

AMENDMENTS TO LB 545

1 1. Strike the original sections and insert the following
2 new sections:

3 "Section 1. Section 9-1,104, Revised Statutes
4 Supplement, 2000, is amended to read:

5 9-1,104. (1) Any person applying for or holding a
6 contract or license (a) as a distributor, gaming manager, or
7 manufacturer pursuant to the Nebraska Bingo Act, (b) as a
8 distributor, manufacturer, pickle card operator, or sales agent
9 pursuant to the Nebraska Pickle Card Lottery Act, (c) as a lottery
10 operator, lottery worker who is designated as a keno manager or who
11 has authority over the verification of winning number selection by
12 an electrically operated blower machine, manufacturer-distributor,
13 or sales outlet location pursuant to the Nebraska County and City
14 Lottery Act, or (d) pursuant to the State Lottery Act shall be
15 subject to fingerprinting and a check of his or her criminal
16 history record information maintained by the Identification
17 Division of the Federal Bureau of Investigation through the
18 Nebraska State Patrol for the purpose of determining whether the
19 Department of Revenue has a basis to deny the contract or license
20 application or to suspend, cancel, revoke, or terminate the
21 person's contract or license. Each applicant for or party holding
22 a license as a manufacturer, distributor, manufacturer-distributor,
23 or lottery operator shall also submit a personal history report to
24 the department on a form provided by the department and may be

1 subject to a background investigation, an inspection of the
2 applicant's or licensee's facilities, or both. If the applicant is
3 an individual, the application shall also include the applicant's
4 social security number.

5 (2)(a) If the applicant, party to the contract, or
6 licensee is a corporation, the persons subject to such requirements
7 shall include any officer or director of the corporation, his or
8 her spouse, any person or entity directly or indirectly associated
9 with such corporation in a consulting or other capacity which may
10 impair the security, honesty, or integrity of the operation or
11 conduct of the activities for which the application is made or
12 contract or license is held, and, if applicable, any person or
13 entity holding in the aggregate ten percent or more of the debt or
14 equity of the corporation. If any person or entity holding ten
15 percent or more of the debt or equity of the applicant, contractor,
16 or licensee corporation is a corporation, partnership, or limited
17 liability company, every partner of such partnership, every member
18 of such limited liability company, every officer or director of
19 such corporation or partnership, every person or entity holding ten
20 percent or more of the debt or equity of such corporation,
21 partnership, or limited liability company, and every person or
22 entity directly or indirectly associated with such corporation,
23 partnership, or limited liability company in a consulting or other
24 capacity which may impair the security, honesty, or integrity of
25 the operation or conduct of the activities for which the
26 application is made or contract or license is held may also be
27 subject to such requirements. If the applicant, party to the

1 contract, or licensee is a partnership, the persons subject to such
2 requirements shall include any partner, his or her spouse, any
3 officer or director of the partnership, or any person or entity
4 directly or indirectly associated with such partnership in a
5 consulting or other capacity which may impair the security,
6 honesty, or integrity of the operation or conduct of the activities
7 for which the application is made or contract or license is held.
8 If the applicant, party to the contract, or licensee is a limited
9 liability company, the persons subject to such requirement shall
10 include any member and his or her spouse. If the applicant, party
11 to the contract, or licensee is a nonprofit organization or
12 nonprofit corporation, the person subject to such requirement shall
13 be the person designated by such nonprofit organization or
14 nonprofit corporation as the manager.

15 (b) Notwithstanding the provisions of this section,
16 background investigations shall not be required of any debt holder
17 which is a financial institution organized or chartered under the
18 laws of this state, any other state, or the United States relating
19 to banks, savings institutions, trust companies, savings and loan
20 associations, credit unions, industrial loan and investment
21 companies, installment loan licensees, or similar associations
22 organized under the laws of this state and subject to supervision
23 by the Department of Banking and Finance.

24 (c) Notwithstanding the provisions of this section, if an
25 applicant for or party holding a license as a pickle card operator,
26 sales agent, gaming manager, lottery operator, lottery worker, or
27 sales outlet location is issued a license by the Nebraska Liquor

1 Control Commission, the Department of Revenue may waive the
2 fingerprinting requirements for criminal history record
3 investigation purposes.

4 (3)(a) The applicant, party to the contract, or licensee
5 shall pay the actual cost of any fingerprinting or check of his or
6 her criminal history record information.

7 (b) The Department of Revenue may require an applicant or
8 licensee subjected to a background investigation, a facilities
9 inspection, or both to pay the actual costs incurred by the
10 department in conducting the investigation or inspection. The
11 department may require payment of the estimated costs in advance of
12 beginning the investigation or inspection. If an applicant does
13 not wish to pay the estimated costs, it may withdraw its
14 application and its application fee will be refunded. After
15 completion of the investigation or inspection, the department shall
16 refund any overpayment or shall charge and collect an amount
17 sufficient to reimburse the department for any underpayment of
18 actual costs. The department may establish by rule and regulation
19 the conditions and procedures for payment of the costs.

20 (4) Refusal to comply with this section by any person
21 contracted with, licensed, or seeking a contract or license under
22 the Nebraska Bingo Act, the Nebraska County and City Lottery Act,
23 the Nebraska Pickle Card Lottery Act, or the State Lottery Act
24 shall be a violation of the act under which such person is
25 contracted with, licensed, or seeking a contract or license.

26 Sec. 2. Section 9-601, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 9-601. Sections 9-601 to 9-653 and sections 4 to 7 of
2 this act shall be known and may be cited as the Nebraska County and
3 City Lottery Act.

4 Sec. 3. Section 9-603, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 9-603. For purposes of the Nebraska County and City
7 Lottery Act, the definitions found in sections 9-603.01 to 9-618
8 and sections 4 to 7 of this act shall be used.

9 Sec. 4. Authorized representative shall mean any person
10 designated by the county, city, or village or a joint entity
11 created by the county, city, or village by entering into an
12 agreement pursuant to the Interlocal Cooperation Act to examine,
13 sign, and approve a lottery worker license application for
14 submission to the department.

15 Sec. 5. Governing official shall mean the chief
16 executive officer of a county, city, village or any other elected
17 or appointed official, including a governing board member, who has
18 any decisionmaking responsibility regarding the conduct of the
19 lottery.

20 Sec. 6. Keno manager shall mean the shift manager,
21 supervisor, or person in charge of the daily operation of a keno
22 game at a location.

23 Sec. 7. Lottery worker shall mean any person who
24 performs work directly related to the conduct of a lottery,
25 including, but not limited to, ticket writing, winning number
26 selection, winning number verification, prize payment to winners,
27 record keeping, shift checkout and review of keno writer banks, and

1 security.

2 Sec. 8. Section 9-606.01, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 9-606.01. License shall mean a license issued to any
5 county, city, or village to conduct a lottery for community
6 betterment purposes, any license issued to any lottery operator,
7 any license issued to any manufacturer-distributor, any license
8 issued to ~~an~~ any authorized sales outlet location, and any license
9 ~~to perform work directly related to the conduct of a lottery issued~~
10 to any lottery worker.

11 Sec. 9. Section 9-625, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 9-625. Any county, city, or village may establish and
14 conduct a lottery if an election is first held pursuant to this
15 section. Only one scheme or type of lottery may be conducted by a
16 county, city, or village at one time. No county, city, or village
17 shall establish and conduct a lottery until such course of action
18 has been approved by a majority of the registered voters of such
19 county, city, or village casting ballots on the issue at a regular
20 election or a special election called by the governing board of the
21 county, city, or village for such purpose. This section shall not
22 be construed to prohibit any county, city, or village from
23 conducting a lottery if such course of action was approved prior to
24 July 17, 1986, by a majority of the registered voters of such
25 county, city, or village casting ballots on the issue.

26 Any lottery established pursuant to this section which is
27 authorized by an election held on or after October 1, 1989,

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1 pursuant to this section that is not in operation for any ~~four~~ ten
2 consecutive years shall no longer be authorized under this section.
3 If the voters in a county, city, or village approve a lottery on or
4 after October 1, 1989, pursuant to this section but the lottery
5 does not actually begin operation within ~~four~~ ten years of the date
6 that the results of the election are certified, the lottery shall
7 no longer be authorized under this section. Any lottery no longer
8 authorized under this section because it did not operate within the
9 ~~four-year~~ ten-year period provided in this section may be
10 reauthorized by a majority vote of the registered voters of the
11 county, city, or village casting ballots on the issue at a
12 subsequent election pursuant to this section.

13 Except for any restriction imposed pursuant to section
14 9-643, any county, city, or village may conduct a lottery only
15 within the boundaries of such county, city, or village, or within a
16 licensed racetrack enclosure which abuts the corporate limits
17 thereof or which is within the zoning jurisdiction of a city,
18 except that nothing in this section shall prohibit a county, city,
19 or village from entering into an agreement pursuant to the
20 Interlocal Cooperation Act to conduct a joint lottery with another
21 county, city, or village which has established a lottery in
22 accordance with this section.

23 Sec. 10. Section 9-631, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 9-631. (1) All licenses issued to any county, city, or
26 village to conduct a lottery and licenses issued to any lottery
27 operator, any authorized sales outlet location, or any lottery

1 worker shall expire on May 31, 2002, and on May 31 of every
2 even-numbered year thereafter or such other date as the department
3 may prescribe by rule and regulation, and may be renewed
4 biennially. The biennial expiration date shall be September 30 of
5 every odd-numbered year or such other date as the department may
6 prescribe by rule or regulation. Applications for renewal of a
7 county, city, or village license and for a lottery operator
8 license, an authorized sales outlet location license, or a lottery
9 worker license shall be submitted to the department at least sixty
10 days prior to the expiration date of the license.

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

17 Sec. 11. Section 9-631.01, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 9-631.01. (1) No person shall be eligible to perform any
20 work directly related to the conduct of a lottery unless ~~he or she~~
21 ~~has completed, signed, and filed with the department and the~~
22 ~~county, city, or village, if required by the county, city, or~~
23 ~~village, an application prepared by the department which includes a~~
24 lottery worker license application has been filed with the
25 department. The application shall be on a form prescribed by the
26 department and shall include:

27 (a) The name, address, date of birth, and social security

1 number of the applicant;

2 (b) The name and state identification number of the
3 county, city, or village, lottery operator, and sales outlet
4 location or locations for which the ~~person~~ applicant will be
5 performing work;

6 (c) A description of the ~~person's~~ applicant's duties;

7 (d) A statement that the applicant has not been convicted
8 of, forfeited bond upon a charge of, or pleaded guilty or nolo
9 contendere to any felony within ten years preceding the date of the
10 application or any felony or misdemeanor involving fraud, theft, or
11 any gambling activity, willful failure to make required payments or
12 reports, or filing false reports to a governmental agency at any
13 level; and

14 (e) The date of signing and the signature of the ~~person~~
15 applicant, under penalty of perjury, verifying that the information
16 is true and accurate;

17 (f) A statement signed by a governing official of the
18 county, city, or village or the authorized representative
19 signifying that such county, city, or village or authorized
20 representative has examined the completed application and approved
21 the application for submission to the department; and

22 (g) Any other information which the department deems
23 necessary.

24 (2) The applicant shall complete and forward the
25 application to the county, city, or village or authorized
26 representative. Upon receipt of the completed application the
27 governing official of the county, city, or village or the

1 authorized representative shall examine the application and, if the
2 governing official of the county, city, or village or the
3 authorized representative approves the application for submission
4 to the department, shall sign and file the application with the
5 department. If the application is approved by an authorized
6 representative, a copy of the application or the information
7 contained in the application shall be filed with the county, city,
8 or village.

9 (3) ~~The Either the~~ department ~~or~~ and the county, city, or
10 village shall have the right to conduct an investigation concerning
11 the applicant as may be necessary or appropriate to maintain the
12 integrity of the game.

13 ~~(3)~~ (4) For purposes of this section, work directly
14 related to the conduct of a lottery shall mean any work involving
15 the actual day-to-day conduct of the lottery, including, but not
16 limited to, ticket writing, winning number selection, prize payout
17 to winners, record keeping, shift checkout and review of keno
18 writer banks, and security.

19 ~~(4)~~ (5) The information required by this section shall be
20 kept current, and a new application shall be filed with the
21 department if any information on the application is no longer
22 ~~current~~ correct. A county, city, village, or lottery operator
23 shall notify the department if the person to whom the license was
24 originally issued is no longer working for such county, city,
25 village, or lottery operator.

26 ~~(5)~~ (6) Falsification of information on the application
27 by the applicant shall disqualify such applicant from work directly

1 related to the conduct of the lottery in addition to any other
2 penalties which may be imposed under the laws of this state.

3 ~~(6)~~ (7) The applicant shall be granted a probationary
4 license to perform work directly related to the conduct of a
5 lottery which shall be valid for a period of one hundred twenty
6 days after the ~~filing~~ application is received by filed with the
7 department unless such application is denied by the department. An
8 application shall be considered filed with the department upon
9 receipt by the department or as of the date postmarked or
10 transmitted by electronic facsimile to the department if the
11 application is received by the department within ten days after the
12 date postmarked or electronically transmitted. An application
13 postmarked or electronically transmitted but not received by the
14 department after ten days shall not be considered filed. If
15 proceedings to deny the license application pursuant to section
16 9-622 have not been initiated by the department during such
17 probationary period, the applicant shall be granted a regular
18 license to perform work directly related to the conduct of a
19 lottery. The license shall be valid to allow such person to
20 perform work for the county, city, village, lottery operator, or
21 sales outlet location or locations unless otherwise suspended,
22 canceled, revoked, or denied by the department or unless the
23 license otherwise becomes invalid upon notification by the county,
24 city, village, or lottery operator that the person to whom the
25 license was originally issued is no longer working for such county,
26 city, village, or lottery operator. The cost of all investigations
27 conducted by the department pursuant to this section shall be borne

1 ~~by the department.~~

2 (8) An applicant may obtain a license as a lottery worker
3 for more than one county, city, or village conducting a lottery
4 pursuant to the Nebraska County and City Lottery Act if a separate
5 application has been filed for such applicant with respect to each
6 such county, city, or village.

7 (9) A lottery worker license is nontransferable and shall
8 no longer be valid if a person is no longer employed or conducts
9 work directly related to the lottery for the county, city, or
10 village for which the lottery worker license was obtained.

11 (10) A person holding a license as a lottery worker under
12 the Nebraska County and City Lottery Act shall not be connected
13 with or interested in, directly or indirectly, any individual, sole
14 proprietorship, partnership, limited liability company,
15 corporation, or other party licensed as a distributor,
16 manufacturer, or manufacturer-distributor under section 9-255.07,
17 9-255.09, 9-330, 9-332, or 9-632.

18 Sec. 12. Section 9-642.01, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 9-642.01. (1) Prior to a county, city, village, or
21 lottery operator conducting a lottery at a location other than the
22 location of the lottery operator (a) the county, city, or village
23 shall, by ordinance or resolution, establish qualification
24 standards which shall be met by any individual, sole
25 proprietorship, partnership, limited liability company, or
26 corporation seeking to have its location qualify as an authorized
27 sales outlet location for conducting a lottery and (b) the county,

1 city, or village shall approve or disapprove each sales outlet
2 location and individual, sole proprietorship, partnership, limited
3 liability company, or corporation which desires to conduct the
4 lottery at its sales outlet location solely on the basis of the
5 qualification standards. A copy of the ordinance or resolution
6 setting forth the qualification standards shall be filed with the
7 department within thirty days of its adoption. A county, city, or
8 village shall notify the department of all approved lottery
9 locations within thirty days of approval.

10 (2) An authorized sales outlet location shall obtain a
11 license issued by the department prior to conducting any lottery
12 activity at such location pursuant to the Nebraska County and City
13 Lottery Act. An applicant for a license as an authorized sales
14 outlet location shall apply on a form prescribed by the department
15 containing the information the department deems necessary,
16 including documentation that reflects that the location has been
17 approved by the county, city, or village in accordance with the
18 qualification standards required by this section. If the applicant
19 is an individual, the application shall include the applicant's
20 social security number. ~~No fee shall be charged for such license.~~
21 ~~All licenses for authorized sales outlet locations shall expire on~~
22 ~~September 30 of every odd-numbered year or such other date as the~~
23 ~~department may prescribe by rule and regulation and may be renewed~~
24 ~~biennially. An application for license renewal shall be submitted~~
25 ~~to the department at least sixty days prior to the expiration date~~
26 ~~of the license.~~

27 (3) The information required by this section shall be

1 kept current and a new application shall be filed with the
2 department if any information on the application is no longer
3 correct.

4 Sec. 13. Section 9-653, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 9-653. (1) Except in accordance with a proper judicial
7 order or as otherwise provided by this section or other law, it
8 shall be a Class I misdemeanor for the Tax Commissioner or any
9 employee or agent of the Tax Commissioner to make known, in any
10 manner whatsoever, the contents of any reports or records submitted
11 by a licensed manufacturer-distributor or the contents of any
12 personal history reports submitted by any licensee or license
13 applicant to the department pursuant to the Nebraska County and
14 City Lottery Act and any rules and regulations adopted and
15 promulgated pursuant to the act.

16 (2) Nothing in this section shall be construed to
17 prohibit (a) the delivery to a licensee, his or her duly authorized
18 representative, or his or her successors, receivers, trustees,
19 personal representatives, administrators, assignees, or guarantors,
20 if directly interested, of a certified copy of any report or
21 record, (b) the publication of statistics so classified as to
22 prevent the identification of particular reports or records, (c)
23 the inspection by the Attorney General, a county attorney, or other
24 legal representative of the state of reports or records submitted
25 by a licensed manufacturer-distributor when information on the
26 reports or records is considered by the Attorney General, county
27 attorney, or other legal representative to be relevant to any

1 action or proceeding instituted by the licensee or against whom an
2 action or proceeding is being considered or has been commenced by
3 any state agency or county, (d) the furnishing of any information
4 to the United States Government or to states allowing similar
5 privileges to the Tax Commissioner, (e) the disclosure of
6 information and records to a collection agency contracting with the
7 Tax Commissioner for the collection of delinquent taxes under the
8 act, (f) the publication or disclosure of final administrative
9 opinions and orders made by the Tax Commissioner in the
10 adjudication of license denials, suspensions, cancellations, or
11 revocations or the levying of fines, (g) the release of any
12 application, without the contents of any submitted personal history
13 report or social security number, filed with the department to
14 obtain a license to conduct activities under the act, which
15 application shall be deemed a public record, (h) the release of any
16 report filed by a licensed county, city, village, or lottery
17 operator pursuant to the act, which report shall be deemed a public
18 record, or (i) the notification of an applicant, a licensee, or a
19 licensee's duly authorized representative of the existence of and
20 the grounds for any administrative action to deny the license
21 application of, to revoke, cancel, or suspend the license of, or to
22 levy an administrative fine upon any agent or employee of the
23 applicant, the licensee, or any other person upon whom the
24 applicant or licensee relies to conduct activities authorized by
25 the act.

26 (3) Nothing in this section shall prohibit the Tax
27 Commissioner or any employee or agent of the Tax Commissioner from

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1 making known the names of persons, firms, or corporations licensed
2 to conduct activities under the act, the locations at which such
3 activities are conducted by licensees, or the dates on which such
4 licenses were issued.

5 (4) Notwithstanding subsection (1) of this section, the
6 Tax Commissioner may permit the Postal Inspector of the United
7 States Postal Service or his or her delegates to inspect reports or
8 records submitted by a licensed manufacturer-distributor pursuant
9 to the act when information on the reports or records is relevant
10 to any action or proceeding instituted or being considered by the
11 United States Postal Service against such person for the fraudulent
12 use of the mails to carry and deliver false and fraudulent tax
13 returns to the Tax Commissioner with the intent to defraud the
14 State of Nebraska or to evade the payment of Nebraska state taxes.

15 (5) Notwithstanding subsection (1) of this section, the
16 Tax Commissioner may permit the other tax officials of this state
17 to inspect reports or records submitted pursuant to the act, but
18 such inspection shall be permitted only for purposes of enforcing a
19 tax law and only to the extent and under the conditions prescribed
20 by the rules and regulations of the Tax Commissioner.

21 Sec. 14. Original sections 9-601, 9-603, 9-606.01,
22 9-625, 9-631, 9-631.01, 9-642.01, and 9-653, Reissue Revised
23 Statutes of Nebraska, and section 9-1,104, Revised Statutes
24 Supplement, 2000, are repealed."