

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB996

Hearing Date: February 04, 2008

Committee On: General Affairs

Introducer(s): (General Affairs Committee)

Title: Change provisions relating to bingo and lotteries

Roll Call Vote - Final Committee Action:

Placed on General File with Amendments

Vote Results:

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

Proponents:

Laurie Lage
Steve Schatz

Representing:

General Affairs Committee Legal Counsel
Nebraska Dept. of Revenue

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or change:

This bill contains four revision suggestions to the charitable gaming statutes. (1) Sections 1, 2, 4, 5, and 7 through 9 would allow for certification of independent testing laboratories that test gaming equipment. Under statute, the department is required to approve all gaming equipment marketed and used in Nebraska. The state solicits proposals and awards a contract to a testing lab, which the manufacturers must use. Since the manufacturers pay for their own testing costs, it would be a benefit for the department to certify independent testing laboratories and then let the manufacturer choose which certified or contracted testing laboratories to use. (2) Sections 3 and 6 would provide the department discretionary authority to permit certain manufacturing ownership interests to exist under the bingo and pickle card statutes. (3) Section 10 changes a reference to “duly authorized representative” to “directed representative” to avoid a conflict of the term within two related statutes. (4) Section 12 repeals outright 9-237, an obsolete section due to changes in the permit system over the past few years.

Details

Section 1 amends §9-1,104, relating to background checks for charitable gaming licensees, by including certified or contracted, or those applying for certification or a contract, independent testing laboratories to the list of those covered by the inspection rules.

Section 2 amends §9-226, which states the Department of Revenue’s powers, functions and duties related to bingo, by adding the power to certify or contract with independent testing laboratories which provide gaming-related services to the department and to adopt rules and regulations for the certification process.

Section 3 amends §9-255.09, relating to licensing of bingo equipment manufacturers, by adding that unless it is authorized by the department, no manufacturer is to have a substantial interest in another manufacturer or distributor.

Section 4 amends §9-255.10, relating to sales of bingo equipment by licensed manufacturers, by adding that the department may require a manufacturer, when seeking equipment approval, to use either a certified or contracted independent testing laboratory to test its equipment. Costs incurred are the responsibility of the manufacturer.

Section 5 amends §9-322, which states the Department of Revenue’s powers, functions and duties related to pickle cards, by adding the power to certify or contract with independent testing laboratories which provide gaming-related services to the department and to adopt rules and regulations for the certification process.

Section 6 amends §9-335, relating to licensing of pickle card equipment manufacturers, by adding that unless it is authorized by the department, no manufacturer is to have a substantial interest in another manufacturer or distributor.

Section 7 amends §9-340, relating to sales of pickle card equipment by licensed manufacturers, by adding that the department may require a manufacturer, when seeking equipment approval, to use either a certified or contracted independent testing laboratory to test its equipment. Costs incurred are the responsibility of the manufacturer.

Section 8 amends §9-620, which states the Department of Revenue's powers, functions and duties related to county and city lotteries (keno), by adding the power to certify or contract with independent testing laboratories which provide gaming-related services to the department and to adopt rules and regulations for the certification process.

Section 9 amends §9-635, relating to sales of lottery equipment by licensed manufacturers/distributors, by adding that the department may require a manufacturer/distributor, when seeking equipment approval, to use either a certified or contracted independent testing laboratory to test its equipment. Costs incurred are the responsibility of the manufacturer/distributor.

Section 10 amends §9-653, relating to privacy of information of county and city lottery manufacturers/distributors, by changing a reference from "duly authorized" to "directed" representative of the licensee as being one who may have access to certain information.

Section 11 repeals the original sections.

Section 12 repeals outright §9-237, which required a copy of a bingo permit to be filed with local government, because the manner of obtaining bingo permits has changed, making the section obsolete.

Explanation of amendments, if any:

AM1945 clarifies the department's authority to issue licenses under sections 3 and 6 by specifying under what circumstances a manufacturer may have an interest in another manufacturer when applying for a license.

Senator Vickie McDonald, Chairperson