

AMENDMENTS TO LB 638

Introduced by McDonald, 41

1 1. Strike section 16 and insert the following new
2 sections:

3 Sec. 15. Section 9-803, Revised Statutes Cumulative
4 Supplement, 2006, is amended to read:

5 9-803 For purposes of the State Lottery Act:

6 (1) Director shall mean the Director of the Lottery
7 Division;

8 (2) Division shall mean the Lottery Division of the
9 Department of Revenue;

10 (3) Lottery contractor shall mean a lottery vendor or
11 lottery game retailer with whom the division has contracted for the
12 purpose of providing goods or services for the state lottery;

13 (4) Lottery game shall mean any variation of the
14 following types of games:

15 (a) An instant-win game in which disposable tickets
16 contain certain preprinted winners which are determined by rubbing
17 or scraping an area or areas on the tickets to match numbers,
18 letters, symbols, or configurations, or any combination thereof, as
19 provided by the rules of the game. An instant-win game may also
20 provide for preliminary and grand prize drawings conducted pursuant
21 to the rules of the game. An instant-win game shall not include the
22 use of any pickle card as defined in section 9-315; and

23 (b) An on-line lottery game in which lottery game

1 retailer terminals are hooked up to a central computer via a
2 telecommunications system through which (i) a player selects a
3 specified group of numbers or symbols out of a predetermined
4 range of numbers or symbols and purchases a ticket bearing the
5 player-selected numbers or symbols for eligibility in a drawing
6 regularly scheduled in accordance with game rules or (ii) a
7 player purchases a ticket bearing randomly selected numbers for
8 eligibility in a drawing regularly scheduled in accordance with
9 game rules.

10 Lottery game shall not be construed to mean any video
11 lottery game;

12 (5) Lottery game retailer shall mean a person who
13 contracts with or seeks to contract with the division to sell
14 tickets in lottery games to the public;

15 (6) Lottery vendor shall mean any person who submits a
16 bid, proposal, or offer as part of a major procurement;

17 (7) Major procurement shall mean any procurement or
18 contract unique to the operation of the state lottery in excess of
19 ~~fifteen~~ twenty-five thousand dollars for the printing of tickets
20 used in any lottery game, security services, consulting services,
21 advertising services, any goods or services involving the receiving
22 or recording of number selections in any lottery game, or any
23 goods or services involving the determination of winners in
24 any lottery game. Major procurement shall include production of
25 instant-win tickets, procurement of on-line gaming systems and
26 drawing equipment, or retaining the services of a consultant who
27 will have access to any goods or services involving the receiving

1 or recording of number selections or determination of winners in
2 any lottery game; and

3 (8) Ticket or lottery ticket shall mean any tangible
4 evidence authorized by the division to prove participation in a
5 lottery game.

6 Sec. 16. Section 9-812, Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 9-812 (1) All money received from the operation of
9 lottery games conducted pursuant to the State Lottery Act in
10 Nebraska shall be credited to the State Lottery Operation Trust
11 Fund, which fund is hereby created. All payments of the costs
12 of establishing and maintaining the lottery games shall be made
13 from the State Lottery Operation Cash Fund. In accordance with
14 legislative appropriations, money for payments for expenses of the
15 division shall be transferred from the State Lottery Operation
16 Trust Fund to the State Lottery Operation Cash Fund, which fund
17 is hereby created. All money necessary for the payment of lottery
18 prizes shall be transferred from the State Lottery Operation Trust
19 Fund to the State Lottery Prize Trust Fund, which fund is hereby
20 created. The amount used for the payment of lottery prizes shall
21 not be less than forty percent of the dollar amount of the lottery
22 tickets which have been sold.

23 (2) (a) Beginning October 1, 2003, and until ~~January~~ July
24 1, 2008, 2013, a portion of the dollar amount of the lottery
25 tickets which have been sold on an annualized basis shall be
26 transferred from the State Lottery Operation Trust Fund to the
27 Education Innovation Fund, the Nebraska Scholarship Fund, the

1 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
2 and the Compulsive Gamblers Assistance Fund, except that the
3 dollar amount transferred shall not be less than the dollar amount
4 transferred to the funds in fiscal year 2002-03.

5 (b) On and after ~~January~~ July 1, 2008, 2013, at least
6 twenty-five percent of the dollar amount of the lottery tickets
7 which have been sold on an annualized basis shall be transferred
8 from the State Lottery Operation Trust Fund to the Education
9 Innovation Fund, the Nebraska Scholarship Fund, the Nebraska
10 Environmental Trust Fund, the Nebraska State Fair Board, and
11 the Compulsive Gamblers Assistance Fund.

12 (3) Of the money available to be transferred to the
13 Education Innovation Fund, the Nebraska Scholarship Fund, the
14 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
15 and the Compulsive Gamblers Assistance Fund:

16 (a) The first five hundred thousand dollars shall be
17 transferred to the Compulsive Gamblers Assistance Fund to be used
18 as provided in section 71-817;

19 (b) Nineteen and three-fourths percent of the money
20 remaining after the payment of prizes and operating expenses and
21 the initial transfer to the Compulsive Gamblers Assistance Fund
22 shall be transferred to the Education Innovation Fund;

23 (c) Twenty-four and three-fourths percent of the money
24 remaining after the payment of prizes and operating expenses and
25 the initial transfer to the Compulsive Gamblers Assistance Fund
26 shall be transferred to the Nebraska Scholarship Fund;

27 (d) Forty-four and one-half percent of the money

1 remaining after the payment of prizes and operating expenses and
2 the initial transfer to the Compulsive Gamblers Assistance Fund
3 shall be transferred to the Nebraska Environmental Trust Fund to be
4 used as provided in the Nebraska Environmental Trust Act;

5 (e) Ten percent of the money remaining after the payment
6 of prizes and operating expenses and the initial transfer to
7 the Compulsive Gamblers Assistance Fund shall be transferred to
8 the Nebraska State Fair Board if the most populous city within
9 the county in which the fair is located provides matching funds
10 equivalent to ten percent of the funds available for transfer. Such
11 matching funds may be obtained from the city and any other private
12 or public entity, except that no portion of such matching funds
13 shall be provided by the state. If the Nebraska State Fair ceases
14 operations, ten percent of the money remaining after the payment
15 of prizes and operating expenses and the initial transfer to the
16 Compulsive Gamblers Assistance Fund shall be transferred to the
17 General Fund; and

18 (f) One percent of the money remaining after the payment
19 of prizes and operating expenses and the initial transfer to the
20 Compulsive Gamblers Assistance Fund shall be transferred to the
21 Compulsive Gamblers Assistance Fund to be used as provided in
22 section 71-817.

23 (4) (a) The Education Innovation Fund is created. At least
24 seventy-five percent of the lottery proceeds allocated to the
25 Education Innovation Fund shall be available for disbursement.

26 (b) For fiscal year 2005-06, the Education Innovation
27 Fund shall be allocated as follows: The first one million dollars

1 shall be transferred to the School District Reorganization Fund,
2 and the remaining amount shall be allocated to the General Fund
3 after operating expenses for the Excellence in Education Council
4 are deducted.

5 (c) For fiscal year 2006-07, the Education Innovation
6 Fund shall be allocated as follows: The first two hundred fifty
7 thousand dollars shall be transferred to the Attracting Excellence
8 to Teaching Program Cash Fund to fund the Attracting Excellence
9 to Teaching Program Act, the next one million dollars shall
10 be transferred to the School District Reorganization Fund, and
11 the amount remaining in the Education Innovation Fund shall be
12 allocated, after administrative expenses, for distance education
13 equipment and incentives pursuant to sections 79-1336 and 79-1337.

14 (d) For fiscal year 2007-08, the Education Innovation
15 Fund shall be allocated as follows: The first five hundred thousand
16 dollars shall be transferred to the Attracting Excellence to
17 Teaching Program Cash Fund to fund the Attracting Excellence to
18 Teaching Program Act, and the amount remaining in the Education
19 Innovation Fund shall be allocated, after administrative expenses,
20 for distance education equipment and incentives pursuant to
21 sections 79-1336 and 79-1337.

22 (e) For fiscal year 2008-09, the Education Innovation
23 Fund shall be allocated as follows: The first seven hundred
24 fifty thousand dollars shall be transferred to the Attracting
25 Excellence to Teaching Program Cash Fund to fund the Attracting
26 Excellence to Teaching Program Act, and the amount remaining in the
27 Education Innovation Fund shall be allocated, after administrative

1 expenses, for distance education equipment and incentives pursuant
2 to sections 79-1336 and 79-1337.

3 (f) For fiscal years 2009-10 through 2015-16, the
4 Education Innovation Fund shall be allocated as follows: The
5 first one million dollars shall be transferred to the Attracting
6 Excellence to Teaching Program Cash Fund to fund the Attracting
7 Excellence to Teaching Program Act, and the amount remaining in the
8 Education Innovation Fund shall be allocated, after administrative
9 expenses, for distance education equipment and incentives pursuant
10 to sections 79-1336 and 79-1337.

11 (g) For fiscal year 2016-17 and each fiscal year
12 thereafter, the Education Innovation Fund shall be allocated,
13 after administrative expenses, for education purposes as provided
14 by the Legislature.

15 (5) Any money in the State Lottery Operation Trust
16 Fund, the State Lottery Operation Cash Fund, the State Lottery
17 Prize Trust Fund, or the Education Innovation Fund available
18 for investment shall be invested by the state investment officer
19 pursuant to the Nebraska Capital Expansion Act and the Nebraska
20 State Funds Investment Act.

21 (6) Unclaimed prize money on a winning lottery ticket
22 shall be retained for a period of time prescribed by rules and
23 regulations. If no claim is made within such period, the prize
24 money shall be used at the discretion of the Tax Commissioner for
25 any of the purposes prescribed in this section.

26 Sec. 17. Section 9-833, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 9-833 The director may contract for, purchase, or lease
2 goods or services necessary for effectuating the purpose of the
3 State Lottery Act. All procurements shall be subject to the act and
4 shall be exempt from any other state law concerning the purchase
5 of any goods or services, and all purchases in excess of ~~fifteen~~
6 twenty-five thousand dollars shall be subject to approval by the
7 Tax Commissioner.

8 Sec. 18. Section 9-835, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 9-835 (1) Subject to the approval of the Tax
11 Commissioner, the director may request proposals for or enter
12 into major procurements for effectuating the purpose of the
13 State Lottery Act. In awarding contracts in response to requests
14 for proposals, the director shall award such contracts to the
15 responsible vendor who submits the lowest and best proposal which
16 maximizes the benefits to the state in relation to the cost in
17 the areas of security, competence, quality of product, capability,
18 timely performance, and maximization of net revenue to benefit the
19 public purpose of the act. All contract awards made by the director
20 exceeding ~~fifteen~~ twenty-five thousand dollars shall be approved by
21 the Tax Commissioner.

22 (2) The director may not award and the Tax Commissioner
23 may not approve a contract with a person to serve as a lottery
24 contractor for a major procurement if the person has made a
25 contribution to a candidate for a state elective office as defined
26 in section 49-1444 after March 1, 1995, and within three years
27 preceding the award of the contract. A person shall be considered

1 to have made a contribution if the contribution is made by the
2 person, by an officer of the person, by a separate segregated
3 political fund established and administered by the person as
4 provided in section 49-1469, or by anyone acting on behalf of the
5 person, officer, or fund. Any contract awarded in violation of the
6 subsection shall be void.

7 (3) No contract may be assigned by a lottery contractor
8 except by a written agreement approved by the Tax Commissioner and
9 signed by the director.

10 Sec. 20. Original sections 9-239, 9-266, 9-356, 9-424,
11 9-833, and 9-835, Reissue Revised Statutes of Nebraska, and
12 sections 9-1,101, 9-232.01, 9-232.02, 9-233, 9-241.03, 9-255.06,
13 9-328, 9-329, 9-329.02, 9-425, 9-803, 9-812, and 77-366, Revised
14 Statutes Cumulative Supplement, 2006, are repealed.

15 2. Renumber the remaining sections accordingly.