

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1241

Introduced by Smith, 48; Dw. Pedersen, 39

Read first time January 12, 2000

Committee: General Affairs

A BILL

1 FOR AN ACT relating to gambling; to amend sections 9-1,101,
2 83-162.04, and 83-162.06, Reissue Revised Statutes of
3 Nebraska, and section 9-812, Revised Statutes Supplement,
4 1999; to change provisions relating to the Compulsive
5 Gamblers Assistance Fund; to provide for transfers; to
6 provide duties; to harmonize provisions; to repeal the
7 original sections; and to declare an emergency.

8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-1,101, Reissue Revised Statutes of
2 Nebraska, is amended to read:

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

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

17 (3) Forty percent of the taxes collected pursuant to
18 sections 9-239, 9-344, 9-429, and 9-648 shall be available to the
19 Charitable Gaming Division for administering and enforcing the acts
20 listed in subsection (1) of this section and section 81-8,128. The
21 remaining sixty percent, along with any portion of the forty
22 percent not used by the division in its administration and
23 enforcement of such acts or section 81-8,128, shall be transferred
24 to the ~~General Fund~~ Compulsive Gamblers Assistance Fund.

25 (4) The Tax Commissioner shall employ investigators who
26 shall be vested with the authority and power of a law enforcement
27 officer to carry out the laws of this state administered by the Tax
28 Commissioner or the Department of Revenue.

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

8 Sec. 2. Section 9-812, Revised Statutes Supplement,
9 1999, is amended to read:

10 9-812. (1) All money received from the operation of
11 lottery games conducted pursuant to the State Lottery Act in
12 Nebraska shall be deposited in the State Lottery Operation Trust
13 Fund, which fund is hereby created. All payments of expenses of
14 the operation of the lottery games shall be made from the State
15 Lottery Operation Cash Fund. In accordance with legislative
16 appropriations, money for payments for expenses of the division
17 shall be transferred from the State Lottery Operation Trust Fund to
18 the State Lottery Operation Cash Fund, which fund is hereby
19 created. On June 30 of each fiscal year, the Lottery Division
20 shall transfer from the State Lottery Operation Cash Fund to the
21 Compulsive Gamblers Assistance Fund an amount equal to ten percent
22 of the amount expended by the division for promotional expenses or
23 three hundred thousand dollars, whichever is greater, to be used as
24 provided in sections 83-162.01 to 83-162.04. All money necessary
25 for the payment of lottery prizes shall be transferred from the
26 State Lottery Operation Trust Fund to the State Lottery Prize Trust
27 Fund, which fund is hereby created. The amount used for the
28 payment of lottery prizes shall not be less than forty percent of

1 the dollar amount of the lottery tickets which have been sold. At
2 least twenty-five percent of the dollar amount of the lottery
3 tickets which have been sold on an annualized basis shall be
4 transferred from the State Lottery Operation Trust Fund to the
5 Education Innovation Fund, the Nebraska Environmental Trust Fund,
6 and the Compulsive Gamblers Assistance Fund. Forty-nine and
7 one-half percent of the money remaining after the payment of prizes
8 and operating expenses shall be transferred to the Education
9 Innovation Fund. Forty-nine and one-half percent of the money
10 remaining after the payment of prizes and operating expenses shall
11 be transferred to the Nebraska Environmental Trust Fund to be used
12 as provided in the Nebraska Environmental Trust Act. One percent
13 of the money remaining after the payment of prizes and operating
14 expenses shall be transferred to the Compulsive Gamblers Assistance
15 Fund to be used as provided in sections 83-162.01 to 83-162.04.

16 (2) The Education Innovation Fund is hereby created.
17 Each fiscal year beginning with fiscal year 1994-95, at least
18 seventy-five percent of the lottery proceeds allocated to the
19 Education Innovation Fund shall be available for disbursement. The
20 Education Innovation Fund shall be allocated in the following
21 manner: Up to ten percent to fund the mentor teacher program
22 pursuant to the Quality Education Accountability Act; up to seventy
23 percent as quality education incentives pursuant to the act; and up
24 to twenty percent of the fund shall be allocated by the Governor
25 through incentive grants to encourage the development of strategic
26 school improvement plans by school districts for accomplishing high
27 performance learning and to encourage schools to establish
28 innovations in programs or practices that result in restructuring

1 of school organization, school management, and instructional
2 programs which bring about improvement in the quality of education.
3 Such incentive grants allocated by the Governor are intended to
4 provide selected school districts, teachers or groups of teachers,
5 nonprofit educational organizations, educational service units, or
6 cooperatives funding for the allowable costs of implementing pilot
7 projects and model programs.

8 From the funds allocated by the Governor, minigrants
9 shall be available to school districts to support the development
10 of strategic school improvement plans which shall include
11 statements of purposes and goals for the districts. The plans
12 shall also include the specific statements of improvement or
13 strategic initiatives designed to improve quality learning for
14 every student.

15 In addition to the minigrants granted for the development
16 of strategic school improvement plans, school districts with annual
17 budget expenditures of three hundred fifty thousand dollars or less
18 are eligible for minigrants from the funds allocated by the
19 Governor for the purposes allowed in subdivisions (2)(a) through
20 (q) of this section. The amount of this type of minigrant shall
21 not exceed five thousand dollars. The school district shall
22 present a curriculum support plan with its application for the
23 grant. The curriculum support plan must show how the district is
24 working to achieve one or more of the allowed purposes and how the
25 grant will be used to directly advance the plan to achieve one or
26 more of these purposes. The plan must be signed by the school
27 administrator and a school board representative. The application
28 for the grant shall be brief. The Excellence in Education Council

1 shall select the recipients of this type of minigrant and shall
2 administer such minigrants.

3 From the funds allocated by the Governor, major
4 competitive grants shall be available to support innovative
5 programs which are directly related to the strategic school
6 improvement plans. The development of a strategic school
7 improvement plan by a school district shall be required before a
8 grant is awarded. Annual reports shall be made by program
9 recipients documenting the effectiveness of the program in
10 improving the quality of education as designed in the strategic
11 school improvement plans. Special consideration shall be given to
12 plans which contain public or private matching funds and
13 cooperative agreements, including agreements for in-kind services.
14 Purposes for which such major competitive grants would be offered
15 shall include:

16 (a) Professional staff development programs to provide
17 funds for teacher and administrator training and continuing
18 education to upgrade teaching and administrative skills;

19 (b) The development of strategic school improvement plans
20 by school districts;

21 (c) Educational technology assistance to public schools
22 for the purchase and operation of computers, telecommunications
23 equipment and services, and other forms of technological innovation
24 which may enhance classroom teaching, instructional management, and
25 districtwide administration pursuant to the state's goal of
26 ensuring that all kindergarten through grade twelve public school
27 districts or affiliated school systems have a direct connection to
28 a statewide public computer information network by June 30, 2000.

1 The telecomputing equipment and services needed to meet this goal
2 may be funded under this subsection, sections 79-1241.01, 79-1243,
3 and 79-1310, or any combination of such subsection and sections.
4 Such telecommunications equipment, services, and forms of technical
5 innovation shall be approved by the State Department of Education
6 only after review by the technical panel created in section
7 86-1511;

8 (d) An educational accountability program to develop an
9 educational indicators system to measure the performance and
10 outcomes of public schools and to ensure efficiency in operations;

11 (e) Alternative programs for students, including
12 underrepresented groups, at-risk students, and dropouts;

13 (f) Programs that demonstrate improvement of student
14 performance against valid national and international achievement
15 standards;

16 (g) Early childhood and parent education which emphasizes
17 child development;

18 (h) Programs using decisionmaking models that increase
19 involvement of parents, teachers, and students in school
20 management;

21 (i) Increased involvement of the community in order to
22 achieve increased confidence in and satisfaction with its schools;

23 (j) Development of magnet or model programs designed to
24 facilitate desegregation;

25 (k) Programs that address family and social issues
26 impairing the learning productivity of students;

27 (l) Programs enhancing critical and higher-order thinking
28 capabilities;

1 (m) Programs which produce the quality of education
2 necessary to guarantee a competitive work force;

3 (n) Programs designed to increase productivity of staff
4 and students through innovative use of time;

5 (o) Training programs designed to benefit teachers at all
6 levels of education by increasing their ability to work with
7 educational technology in the classroom;

8 (p) Approved accelerated or differentiated curriculum
9 programs under sections 79-1106 to 79-1108.03; and

10 (q) Programs for students with disabilities receiving
11 special education under the Special Education Act and students
12 needing support services as defined in section 79-1125.01, which
13 programs demonstrate improved outcomes for students through
14 emphasis on prevention and collaborative planning.

15 The Governor shall establish the Excellence in Education
16 Council. The Governor shall appoint eleven members to the council
17 including representatives of educational organizations,
18 postsecondary educational institutions, the business community, and
19 the general public, members of school boards and parent education
20 associations, school administrators, and at least four teachers who
21 are engaged in classroom teaching. The State Department of
22 Education shall provide staff support for the council to administer
23 the Education Innovation Fund, including the Quality Education
24 Accountability Act. The council shall have the following powers
25 and duties:

26 (i) In consultation with the State Department of
27 Education, develop and publish criteria for the awarding of
28 incentive grants allocated by the Governor for programs pursuant to

1 this subsection, including minigrants;

2 (ii) Provide recommendations to the Governor regarding
3 the selection of projects to be funded and the distribution and
4 duration of project funding. For projects recommended under
5 subdivision (2)(c) of this section, the council shall also provide
6 recommendations to the Nebraska Information Technology Commission
7 for its review and recommendations to the Governor;

8 (iii) Establish standards, formats, procedures, and
9 timelines for the successful implementation of approved programs
10 funded by incentive grants allocated by the Governor from the
11 Education Innovation Fund;

12 (iv) Assist school districts in determining the
13 effectiveness of the innovations in programs and practices and
14 measure the subsequent degree of improvement in the quality of
15 education;

16 (v) Consider the reasonable distribution of funds across
17 the state and all classes of school districts;

18 (vi) Carry out its duties pursuant to the Quality
19 Education Accountability Act; and

20 (vii) Provide annual reports to the Governor concerning
21 programs funded by the fund. Each report shall include the number
22 of applicants and approved applicants, an overview of the various
23 programs, objectives, and anticipated outcomes, and detailed
24 reports of the cost of each program.

25 To assist the council in carrying out its duties, the
26 State Board of Education shall, in consultation with the council,
27 adopt and promulgate rules and regulations establishing criteria,
28 standards, and procedures regarding the selection and

1 administration of programs funded from the Education Innovation
2 Fund, including the Quality Education Accountability Act.

3 (3) Recipients of incentive grants allocated by the
4 Governor from the Education Innovation Fund shall be required to
5 provide, upon request, such data relating to the funded programs
6 and initiatives as the Governor deems necessary.

7 (4) Any money in the State Lottery Operation Trust Fund,
8 the State Lottery Operation Cash Fund, the State Lottery Prize
9 Trust Fund, or the Education Innovation Fund available for
10 investment shall be invested by the state investment officer
11 pursuant to the Nebraska Capital Expansion Act and the Nebraska
12 State Funds Investment Act.

13 (5) Unclaimed prize money on a winning lottery ticket
14 shall be retained for a period of time prescribed by rules and
15 regulations. If no claim is made within such period, fifty percent
16 of the prize money shall be transferred to the Compulsive Gamblers
17 Assistance Fund and fifty percent of the prize money shall be used
18 at the discretion of the Tax Commissioner for any of the purposes
19 prescribed in this section.

20 Sec. 3. Section 83-162.04, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 83-162.04. The Compulsive Gamblers Assistance Fund is
23 created. The division shall administer the fund for the treatment
24 of compulsive gamblers as recommended by the commission and shall
25 spend no more than ~~fifty thousand dollars~~ ten percent of the money
26 appropriated to the fund for administrative costs. In addition to
27 money transferred to the fund from the State Lottery Operation Cash
28 Fund and the State Lottery Operation Trust Fund under section

1 9-812, unclaimed prize money under section 9-812, and the
2 Charitable Gaming Operations Fund under sections 9-1,101 and
3 83-162.06, the department is authorized to accept for deposit in
4 the Compulsive Gamblers Assistance Fund funds, donations, gifts,
5 devises, or bequests from any federal, state, local, public, or
6 private source to be used by the division in the exercise of this
7 authority under and in the performance of its duties in carrying
8 out the provisions of the Alcoholism, Drug Abuse, and Addiction
9 Services Act which relate to compulsive gambling. The Director of
10 Administrative Services shall draw warrants upon the Compulsive
11 Gamblers Assistance Fund upon the presentation of proper vouchers
12 by the division. Money from the Compulsive Gamblers Assistance
13 Fund shall be used exclusively for the purpose of providing
14 assistance to agencies, groups, organizations, and individuals that
15 provide education, assistance, and counseling to individuals and
16 families experiencing difficulty as a result of problem or
17 pathological gambling, to promote the awareness of gamblers
18 assistance programs, and to pay the costs and expenses of the
19 division and the commission with regard to compulsive gambling.
20 Neither the director of the division nor the division shall provide
21 any direct services to problem or pathological gamblers or their
22 families. Funds appropriated from the Compulsive Gamblers
23 Assistance Fund shall not be granted or loaned to or administered
24 by any of the mental health regional governing boards created
25 pursuant to the Nebraska Comprehensive Community Mental Health
26 Services Act unless the mental health region is a direct provider
27 of services dealing with the treatment of compulsive gambling. Any
28 money in the fund available for investment shall be invested by the

1 state investment officer pursuant to the Nebraska Capital Expansion
2 Act and the Nebraska State Funds Investment Act.

3 Sec. 4. Section 83-162.06, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 83-162.06. It is the intent of the Legislature to
6 appropriate to the Compulsive Gamblers Assistance Fund from the
7 Charitable Gaming Operations Fund two hundred fifty thousand
8 dollars on July 1 of each year for fiscal years 1997-98, 1998-99,
9 and 1999-2000. For fiscal year 2000-01 and each fiscal year
10 thereafter, it is the intent of the Legislature ~~to appropriate one~~
11 ~~million dollars~~ that, on June 30 of each fiscal year, the money
12 remaining in the Charitable Gaming Operations Fund not used by the
13 Charitable Gaming Division in its administration and enforcement
14 duties pursuant to section 9-1,101 shall be transferred to the
15 Compulsive Gamblers Assistance Fund. ~~from the Charitable Gaming~~
16 ~~Operations Fund if the need for such funds is demonstrated to the~~
17 ~~Legislature.~~

18 Sec. 5. Original sections 9-1,101, 83-162.04, and
19 83-162.06, Reissue Revised Statutes of Nebraska, and section 9-812,
20 Revised Statutes Supplement, 1999, are repealed.

21 Sec. 6. Since an emergency exists, this act takes effect
22 when passed and approved according to law.