



**Hundredth Legislature - First Session - 2007**  
**Committee Statement**  
**LB 638**

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**Hearing Date:** February 5, 2007  
**Committee On:** General Affairs

**Introducer(s):** (General Affairs Committee)  
**Title:** Change and eliminate provisions relating to bingo, lotteries, and raffles

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**Roll Call Vote – Final Committee Action:**

- X Advanced to General File
  - Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

8	Yes	McDonald, Karpisek, Dierks, Dubas, Erdman, Friend, Janssen, Preister
0	No	
0	Present, not voting	
0	Absent	

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**Proponents:**

Laurie Lage  
Jim Haynes

**Representing:**

Introducer  
Nebraska Lottery

**Opponents:**

Pat Loontjer

**Representing:**

Gambling With the Good Life

**Neutral:**

None

**Representing:**

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**Summary of purpose and/or changes:**

LB 638 makes technical changes to the state's charitable gaming statutes, allows for expanded use of bingo locations, and allows Department of Revenue investigators to enforce the law on illegal gambling devices. It has three main parts: (1) it allows the Department of Revenue to have law enforcement authority when they encounter illegal gaming devices; (2) it would allow the Department of Revenue to authorize bingo more than twice in one week at a certain location; and (3) it would clean-up several obsolete statutes on gaming licensing.

First, the Department of Revenue, Investigative Services Division, would be authorized to perform investigative and enforcement activities relating to illegal gambling devices. Department of Revenue investigators currently have law enforcement powers relative to the state's tax law. Currently, if investigators see an illegal gambling device while in an establishment for other authorized purposes, they are not authorized to take action and can

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only report the device to the State Patrol for further investigation. This would allow them to refer reports of the devices directly to the county attorney.

Second, the section that would allow bingo to be held more than twice a week at a single location is to make it more cost efficient for the different organizations that sponsor bingo and want to use the same location.

Third, due to a legislative change that has been fully implemented, this bill deletes obsolete charitable gaming statutes regarding licensing and adjusts language to reflect the current law. LB 1086, enacted in 2000, authorized biennial licensing for charitable gaming activities. Implementation was staggered over several years, but is now complete. Since all charitable gaming licenses are now issued on a biennial basis, the annual licensing references in the bingo, pickle card, and lottery/raffle statutes should be repealed to minimize confusion.

## **Details**

**Section 1** amends §9-1,101, which lists duties of the Department of Revenue, by adding that the investigators the Tax Commissioner employs have law enforcement power to enforce the criminal statutes relating to possession of a gambling device. Also deletes obsolete language.

**Section 2** amends §9-232.01, relating to bingo licensing, by adjusting the license fee for each utilization-of-funds member from \$20 to \$40. Adjusts the license fee for gaming managers from \$50 to \$100.

**Section 3** amends §9-232.02, relating to bingo license renewals, by deleting an annual expiration date of September 30<sup>th</sup> and adding new language allowing biennial renewals. Includes language clean-up.

**Section 4** amends §9-233, relating to bingo license classes and fees, by revising the fee for Class I (\$15 to \$30) and Class II (\$50 to \$100) licenses. Further deletes obsolete provisions for licenses issues to nonprofit organizations.

**Section 5** amends §9-239, relating to bingo taxation, by deleting obsolete language providing rates and procedures for tax collection.

**Section 6** amends §9-241.03, which limits the number of bingo “occasions” that can be held at a certain location over specific a amount of time (i.e. one premises can hold no more than two bingo occasions per calendar week). New language states that the Department of Revenue may authorize more than two bingo occasions at a premises per calendar week if the licensee or premises lessor can show that using the premises more than twice per week for bingo would help the bingo licensees save money. No more than one bingo occasion could be held each day, unless it is a special event or limited period bingo.

**Section 7** amends §9-255.06, relating to commercial bingo licensing, by adjusting the license fee, clarifying that the fee is biennial, and deleting obsolete license language.

**Section 8** amends §9-266, relating to what Bingo Act reports and records may be disclosed to the public by the Tax Commissioner, by stating that the Tax Commissioner may release license applications as public records, without any personal history content. New language adds reference to social security numbers.

**Section 9** amends §9-328, relating to pickle card licenses, by deleting obsolete annual license provisions, clarifying that licenses are issued biennially, and adjusting language to reflect the correct fees. Includes language clean-up.

**Section 10** amends §9-329, relating to pickle card sales agent licenses, by deleting obsolete language and providing for the updated biennial fees, which are \$100 for sales agent licenses.

**Section 11** amends §9-329.02, relating to pickle card operator licenses, by deleting obsolete language and providing for the updated biennial fees (\$100 for pickle card operators) and renewals.

**Section 12** amends §9-356, relating to what Pickle Card Act reports and records may be disclosed to the public by the Tax Commissioner, by stating that the Tax Commissioner may release license applications as public records, without any personal history content. New language adds reference to social security numbers.

**Section 13** amends §9-424, relating to lottery and raffle licenses, by adjusting the language to reflect the correct fees for organizations and utilization-of-funds members.

**Section 14** amends §9-425, relating to lottery and raffle license renewals, by deleting obsolete renewal language and clarifying that licenses are issued biennially.

**Section 15** amends §77-366, relating to the Department of Revenue functions and duties, by adding the power of law enforcement over possession of gambling devices to the investigators that the Tax Commissioner employs to carry out the state's revenue laws.

**Section 16** repeals the original sections.

**Section 17** repeals outright §9-236, which contains obsolete bingo license provisions, and §9-322.03, which requires an administrative order to be issued within 45 days of an administrative hearing on a charitable gaming license revocation or cancellation, or hearing to levy an administrative fine.

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**Senator Vickie McDonald, Chairperson**