

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 637

Introduced by General Affairs Committee: McDonald, 41, Chairperson;
Dierks, 40; Dubas, 34; Erdman, 47; Janssen, 15;
Karpisek, 32; Preister, 5

Read first time January 17, 2007

Committee: General Affairs

A BILL

1 FOR AN ACT relating to the State Lottery Act; to amend
2 sections 9-833 and 9-835, Reissue Revised Statutes of
3 Nebraska, and section 9-803, Revised Statutes Cumulative
4 Supplement, 2006; to change provisions relating to
5 procurements; and to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-803, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 9-803 For purposes of the State Lottery Act:

4 (1) Director shall mean the Director of the Lottery
5 Division;

6 (2) Division shall mean the Lottery Division of the
7 Department of Revenue;

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

11 (4) Lottery game shall mean any variation of the
12 following types of games:

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

21 (b) An on-line lottery game in which lottery game
22 retailer terminals are hooked up to a central computer via a
23 telecommunications system through which (i) a player selects a
24 specified group of numbers or symbols out of a predetermined
25 range of numbers or symbols and purchases a ticket bearing the

1 player-selected numbers or symbols for eligibility in a drawing
2 regularly scheduled in accordance with game rules or (ii) a
3 player purchases a ticket bearing randomly selected numbers for
4 eligibility in a drawing regularly scheduled in accordance with
5 game rules.

6 Lottery game shall not be construed to mean any video
7 lottery game;

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

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

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

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

4 Sec. 2. Section 9-833, Reissue Revised Statutes of
5 Nebraska, is amended to read:

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

13 Sec. 3. Section 9-835, Reissue Revised Statutes of
14 Nebraska, is amended to read:

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

1 the Tax Commissioner.

2 (2) The director may not award and the Tax Commissioner
3 may not approve a contract with a person to serve as a lottery
4 contractor for a major procurement if the person has made a
5 contribution to a candidate for a state elective office as defined
6 in section 49-1444 after March 1, 1995, and within three years
7 preceding the award of the contract. A person shall be considered
8 to have made a contribution if the contribution is made by the
9 person, by an officer of the person, by a separate segregated
10 political fund established and administered by the person as
11 provided in section 49-1469, or by anyone acting on behalf of the
12 person, officer, or fund. Any contract awarded in violation of the
13 subsection shall be void.

14 (3) No contract may be assigned by a lottery contractor
15 except by a written agreement approved by the Tax Commissioner and
16 signed by the director.

17 Sec. 4. Original sections 9-833 and 9-835, Reissue
18 Revised Statutes of Nebraska, and section 9-803, Revised Statutes
19 Cumulative Supplement, 2006, are repealed.