by such acts or section.

14 (2) Possession of gambling records in the first degree is a Class II  
15 misdemeanor.

16 Sec. 13. Section 28-1113, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 28-1113 Nothing in this article shall be construed to:

19 (1) Apply to or prohibit wagering on the results of horseraces by  
20 the parimutuel or certificate method when conducted by licensees within  
21 the racetrack enclosure at licensed horserace meetings;~~or~~

22 (2) Prohibit or punish the conducting or participating in any bingo,  
23 lottery by the sale of pickle cards, lottery, raffle, or gift enterprise  
24 when conducted in accordance with the Nebraska Bingo Act, the Nebraska  
25 County and City Lottery Act, the Nebraska Lottery and Raffle Act, the  
26 Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle  
27 Act, the State Lottery Act, or section 9-701; or -

28 (3) Apply to, prohibit, or punish the conducting or participating in  
29 any game of skill when conducted in accordance with the Games of Skill  
30 Act.

31 Sec. 14. Section 77-3442, Revised Statutes Supplement, 2019, is

1 amended to read:

2 77-3442 (1) Property tax levies for the support of local governments  
3 for fiscal years beginning on or after July 1, 1998, shall be limited to  
4 the amounts set forth in this section except as provided in section  
5 77-3444.

6 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this  
7 section, school districts and multiple-district school systems may levy a  
8 maximum levy of (i) for fiscal years prior to fiscal year 2022-23, one  
9 dollar and five cents per one hundred dollars of taxable valuation of  
10 property subject to the levy and (ii) for fiscal year 2022-23 and each  
11 fiscal year thereafter, one dollar and five cents less any games of skill  
12 school property tax reduction factor calculated for such fiscal year  
13 pursuant to section 16 of this act per one hundred dollars of taxable  
14 valuation of property subject to the levy.

15 (b) For each fiscal year prior to fiscal year 2017-18, learning  
16 communities may levy a maximum levy for the general fund budgets of  
17 member school districts of ninety-five cents per one hundred dollars of  
18 taxable valuation of property subject to the levy. The proceeds from the  
19 levy pursuant to this subdivision shall be distributed pursuant to  
20 section 79-1073.

21 (c) Except as provided in subdivision (2)(e) of this section, for  
22 each fiscal year prior to fiscal year 2017-18, school districts that are  
23 members of learning communities may levy for purposes of such districts'  
24 general fund budget and special building funds a maximum combined levy of  
25 the difference of one dollar and five cents on each one hundred dollars  
26 of taxable property subject to the levy minus the learning community levy  
27 pursuant to subdivision (2)(b) of this section for such learning  
28 community.

29 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)  
30 of this section are (i) amounts levied to pay for current and future sums  
31 agreed to be paid by a school district to certificated employees in

1 exchange for a voluntary termination of employment occurring prior to  
2 September 1, 2017, (ii) amounts levied by a school district otherwise at  
3 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
4 for current and future qualified voluntary termination incentives for  
5 certificated teachers pursuant to subsection (3) of section 79-8,142 that  
6 are not otherwise included in an exclusion pursuant to subdivision (2)(d)  
7 of this section, (iii) amounts levied by a school district otherwise at  
8 the maximum levy pursuant to subdivision (2)(a) of this section to pay  
9 for seventy-five percent of the current and future sums agreed to be paid  
10 to certificated employees in exchange for a voluntary termination of  
11 employment occurring between September 1, 2017, and August 31, 2018, as a  
12 result of a collective-bargaining agreement in force and effect on  
13 September 1, 2017, that are not otherwise included in an exclusion  
14 pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a  
15 school district otherwise at the maximum levy pursuant to subdivision (2)  
16 (a) of this section to pay for fifty percent of the current and future  
17 sums agreed to be paid to certificated employees in exchange for a  
18 voluntary termination of employment occurring between September 1, 2018,  
19 and August 31, 2019, as a result of a collective-bargaining agreement in  
20 force and effect on September 1, 2017, that are not otherwise included in  
21 an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts  
22 levied by a school district otherwise at the maximum levy pursuant to  
23 subdivision (2)(a) of this section to pay for twenty-five percent of the  
24 current and future sums agreed to be paid to certificated employees in  
25 exchange for a voluntary termination of employment occurring between  
26 September 1, 2019, and August 31, 2020, as a result of a collective-  
27 bargaining agreement in force and effect on September 1, 2017, that are  
28 not otherwise included in an exclusion pursuant to subdivision (2)(d) of  
29 this section, (vi) amounts levied in compliance with sections 79-10,110  
30 and 79-10,110.02, and (vii) amounts levied to pay for special building  
31 funds and sinking funds established for projects commenced prior to April

1 1, 1996, for construction, expansion, or alteration of school district  
2 buildings. For purposes of this subsection, commenced means any action  
3 taken by the school board on the record which commits the board to expend  
4 district funds in planning, constructing, or carrying out the project.

5 (e) Federal aid school districts may exceed the maximum levy  
6 prescribed by subdivision (2)(a) or (2)(c) of this section only to the  
7 extent necessary to qualify to receive federal aid pursuant to Title VIII  
8 of Public Law 103-382, as such title existed on September 1, 2001. For  
9 purposes of this subdivision, federal aid school district means any  
10 school district which receives ten percent or more of the revenue for its  
11 general fund budget from federal government sources pursuant to Title  
12 VIII of Public Law 103-382, as such title existed on September 1, 2001.

13 (f) For each fiscal year, learning communities may levy a maximum  
14 levy of one-half cent on each one hundred dollars of taxable property  
15 subject to the levy for elementary learning center facility leases, for  
16 remodeling of leased elementary learning center facilities, and for up to  
17 fifty percent of the estimated cost for focus school or program capital  
18 projects approved by the learning community coordinating council pursuant  
19 to section 79-2111.

20 (g) For each fiscal year, learning communities may levy a maximum  
21 levy of one and one-half cents on each one hundred dollars of taxable  
22 property subject to the levy for early childhood education programs for  
23 children in poverty, for elementary learning center employees, for  
24 contracts with other entities or individuals who are not employees of the  
25 learning community for elementary learning center programs and services,  
26 and for pilot projects, except that no more than ten percent of such levy  
27 may be used for elementary learning center employees.

28 (3) For each fiscal year, community college areas may levy the  
29 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in  
30 accordance with the provisions of such subdivisions. A community college  
31 area may exceed the levy provided in subdivision (2)(b) of section

1 85-1517 by the amount necessary to retire general obligation bonds  
2 assumed by the community college area or issued pursuant to section  
3 85-1515 according to the terms of such bonds or for any obligation  
4 pursuant to section 85-1535 entered into prior to January 1, 1997.

5 (4)(a) Natural resources districts may levy a maximum levy of four  
6 and one-half cents per one hundred dollars of taxable valuation of  
7 property subject to the levy.

8 (b) Natural resources districts shall also have the power and  
9 authority to levy a tax equal to the dollar amount by which their  
10 restricted funds budgeted to administer and implement ground water  
11 management activities and integrated management activities under the  
12 Nebraska Ground Water Management and Protection Act exceed their  
13 restricted funds budgeted to administer and implement ground water  
14 management activities and integrated management activities for FY2003-04,  
15 not to exceed one cent on each one hundred dollars of taxable valuation  
16 annually on all of the taxable property within the district.

17 (c) In addition, natural resources districts located in a river  
18 basin, subbasin, or reach that has been determined to be fully  
19 appropriated pursuant to section 46-714 or designated as overappropriated  
20 pursuant to section 46-713 by the Department of Natural Resources shall  
21 also have the power and authority to levy a tax equal to the dollar  
22 amount by which their restricted funds budgeted to administer and  
23 implement ground water management activities and integrated management  
24 activities under the Nebraska Ground Water Management and Protection Act  
25 exceed their restricted funds budgeted to administer and implement ground  
26 water management activities and integrated management activities for  
27 FY2005-06, not to exceed three cents on each one hundred dollars of  
28 taxable valuation on all of the taxable property within the district for  
29 fiscal year 2006-07 and each fiscal year thereafter through fiscal year  
30 2017-18.

31 (5) Any educational service unit authorized to levy a property tax

1 pursuant to section 79-1225 may levy a maximum levy of one and one-half  
2 cents per one hundred dollars of taxable valuation of property subject to  
3 the levy.

4 (6)(a) Incorporated cities and villages which are not within the  
5 boundaries of a municipal county may levy a maximum levy of forty-five  
6 cents per one hundred dollars of taxable valuation of property subject to  
7 the levy plus an additional five cents per one hundred dollars of taxable  
8 valuation to provide financing for the municipality's share of revenue  
9 required under an agreement or agreements executed pursuant to the  
10 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum  
11 levy shall include amounts levied to pay for sums to support a library  
12 pursuant to section 51-201, museum pursuant to section 51-501, visiting  
13 community nurse, home health nurse, or home health agency pursuant to  
14 section 71-1637, or statue, memorial, or monument pursuant to section  
15 80-202.

16 (b) Incorporated cities and villages which are within the boundaries  
17 of a municipal county may levy a maximum levy of ninety cents per one  
18 hundred dollars of taxable valuation of property subject to the levy. The  
19 maximum levy shall include amounts paid to a municipal county for county  
20 services, amounts levied to pay for sums to support a library pursuant to  
21 section 51-201, a museum pursuant to section 51-501, a visiting community  
22 nurse, home health nurse, or home health agency pursuant to section  
23 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

24 (7) Sanitary and improvement districts which have been in existence  
25 for more than five years may levy a maximum levy of forty cents per one  
26 hundred dollars of taxable valuation of property subject to the levy, and  
27 sanitary and improvement districts which have been in existence for five  
28 years or less shall not have a maximum levy. Unconsolidated sanitary and  
29 improvement districts which have been in existence for more than five  
30 years and are located in a municipal county may levy a maximum of eighty-  
31 five cents per hundred dollars of taxable valuation of property subject

1 to the levy.

2 (8) Counties may levy or authorize a maximum levy of fifty cents per  
3 one hundred dollars of taxable valuation of property subject to the levy,  
4 except that five cents per one hundred dollars of taxable valuation of  
5 property subject to the levy may only be levied to provide financing for  
6 the county's share of revenue required under an agreement or agreements  
7 executed pursuant to the Interlocal Cooperation Act or the Joint Public  
8 Agency Act. The maximum levy shall include amounts levied to pay for sums  
9 to support a library pursuant to section 51-201 or museum pursuant to  
10 section 51-501. The county may allocate up to fifteen cents of its  
11 authority to other political subdivisions subject to allocation of  
12 property tax authority under subsection (1) of section 77-3443 and not  
13 specifically covered in this section to levy taxes as authorized by law  
14 which do not collectively exceed fifteen cents per one hundred dollars of  
15 taxable valuation on any parcel or item of taxable property. The county  
16 may allocate to one or more other political subdivisions subject to  
17 allocation of property tax authority by the county under subsection (1)  
18 of section 77-3443 some or all of the county's five cents per one hundred  
19 dollars of valuation authorized for support of an agreement or agreements  
20 to be levied by the political subdivision for the purpose of supporting  
21 that political subdivision's share of revenue required under an agreement  
22 or agreements executed pursuant to the Interlocal Cooperation Act or the  
23 Joint Public Agency Act. If an allocation by a county would cause another  
24 county to exceed its levy authority under this section, the second county  
25 may exceed the levy authority in order to levy the amount allocated.

26 (9) Municipal counties may levy or authorize a maximum levy of one  
27 dollar per one hundred dollars of taxable valuation of property subject  
28 to the levy. The municipal county may allocate levy authority to any  
29 political subdivision or entity subject to allocation under section  
30 77-3443.

31 (10) Beginning July 1, 2016, rural and suburban fire protection

1 districts may levy a maximum levy of ten and one-half cents per one  
2 hundred dollars of taxable valuation of property subject to the levy if  
3 (a) such district is located in a county that had a levy pursuant to  
4 subsection (8) of this section in the previous year of at least forty  
5 cents per one hundred dollars of taxable valuation of property subject to  
6 the levy or (b) such district had a levy request pursuant to section  
7 77-3443 in any of the three previous years and the county board of the  
8 county in which the greatest portion of the valuation of such district is  
9 located did not authorize any levy authority to such district in such  
10 year.

11 (11) A regional metropolitan transit authority may levy a maximum  
12 levy of ten cents per one hundred dollars of taxable valuation of  
13 property subject to the levy for each fiscal year that commences on the  
14 January 1 that follows the effective date of the conversion of the  
15 transit authority established under the Transit Authority Law into the  
16 regional metropolitan transit authority.

17 (12) Property tax levies (a) for judgments, except judgments or  
18 orders from the Commission of Industrial Relations, obtained against a  
19 political subdivision which require or obligate a political subdivision  
20 to pay such judgment, to the extent such judgment is not paid by  
21 liability insurance coverage of a political subdivision, (b) for  
22 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)  
23 for bonds as defined in section 10-134 approved according to law and  
24 secured by a levy on property except as provided in section 44-4317 for  
25 bonded indebtedness issued by educational service units and school  
26 districts, and (d) for payments by a public airport to retire interest-  
27 free loans from the Division of Aeronautics of the Department of  
28 Transportation in lieu of bonded indebtedness at a lower cost to the  
29 public airport are not included in the levy limits established by this  
30 section.

31 (13) The limitations on tax levies provided in this section are to

1 include all other general or special levies provided by law.  
2 Notwithstanding other provisions of law, the only exceptions to the  
3 limits in this section are those provided by or authorized by sections  
4 77-3442 to 77-3444.

5 (14) Tax levies in excess of the limitations in this section shall  
6 be considered unauthorized levies under section 77-1606 unless approved  
7 under section 77-3444.

8 (15) For purposes of sections 77-3442 to 77-3444, political  
9 subdivision means a political subdivision of this state and a county  
10 agricultural society.

11 (16) For school districts that file a binding resolution on or  
12 before May 9, 2008, with the county assessors, county clerks, and county  
13 treasurers for all counties in which the school district has territory  
14 pursuant to subsection (7) of section 79-458, if the combined levies,  
15 except levies for bonded indebtedness approved by the voters of the  
16 school district and levies for the refinancing of such bonded  
17 indebtedness, are in excess of the greater of (a) one dollar and twenty  
18 cents per one hundred dollars of taxable valuation of property subject to  
19 the levy or (b) the maximum levy authorized by a vote pursuant to section  
20 77-3444, all school district levies, except levies for bonded  
21 indebtedness approved by the voters of the school district and levies for  
22 the refinancing of such bonded indebtedness, shall be considered  
23 unauthorized levies under section 77-1606.

24 Sec. 15. Section 79-1001, Revised Statutes Cumulative Supplement,  
25 2018, is amended to read:

26 79-1001 Sections 79-1001 to 79-1033 and section 16 of this act shall  
27 be known and may be cited as the Tax Equity and Educational Opportunities  
28 Support Act.

29 Sec. 16. (1) For school fiscal years 2022-23 and each school fiscal  
30 year thereafter, each school district shall receive games of skill school  
31 property tax reduction aid in an amount calculated by:

1           (a) Dividing the balance in the Games of Skill School Property Tax  
2 Reduction Fund as of the October 1 immediately preceding the  
3 certification of aid pursuant to section 79-1022 for such school fiscal  
4 year by the statewide adjusted valuation to arrive at the games of skill  
5 school property tax reduction factor; and

6           (b) Multiplying the adjusted valuation for such school district by  
7 the games of skill school property tax reduction factor to arrive at  
8 games of skill school property tax reduction aid for such school  
9 district.

10           (2) Games of skill school property tax reduction aid shall not be  
11 included in the calculation of either formula needs or formula resources.

12           Sec. 17. This act becomes operative on January 1, 2021.

13           Sec. 18. Original sections 28-1101, 28-1105, and 28-1113, Reissue  
14 Revised Statutes of Nebraska, section 79-1001, Revised Statutes  
15 Cumulative Supplement, 2018, and sections 9-1,101 and 77-3442, Revised  
16 Statutes Supplement, 2019, are repealed.