

ONE HUNDRED THIRD LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 416CA

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Karpisek, 32.

Read first time January 21, 2014

Committee:

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

3 Section 1. At the general election in November 2014 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) For purposes of this subsection, casino gaming
25 includes games of chance played for money, credit, or any

1 representative of value using cards, using dice, using equipment,
2 using player-activated electronic, video, or mechanical gaming
3 devices, and using other methods authorized by the Legislature.

4 (b) Nothing in the Constitution of Nebraska shall be
5 construed to prohibit or restrict casino gaming as authorized by the
6 Legislature. The Legislature shall provide for the authorization,
7 operation, regulation, and taxation of casino gaming. If a casino is
8 proposed to be located in a city or village, the governing body of
9 the city or village shall submit the issue of whether to approve or
10 disapprove the casino location in the city or village to the
11 registered voters of the city or village. If a casino is proposed to
12 be located outside of a city or village, the county board shall
13 submit the issue of whether to approve or disapprove the casino
14 location in the county to the registered voters of the county. The
15 proceeds of taxation of casino gaming shall be appropriated by the
16 Legislature for the costs of regulating casino gaming and for the
17 following purposes, as directed by the Legislature:

18 (i) Fifty percent of the money remaining after the
19 payment of regulatory expenses shall be used to reduce property taxes
20 as the Legislature may direct;

21 (ii) Twenty-five percent of the money remaining after the
22 payment of regulatory expenses shall be used for elementary and
23 secondary education as the Legislature may direct;

24 (iii) Twelve percent of the money remaining after the
25 payment of regulatory expenses shall be transferred to the Game and

1 Parks Commission;

2 (iv) Twelve percent of the money remaining after the
3 payment of regulatory expenses shall be transferred to the Department
4 of Natural Resources for water funding, including, but not limited
5 to, (A) research and data gathering; (B) further integrating the
6 management of Nebraska's water supplies; (C) improving the state's
7 aging and antiquated water supply infrastructure; (D) building new
8 water supply infrastructure; (E) promoting coordination and
9 collaboration among all water users; and (F) providing information to
10 policymakers to justify a stable source of project funds; and

11 (v) One percent of the money remaining after the payment
12 of regulatory expenses shall be transferred to the Compulsive
13 Gamblers Assistance Fund.

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

17 A constitutional amendment to define casino gaming, to
18 permit the Legislature to provide for the authorization, operation,
19 regulation, and taxation of casino gaming, to provide for approval of
20 casino locations by voters in the affected cities, villages, or
21 counties, and to provide for the distribution of proceeds of taxation
22 of casino gaming.

23 For

24 Against.