

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 638**

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

Read first time January 17, 2007

Committee: General Affairs

A BILL

1 FOR AN ACT relating to charitable gaming; to amend sections  
2 9-239, 9-266, 9-356, and 9-424, Reissue Revised Statutes  
3 of Nebraska, and sections 9-1,101, 9-232.01, 9-232.02,  
4 9-233, 9-241.03, 9-255.06, 9-328, 9-329, 9-329.02, 9-425,  
5 and 77-366, Revised Statutes Cumulative Supplement, 2006;  
6 to change and eliminate provisions relating to bingo,  
7 lotteries, and raffles; to provide for enforcement  
8 relating to possession of gambling devices; to harmonize  
9 provisions; to repeal the original sections; and to  
10 outright repeal sections 9-236 and 9-322.03, Reissue  
11 Revised Statutes of Nebraska.

12 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 9-1,101, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           9-1,101 (1) The Nebraska Bingo Act, the Nebraska County  
4 and City Lottery Act, the Nebraska Lottery and Raffle Act, the  
5 Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery  
6 and Raffle Act, and section 9-701 shall be administered and  
7 enforced by the Charitable Gaming Division of the Department  
8 of Revenue, which division is hereby created. The Department of  
9 Revenue shall make annual reports to the Governor, Legislature,  
10 Auditor of Public Accounts, and Attorney General on all tax revenue  
11 received, expenses incurred, and other activities relating to the  
12 administration and enforcement of such acts.

13           (2) The Charitable Gaming Operations Fund is hereby  
14 created. Any money in the fund available for investment shall be  
15 invested by the state investment officer pursuant to the Nebraska  
16 Capital Expansion Act and the Nebraska State Funds Investment Act.

17           (3) (a) Forty percent of the taxes collected pursuant to  
18 sections 9-239, 9-344, 9-429, and 9-648 shall be available to the  
19 Charitable Gaming Division for administering and enforcing the acts  
20 listed in subsection (1) of this section and section 81-8,128. The  
21 remaining sixty percent shall be transferred to the General Fund.  
22 Any portion of the forty percent not used by the division in the  
23 administration and enforcement of such acts and section shall be  
24 distributed as provided in this subsection.

25           (b) On or before November 1 each year, the State

1 Treasurer shall transfer fifty thousand dollars from the Charitable  
2 Gaming Operations Fund to the Compulsive Gamblers Assistance Fund,  
3 except that no transfer shall occur if the Charitable Gaming  
4 Operations Fund contains less than fifty thousand dollars.

5 (c) Any money remaining in the Charitable Gaming  
6 Operations Fund after the transfer pursuant to subdivision (b)  
7 of this subsection not used by the Charitable Gaming Division in  
8 its administration and enforcement duties pursuant to this section  
9 may be transferred to the General Fund at the direction of the  
10 Legislature.

11 (4) The Tax Commissioner shall employ investigators who  
12 shall be vested with the authority and power of a law enforcement  
13 officer to carry out the laws of this state administered by the Tax  
14 Commissioner or the Department of Revenue and to enforce sections  
15 28-1101 to 28-1117 relating to possession of a gambling device.

16 (5) The Charitable Gaming Division may charge a fee for  
17 publications and listings it produces. The fee shall not exceed the  
18 cost of publication and distribution of such items. The division  
19 may also charge a fee for making a copy of any record in its  
20 possession equal to the actual cost per page. The division shall  
21 remit the fees to the State Treasurer for credit to the Charitable  
22 Gaming Operations Fund.

23 ~~(6) The State Treasurer shall transfer two hundred~~  
24 ~~ninety-two thousand dollars from the Charitable Gaming Operations~~  
25 ~~Fund to the General Fund on or before November 1, 2002.~~

1           Sec. 2. Section 9-232.01, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           9-232.01 (1) Each organization applying for a license to  
4 conduct bingo shall file with the department an application on a  
5 form prescribed by the department. Each application shall include:

6           (a) The name and address of the applicant organization;

7           (b) Sufficient facts relating to the incorporation or  
8 organization of the applicant organization to enable the department  
9 to determine if the organization is eligible for a license pursuant  
10 to section 9-231;

11           (c) The name and address of each officer of the applicant  
12 organization;

13           (d) The name, address, social security number, years of  
14 membership, and date of birth of one bona fide and active member  
15 of the organization who will serve as the organization's bingo  
16 chairperson; and

17           (e) The name, address, social security number, years of  
18 membership, and date of birth of no more than three bona fide  
19 and active members of the organization who will serve as alternate  
20 bingo chairpersons.

21           (2) In addition, each applicant organization shall  
22 include with the application:

23           (a) The name, address, social security number, date  
24 of birth, and years of membership of an active and bona fide  
25 member of the applicant organization to be licensed as the

1 utilization-of-funds member. Such person shall have been an active  
2 and bona fide member of the applicant organization for at least  
3 one year preceding the date the application is filed with the  
4 department unless the applicant organization can provide evidence  
5 that the one-year requirement would impose an undue hardship on the  
6 organization. All utilization-of-funds members shall sign a sworn  
7 statement indicating that they agree to comply with all provisions  
8 of the Nebraska Bingo Act and all rules and regulations adopted  
9 pursuant to the act, that they will insure that no commission, fee,  
10 rent, salary, profits, compensation, or recompense will be paid  
11 to any person or organization, except payments authorized by the  
12 act, and that all profits will be spent only for lawful purposes.  
13 A fee of ~~twenty~~ forty dollars shall be charged for a license for  
14 each utilization-of-funds member, and the department may prescribe  
15 a separate application form for such license;

16 (b) For a Class II license only, the name, address,  
17 social security number, and date of birth of the individual to be  
18 licensed as the gaming manager. Such person shall ~~be required to~~  
19 sign a sworn statement indicating that he or she agrees to comply  
20 with all provisions of the Nebraska Bingo Act, the Nebraska Lottery  
21 and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska  
22 Small Lottery and Raffle Act, and all rules and regulations adopted  
23 pursuant to such acts. A fee of ~~fifty~~ one hundred dollars shall be  
24 charged for a license for each gaming manager, and the department  
25 may prescribe a separate application form for such license;

1           (c) The name and address of the owner or lessor of the  
2 premises in which bingo will be conducted; and

3           (d) Any other information which the department deems  
4 necessary, including, but not limited to, copies of any and all  
5 lease or rental agreements and contracts entered into by the  
6 organization relative to its bingo activities.

7           (3) The information required by this section shall be  
8 kept current. A licensed organization shall notify the department  
9 within thirty days if any information in the application is no  
10 longer correct and shall supply the correct information.

11           (4) Except for a limited period bingo, a licensed  
12 organization shall not conduct any bingo game or occasion at  
13 any time, on any day, at any location, or in any manner different  
14 from that described in its most recent filing with the department  
15 unless prior approval has been obtained from the department. A  
16 request for approval to change the day, time, or location of a  
17 bingo occasion shall be made by the bingo chairperson, in writing,  
18 at least thirty days in advance of the date the proposed change is  
19 to become effective.

20           (5) No bingo chairperson, alternate bingo chairperson,  
21 utilization-of-funds member, or gaming manager for an organization  
22 shall be connected with, interested in, or otherwise concerned  
23 directly or indirectly with any party licensed as a manufacturer,  
24 distributor, or commercial lessor pursuant to the Nebraska Bingo  
25 Act or with any party licensed as a manufacturer or distributor

1 pursuant to the Nebraska Pickle Card Lottery Act.

2 (6) No person shall act as a gaming manager until he or  
3 she has received a license from the department. A gaming manager  
4 may apply for a license to act as a gaming manager for more than  
5 one licensed organization by completing a separate application and  
6 paying the ~~fifty-dollar~~ license fee for each organization for which  
7 he or she intends to act as a gaming manager. No gaming manager  
8 shall be a bingo chairperson or alternate bingo chairperson, and no  
9 gaming manager shall hold any other type of license issued under  
10 the Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, ~~and or~~  
11 the Nebraska Pickle Card Lottery Act.

12 (7) No person shall act as a utilization-of-funds member  
13 until he or she has received a license from the department.  
14 A utilization-of-funds member shall not hold any other type of  
15 license issued under the Nebraska Bingo Act, the Nebraska Lottery  
16 and Raffle Act, and the Nebraska Pickle Card Lottery Act, except  
17 that a utilization-of-funds member may also be designated as the  
18 bingo chairperson or alternate bingo chairperson for the same  
19 organization.

20 Sec. 3. Section 9-232.02, Revised Statutes Cumulative  
21 Supplement, 2006, is amended to read:

22 9-232.02 (1) ~~Except as otherwise provided in this~~  
23 ~~section,~~ all All licenses to conduct bingo and licenses issued  
24 to utilization-of-funds members, gaming managers, or commercial  
25 lessors shall expire ~~on September 30 of each year or such other~~

1 date as the department may prescribe by rule and regulation and  
2 may be renewed annually, as provided in this section and may be  
3 renewed biennially. An application for license renewal shall be  
4 submitted at least forty-five days prior to the expiration date of  
5 the license. The department may prescribe a separate application  
6 form for renewal purposes for any license application required  
7 by the Nebraska Bingo Act. The renewal application may require  
8 such information as the department deems necessary for the proper  
9 administration of the act.

10 (2) ~~Commencing October 1, 2001,~~ a A license to conduct  
11 bingo issued to a nonprofit organization holding a certificate of  
12 exemption under section 501(c)(3) or (c)(4) of the Internal Revenue  
13 Code and any license issued to a utilization-of-funds member or  
14 gaming manager for such nonprofit organization shall be a ~~biennial~~  
15 ~~license,~~ shall expire on September 30 of each odd-numbered year  
16 or on such other date as the department may prescribe by rule and  
17 regulation, ~~and may be renewed biennially.~~ The biennial license  
18 fee for a utilization-of-funds member shall be forty dollars and  
19 the biennial license fee for a gaming manager shall be one hundred  
20 dollars.

21 (3) ~~Commencing October 1, 2002,~~ a A license to conduct  
22 bingo issued to a nonprofit organization holding a certificate  
23 of exemption under section 501(c)(5), (c)(8), (c)(10), or (c)(19)  
24 of the Internal Revenue Code or any volunteer fire company or  
25 volunteer first-aid, rescue, ambulance, or emergency squad and

1 any license issued to a utilization-of-funds member or gaming  
2 manager for such nonprofit organization or volunteer fire company  
3 or volunteer first-aid, rescue, ambulance, or emergency squad shall  
4 be a ~~biennial license~~, shall expire on September 30 of each  
5 even-numbered year or on such other date as the department may  
6 prescribe by rule and regulation.  ~~and may be renewed biennially.~~  
7 The biennial license fee for a utilization-of-funds member shall  
8 be forty dollars and the biennial license fee for a gaming manager  
9 shall be one hundred dollars.

10 (4) ~~Commencing October 1, 2001, A license issued to a~~  
11 ~~commercial lessor license shall be a biennial license~~, shall expire  
12 on September 30 of each odd-numbered year or on such other date as  
13 the department may prescribe by rule and regulation.  ~~and may be~~  
14 ~~renewed biennially.~~

15 Sec. 4. Section 9-233, Revised Statutes Cumulative  
16 Supplement, 2006, is amended to read:

17 9-233 (1) The department may issue an applicant  
18 organization one of the following classes of bingo licenses:

19 (a) A Class I license which shall include organizations  
20 with gross receipts from the conduct of bingo which are less than  
21 one hundred thousand dollars per twelve-month period commencing  
22 October 1 of each year or such other date as the department may  
23 prescribe by rule and regulation; or

24 (b) A Class II license which shall include organizations  
25 with gross receipts from the conduct of bingo equal to or

1 greater than one hundred thousand dollars per twelve-month period  
2 commencing October 1 of each year or such other date as the  
3 department may prescribe by rule and regulation.

4 (2) For purposes of this section, when bingo occasions  
5 are conducted on a joint basis by two or more licensed  
6 organizations, the class of license required shall be determined  
7 based upon the combined gross receipts of all licensed  
8 organizations involved in the conduct of the bingo occasion.

9 ~~(3)(a) Except as otherwise provided in this subsection,~~  
10 ~~a fee of fifteen~~ (3) A biennial fee of thirty dollars shall be  
11 charged for a Class I license, and a biennial fee of fifty one  
12 hundred dollars shall be charged for a Class II license.

13 ~~(b) Commencing October 1, 2001, a biennial license fee of~~  
14 ~~thirty dollars shall be charged for a Class I license issued to~~  
15 ~~a nonprofit organization holding a certificate of exemption under~~  
16 ~~section 501(c)(3) or (c)(4) of the Internal Revenue Code, and a~~  
17 ~~biennial license fee of one hundred dollars shall be charged for~~  
18 ~~a Class II license issued to a nonprofit organization holding a~~  
19 ~~certificate of exemption under section 501(c)(3) or (c)(4) of the~~  
20 ~~Internal Revenue Code.~~

21 ~~(c) Commencing October 1, 2002, a biennial license fee of~~  
22 ~~thirty dollars shall be charged for a Class I license issued to~~  
23 ~~a nonprofit organization holding a certificate of exemption under~~  
24 ~~section 501(c)(5), (c)(8), (c)(10), or (c)(19) of the Internal~~  
25 ~~Revenue Code or any volunteer fire company or volunteer first-aid,~~

1 ~~rescue, ambulance, or emergency squad, and a biennial license~~  
2 ~~fee of one hundred dollars shall be charged for a Class II~~  
3 ~~license issued to a nonprofit organization holding a certificate~~  
4 ~~of exemption under section 501(c)(5), (c)(8), (c)(10), or (c)(19)~~  
5 ~~of the Internal Revenue Code or any volunteer fire company or~~  
6 ~~volunteer first-aid, rescue, ambulance, or emergency squad.~~

7 (4) The department shall adopt and promulgate rules and  
8 regulations to establish reporting requirements for each class of  
9 license issued.

10 Sec. 5. Section 9-239, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 9-239 (1) The department shall collect a state tax of  
13 three percent on the gross receipts received from the conducting  
14 of bingo within the state. The tax shall be remitted to the  
15 department. The department shall remit the tax to the State  
16 Treasurer for credit to the Charitable Gaming Operations Fund. The  
17 tax shall be remitted quarterly, not later than thirty days after  
18 the close of the preceding quarter, together with any other reports  
19 as may be required by the department.

20 ~~(2) Until January 1, 1999, any city or village is hereby~~  
21 ~~directed to impose a tax of one percent on the gross receipts~~  
22 ~~received from the conducting of bingo within such city or village.~~  
23 ~~Until January 1, 1999, where bingo is conducted on an excursion~~  
24 ~~or dinner train or outside the limits of any incorporated city~~  
25 ~~or village, the county in which such bingo is conducted shall~~

1 impose a tax of one percent on the gross receipts from the  
 2 conducting of bingo on an excursion or dinner train or outside  
 3 the corporate limits of such city or village. Such tax shall be  
 4 credited to the general fund of the county, city, or village which  
 5 issued a permit for the conducting of bingo pursuant to section  
 6 9-236. Such tax shall be remitted to the clerk of the political  
 7 subdivision imposing the tax, and the clerk shall remit the tax  
 8 to the treasurer of such subdivision. The tax shall be remitted  
 9 quarterly, not later than thirty days after the close of the  
 10 preceding quarter, together with such reports as may be required  
 11 by the political subdivision imposing the tax. The proceeds from  
 12 the tax shall be used to pay for the costs of regulation and  
 13 enforcement of the Nebraska Bingo Act.

14 ~~(3)~~ (2) Unless otherwise provided in the act, Nebraska  
 15 Bingo Act, no occupation tax on any receipts derived from the  
 16 conduct of bingo shall be levied, assessed, or collected from any  
 17 licensee under the act by any county, township, district, city,  
 18 village, or other governmental subdivision or body having power to  
 19 levy, assess, or collect such tax.

20 Sec. 6. Section 9-241.03, Revised Statutes Cumulative  
 21 Supplement, 2006, is amended to read:

22 9-241.03 (1) Irrespective of the number of organizations  
 23 authorized to hold bingo occasions within a premises:

24 (a) No more than two bingo occasions per calendar week  
 25 shall be held within a premises except as otherwise provided in

1 subsection (3) of this section; and

2 (b) No more than four limited period bingos with an  
3 aggregate of no more than twelve days per twelve-month period  
4 commencing October 1 of each year or such other date as the  
5 department may prescribe by rule and regulation and no more than  
6 two special event bingos with an aggregate of no more than fourteen  
7 days per calendar year shall be held within a premises.

8 (2) Bingo occasions held as part of a limited period  
9 bingo or special event bingo, or a bingo occasion that was canceled  
10 due to an act of God and rescheduled pursuant to section 9-241.02,  
11 shall not be counted in determining whether the use of a premises  
12 is in compliance with subdivision (1)(a) of this section.

13 (3) Notwithstanding the restriction contained in  
14 subdivision (1)(a) of this section, the department may authorize  
15 more than two bingo occasions per calendar week to be held  
16 within a premises if a licensed organization or commercial lessor  
17 can demonstrate in writing to the department that utilizing  
18 the premises for the conduct of bingo more than two times per  
19 calendar week will result in a cost savings for each of the  
20 licensed organizations who would be utilizing the premises. If the  
21 department authorizes a premises to be used more than two times  
22 per calendar week, the department shall not permit more than one  
23 bingo occasion per calendar day to be held in a premises except  
24 when one of the occasions is a limited period bingo or a special  
25 event bingo.

1           Sec. 7. Section 9-255.06, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           9-255.06 (1) An individual, partnership, limited  
4 liability company, corporation, or organization which will be  
5 leasing a premises to one or more organizations for the conduct of  
6 bingo and which will receive more than two hundred fifty dollars  
7 per month as aggregate total rent from leasing such premises for  
8 the conduct of bingo shall first obtain a commercial lessor's  
9 license from the department. The license shall be applied for on a  
10 form prescribed by the department and shall contain:

11           (a) The name and home address of the applicant;

12           (b) If the applicant is an individual, the applicant's  
13 social security number;

14           (c) If the applicant is not a resident of this state or  
15 is not a corporation, the full name, business address, and home  
16 address of a natural person, at least nineteen years of age, who is  
17 a resident of and living in this state designated by the applicant  
18 as a resident agent for the purpose of receipt and acceptance  
19 of service of process and other communications on behalf of the  
20 applicant;

21           (d) A designated mailing address and legal description of  
22 the premises intended to be covered by the license sought;

23           (e) The lawful capacity of the premises for public  
24 assembly purposes;

25           (f) The amount of rent to be paid or other consideration

1 to be given directly or indirectly for each bingo occasion to be  
2 conducted; and

3 (g) Any other information which the department deems  
4 necessary.

5 ~~(2)(a) Except as otherwise provided in this subsection,~~  
6 ~~an~~ (2) An application for a commercial lessor's license shall be  
7 accompanied by a biennial fee of ~~one~~ two hundred dollars for each  
8 premises the applicant is seeking to lease pursuant to subsection  
9 (1) of this section. A commercial lessor who desires to lease more  
10 than one premises for the conduct of bingo shall file a separate  
11 application and pay a separate fee for each such premises.

12 ~~(b) Commencing October 1, 2001, the biennial license fee~~  
13 ~~for a commercial lessor shall be two hundred dollars for each~~  
14 ~~premises the applicant is seeking to lease pursuant to subsection~~  
15 ~~(1) of this section.~~

16 (3) The information required by this section shall be  
17 kept current. The commercial lessor shall notify the department  
18 within thirty days of any changes to the information contained on  
19 or with the application.

20 (4) A commercial lessor who will be leasing or renting  
21 bingo equipment in conjunction with his or her premises shall  
22 obtain such equipment only from a licensed distributor, except  
23 that a commercial lessor shall not purchase or otherwise obtain  
24 disposable paper bingo cards from any source.

25 (5) A commercial lessor, the owner of a premises, and

1 all parties who lease or sublease a premises which ultimately is  
2 leased to an organization for the conduct of bingo shall not be  
3 involved directly with the conduct of any bingo occasion regulated  
4 by the Nebraska Bingo Act which may include, but not be limited to,  
5 the managing, operating, promoting, advertising, or administering  
6 of bingo. Such persons shall not derive any financial gain from  
7 any gaming activities regulated by Chapter 9 except as provided  
8 in subsection (4) of section 9-347 if the individual is licensed  
9 as a pickle card operator, if the individual is licensed as a  
10 lottery operator or authorized sales outlet location pursuant to  
11 the Nebraska County and City Lottery Act, or if the individual is  
12 contracted with as a lottery game retailer pursuant to the State  
13 Lottery Act.

14 (6) A nonprofit organization owning its own premises  
15 which in turn rents or leases its premises solely to its own  
16 auxiliary shall be exempt from the licensing requirements contained  
17 in this section.

18 Sec. 8. Section 9-266, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 9-266 (1) Except in accordance with a proper judicial  
21 order or as otherwise provided by this section or other law, it  
22 shall be a Class I misdemeanor for the Tax Commissioner or any  
23 employee or agent of the Tax Commissioner to make known, in any  
24 manner whatsoever, the contents of any reports or records submitted  
25 by a licensed distributor or manufacturer or the contents of any

1 personal history reports submitted by any licensee or license  
2 applicant to the department pursuant to the Nebraska Bingo Act and  
3 any rules and regulations adopted and promulgated pursuant to such  
4 act.

5 (2) Nothing in this section shall be construed to  
6 prohibit (a) the delivery to a licensee, his or her duly authorized  
7 representative, or his or her successors, receivers, trustees,  
8 personal representatives, administrators, assignees, or guarantors,  
9 if directly interested, a certified copy of any report or record,  
10 (b) the publication of statistics so classified as to prevent  
11 the identification of particular reports or records, (c) the  
12 inspection by the Attorney General, a county attorney, or other  
13 legal representative of the state of reports or records submitted  
14 by a licensed distributor or manufacturer when information on  
15 the reports or records is considered by the Attorney General,  
16 county attorney, or other legal representative to be relevant to  
17 any action or proceeding instituted by the licensee or against  
18 whom an action or proceeding is being considered or has been  
19 commenced by any state agency or county, (d) the furnishing of any  
20 information to the United States Government or to states allowing  
21 similar privileges to the Tax Commissioner, (e) the disclosure of  
22 information and records to a collection agency contracting with  
23 the Tax Commissioner for the collection of delinquent taxes under  
24 the Nebraska Bingo Act, (f) the publication or disclosure of final  
25 administrative opinions and orders made by the Tax Commissioner

1 in the adjudication of license or permit denials, suspensions,  
2 cancellations, or revocations, (g) the release of any application,  
3 without the contents of any submitted personal history report  
4 or social security number, filed with the department to obtain  
5 a license or permit to conduct activities under the act, which  
6 shall be deemed a public record, (h) the release of any report  
7 filed pursuant to section 9-255.05 or any other report filed by  
8 a licensee pursuant to the act, which shall be deemed a public  
9 record, or (i) the notification of an applicant, a licensee, or  
10 a licensee's duly authorized representative of the existence of  
11 and the grounds for an administrative action to deny the license  
12 application of, to revoke, cancel, or suspend the license of,  
13 or to levy an administrative fine upon any agent or employee of  
14 the applicant, the licensee, or any other person upon whom the  
15 applicant or licensee relies to conduct activities authorized by  
16 the act.

17 (3) Nothing in this section shall prohibit the Tax  
18 Commissioner or any employee or agent of the Tax Commissioner  
19 from making known the names of persons, firms, or corporations  
20 licensed or issued a permit to conduct activities under the act,  
21 the locations at which such activities are conducted by licensees  
22 or permittees, or the dates on which such licenses or permits were  
23 issued.

24 (4) Notwithstanding subsection (1) of this section, the  
25 Tax Commissioner may permit the Postal Inspector of the United

1 States Postal Service or his or her delegates to inspect reports  
2 or records submitted by a licensed distributor or manufacturer  
3 pursuant to the act when information on the reports or records is  
4 relevant to any action or proceeding instituted or being considered  
5 by the United States Postal Service against such person for  
6 the fraudulent use of the mails to carry and deliver false and  
7 fraudulent tax returns to the Tax Commissioner with the intent to  
8 defraud the State of Nebraska or to evade the payment of Nebraska  
9 state taxes.

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

16 Sec. 9. Section 9-328, Revised Statutes Cumulative  
17 Supplement, 2006, is amended to read:

18 9-328 ~~(1)(a) Except as otherwise provided in this~~  
19 ~~subsection, all~~ (1) All licenses to conduct a lottery by the sale  
20 of pickle cards and licenses issued to utilization-of-funds members  
21 shall expire ~~on September 30 of each year or such other date as~~  
22 ~~the department may prescribe by rule and regulation and may be~~  
23 ~~renewed annually.~~ as provided in this section and may be renewed  
24 biennially. An application for license renewal shall be submitted  
25 to the department at least forty-five days prior to the expiration

1 date of the license unless such application only pertains to the  
2 conduct of a lottery by the sale of pickle cards at a special  
3 function as provided in section 9-345.01.

4 ~~(b) Commencing October 1, 2001, a (2) A license to~~  
5 conduct a lottery by the sale of pickle cards issued to a  
6 nonprofit organization holding a certificate of exemption under  
7 section 501(c)(3) or (c)(4) of the Internal Revenue Code and  
8 any license issued to a utilization-of-funds member for such  
9 nonprofit organization shall be a biennial license, shall expire  
10 on September 30 of each odd-numbered year or on such other  
11 date as the department may prescribe by rule and regulation. 7  
12 and may be renewed biennially. The biennial license fee for a  
13 utilization-of-funds member shall be forty dollars.

14 ~~(c) Commencing October 1, 2002, a (3) A license to~~  
15 conduct a lottery by the sale of pickle cards issued to a nonprofit  
16 organization holding a certificate of exemption under section  
17 501(c)(5), (c)(7), (c)(8), (c)(10), or (c)(19) of the Internal  
18 Revenue Code or any volunteer fire company or volunteer first-aid,  
19 rescue, ambulance, or emergency squad and any license issued to  
20 a utilization-of-funds member for such nonprofit organization or  
21 volunteer fire company or volunteer first-aid, rescue, ambulance,  
22 or emergency squad shall be a biennial license, shall expire  
23 on September 30 of each even-numbered year or on such other  
24 date as the department may prescribe by rule and regulation. 7  
25 and may be renewed biennially. The biennial license fee for a

1 ~~utilization-of-funds member shall be forty dollars.~~

2 ~~(2)~~ (4) The department shall establish classes of  
3 licenses for licensed organizations based upon the manner in which  
4 the licensed organization intends to sell the pickle cards. The  
5 classes shall include:

6 (a) Class I licenses which shall include organizations  
7 which sell individual pickle cards only at the organization's  
8 designated premises and at the organization's licensed regularly  
9 scheduled bingo occasions pursuant to the Nebraska Bingo Act; and

10 (b) Class II licenses which shall include organizations  
11 which sell the pickle cards on the premises of one or more licensed  
12 pickle card operators.

13 A licensed organization holding a Class II license shall  
14 be required to market and deliver its pickle cards by a licensed  
15 sales agent.

16 ~~(3)(a) Except as otherwise provided in this subsection,~~  
17 ~~a license fee of one~~ (5) A biennial license fee of two hundred  
18 ~~dollars shall be charged for each Class I license, one hundred~~  
19 ~~fifty~~ three hundred ~~dollars for each Class II license, and twenty~~  
20 forty ~~dollars for a license for each utilization-of-funds member.~~

21 ~~(b) Commencing October 1, 2001, a biennial license fee of~~  
22 ~~two hundred dollars shall be charged for a Class I license issued~~  
23 ~~to a nonprofit organization holding a certificate of exemption~~  
24 ~~under section 501(c)(3) or (c)(4) of the Internal Revenue Code, and~~  
25 ~~a biennial license fee of three hundred dollars shall be charged~~

1 for a Class II license issued to a nonprofit organization holding  
2 a certificate of exemption under section 501(c)(3) or (c)(4) of  
3 the Internal Revenue Code. Commencing October 1, 2002, a biennial  
4 license fee of two hundred dollars shall be charged for a Class  
5 I license issued to a nonprofit organization holding a certificate  
6 of exemption under section 501(c)(5), (c)(7), (c)(8), (c)(10),  
7 or (c)(19) of the Internal Revenue Code or any volunteer fire  
8 company or volunteer first-aid, rescue, ambulance, or emergency  
9 squad and a biennial license fee of three hundred dollars shall be  
10 charged for a Class II license issued to a nonprofit organization  
11 holding a certificate of exemption under section 501(c)(5), (c)(7),  
12 (c)(8), (c)(10), or (c)(19) of the Internal Revenue Code or any  
13 volunteer fire company or volunteer first-aid, rescue, ambulance,  
14 or emergency squad.

15 ~~(4)~~ (6) The department shall adopt and promulgate rules  
16 and regulations establishing reporting requirements for each class  
17 of license.

18 Sec. 10. Section 9-329, Revised Statutes Cumulative  
19 Supplement, 2006, is amended to read:

20 9-329 (1) Unless otherwise authorized by the department,  
21 no person shall market, sell, or deliver any pickle card unit to  
22 any pickle card operator without first obtaining a sales agent  
23 license.

24 (2) Any person wishing to operate as a sales agent in  
25 this state shall file an application with the department for a

1 license on a form prescribed by the department. Each application  
2 for a license shall include (a) the name, address, and social  
3 security number of the person applying for the license, (b) the  
4 name and state identification number of the licensed organization  
5 for which any pickle card units are to be marketed or sold by  
6 the applicant, and (c) such other information which the department  
7 deems necessary.

8 (3) A statement signed by the person licensed as  
9 a utilization-of-funds member signifying that such licensed  
10 organization approves the applicant to act as a sales agent  
11 on behalf of such organization shall accompany each sales  
12 agent's application for a license. No person licensed as a  
13 utilization-of-funds member shall be licensed as a sales agent.

14 (4) (a) ~~Except as otherwise provided in this subsection, a~~  
15 ~~fee of fifty~~ A biennial fee of one hundred dollars shall be charged  
16 for each license issued pursuant to this section. The department  
17 shall remit the proceeds from such fee to the State Treasurer  
18 for credit to the Charitable Gaming Operations Fund. Such licenses  
19 shall expire ~~on September 30 of each year or such other date which~~  
20 ~~the department may prescribe by rule and regulation and may be~~  
21 ~~renewed annually.~~ as prescribed in this section and may be renewed  
22 biennially. An application for license renewal shall be submitted  
23 to the department at least forty-five days prior to the expiration  
24 date of the license.

25 (b) ~~Commencing October 1, 2001,~~ a A sales agent license

1 issued to a person on behalf of a nonprofit organization holding a  
2 certificate of exemption under section 501(c)(3) or (c)(4) of the  
3 Internal Revenue Code shall be a ~~biennial license~~, shall expire  
4 on September 30 of each odd-numbered year or on such other date  
5 as the department may prescribe by rule and regulation. A ~~and~~  
6 ~~may be renewed biennially. The biennial license fee for a sales~~  
7 ~~agent shall be one hundred dollars. Commencing October 1, 2002, a~~  
8 sales agent license issued to a person on behalf of a nonprofit  
9 organization holding a certificate of exemption under section  
10 501(c)(5), (c)(7), (c)(8), (c)(10), or (c)(19) of the Internal  
11 Revenue Code or any volunteer fire company or volunteer first-aid,  
12 rescue, ambulance, or emergency squad shall be a ~~biennial license~~,  
13 ~~shall expire on September 30 of each even-numbered year or~~ on such  
14 other date as the department may prescribe by rule and regulation.  
15 ~~and may be renewed biennially. The biennial license fee for a~~  
16 ~~sales agent license shall be one hundred dollars.~~

17 (5) The information required by this section shall be  
18 kept current. A sales agent shall notify the department within  
19 thirty days if any information in the application is no longer  
20 correct and shall supply the correct information.

21 (6) The department may prescribe a separate application  
22 form for renewal purposes.

23 (7) The department may issue a temporary license pending  
24 receipt of additional information or further inquiry.

25 Sec. 11. Section 9-329.02, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2           9-329.02 (1) A pickle card operator shall not be eligible  
3 to sell individual pickle cards as opportunities to participate in  
4 a lottery by the sale of pickle cards without first obtaining a  
5 license.

6           (2) Any sole proprietorship, partnership, limited  
7 liability company, or corporation wishing to operate as a pickle  
8 card operator in this state shall file an application with the  
9 department for a license on a form prescribed by the department.  
10 Each application for a license shall include (a) the name, address,  
11 and state identification number of the sole proprietorship,  
12 partnership, limited liability company, or corporation applying  
13 for the license, (b) a description of the premises on which the  
14 pickle cards will be sold or offered for sale, (c) if the applicant  
15 is an individual, the applicant's social security number, and (d)  
16 such other information which the department deems necessary. The  
17 information required by this subsection shall be kept current. A  
18 pickle card operator shall notify the department within thirty days  
19 if any information in the application is no longer correct and  
20 shall supply the correct information.

21           ~~(3)(a) Except as otherwise provided in this subsection,~~  
22 ~~a fee of fifty~~ (3) A biennial fee of one hundred dollars shall  
23 be charged for each license issued pursuant to this section and  
24 shall be paid for by the applicant. A licensed organization shall  
25 not pay the required licensing fees of a pickle card operator

1 as an inducement for the pickle card operator to sell individual  
2 pickle cards on its behalf. ~~Except as otherwise provided in this~~  
3 ~~subsection, such~~ Such licenses shall expire on September 30 of each  
4 ~~year or~~ odd-numbered year or on such other date as the department  
5 may prescribe by rule and regulation and may be renewed ~~annually.~~  
6 biennially. The department shall remit the proceeds from such  
7 license fees to the State Treasurer for credit to the Charitable  
8 Gaming Operations Fund. An application for license renewal shall  
9 be submitted to the department at least sixty days prior to the  
10 expiration date of the license.

11 ~~(b) Commencing October 1, 2001, a pickle card operator~~  
12 ~~license shall be a biennial license, shall expire on September 30~~  
13 ~~of each odd-numbered year or such other date as the department may~~  
14 ~~prescribe by rule and regulation, and may be renewed biennially.~~  
15 ~~The biennial license fee for a pickle card operator shall be one~~  
16 ~~hundred dollars.~~

17 (4) One license issued to any sole proprietorship,  
18 partnership, limited liability company, or corporation under  
19 this section as a pickle card operator shall cover the sole  
20 proprietorship, partnership, limited liability company, or  
21 corporation and the employees of the licensed pickle card operator.  
22 Any license issued pursuant to this section shall be valid only for  
23 the sole proprietorship, partnership, limited liability company, or  
24 corporation in the name of which it was issued and shall allow the  
25 sale of individual pickle cards only on the premises described in

1 the pickle card operator's application for a license. A pickle card  
2 operator's license may not be transferred under any circumstances  
3 including change of ownership.

4 (5) The department may prescribe a separate application  
5 form for renewal purposes.

6 (6) A licensed pickle card operator shall not sell  
7 individual pickle cards on behalf of a licensed organization  
8 until an authorization has been obtained from the department  
9 by the licensed organization. The licensed organization shall  
10 file an application with the department for such authorization  
11 on a form prescribed by the department. Each application for  
12 an authorization shall include (a) the name, address, and state  
13 identification number of the licensed pickle card operator and (b)  
14 such other information which the department deems necessary. The  
15 application shall include a statement signed by a person licensed  
16 as a utilization-of-funds member signifying that such licensed  
17 organization approves the pickle card operator to sell individual  
18 pickle cards on behalf of such organization.

19 (7) A pickle card operator may sell individual pickle  
20 cards on behalf of more than one licensed organization. Each  
21 licensed organization for which the pickle card operator desires  
22 to sell individual pickle cards shall obtain the authorization  
23 described in subsection (6) of this section.

24 (8) A pickle card operator who sells individual pickle  
25 cards through a coin-operated or currency-operated dispensing

1 device shall purchase, lease, or rent its own equipment. If such  
2 equipment is obtained from a licensed organization or distributor,  
3 it shall be purchased, leased, or rented at a rate not less than  
4 fair market value. A licensed organization or distributor shall not  
5 provide such equipment to a pickle card operator free of charge or  
6 at a rate less than fair market value as an inducement for the  
7 pickle card operator to sell a licensed organization's individual  
8 pickle cards. The department may require a licensed organization,  
9 distributor, or pickle card operator to provide such documentation  
10 as the department deems necessary to verify that a pickle card  
11 operator has purchased, leased, or rented the equipment for a rate  
12 not less than fair market value.

13 (9) No pickle card operator shall generate revenue from  
14 the sale of individual pickle cards which exceeds the revenue  
15 generated from other retail sales on an annual basis. For  
16 purposes of this subsection, retail sales shall not include revenue  
17 generated from other charitable gaming activities authorized by  
18 Chapter 9.

19 Sec. 12. Section 9-356, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 9-356 (1) Except in accordance with a proper judicial  
22 order or as otherwise provided by this section or other law, it  
23 shall be a Class I misdemeanor for the Tax Commissioner or any  
24 employee or agent of the Tax Commissioner to make known, in any  
25 manner whatsoever, the contents of any tax return or any reports or

1 records submitted by a licensed distributor or manufacturer or the  
2 contents of any personal history reports submitted by any licensee  
3 or license applicant to the department pursuant to the Nebraska  
4 Pickle Card Lottery Act and any rules and regulations adopted and  
5 promulgated pursuant to such act.

6 (2) Nothing in this section shall be construed to  
7 prohibit (a) the delivery to a taxpayer, licensee, or his or her  
8 duly authorized representative or his or her successors, receivers,  
9 trustees, executors, administrators, assignees, or guarantors, if  
10 directly interested, a certified copy of any tax return or report  
11 or record, (b) the publication of statistics so classified as to  
12 prevent the identification of particular tax returns or reports  
13 or records, (c) the inspection by the Attorney General, a county  
14 attorney, or other legal representative of the state of tax returns  
15 or reports or records submitted by a licensed distributor or  
16 manufacturer when information on the tax returns or reports or  
17 records is considered by the Attorney General, county attorney,  
18 or other legal representative to be relevant to any action or  
19 proceeding instituted by the taxpayer or licensee or against  
20 whom an action or proceeding is being considered or has been  
21 commenced by any state agency or county, (d) the furnishing of any  
22 information to the United States Government or to states allowing  
23 similar privileges to the Tax Commissioner, (e) the disclosure of  
24 information and records to a collection agency contracting with the  
25 Tax Commissioner for the collection of delinquent taxes under the

1 Nebraska Pickle Card Lottery Act, (f) the publication or disclosure  
2 of final administrative opinions and orders made by the Tax  
3 Commissioner in the adjudication of license denials, suspensions,  
4 cancellations, or revocations or the levying of fines, (g) the  
5 release of any application, without the contents of any submitted  
6 personal history report or social security number, filed with the  
7 department to obtain a license to conduct activities under the  
8 act, which shall be deemed a public record, (h) the release of any  
9 report filed pursuant to section 9-349 or any other report filed  
10 by a licensed organization, sales agent, or pickle card operator  
11 pursuant to the act, which shall be deemed a public record, or  
12 (i) the notification of an applicant, a licensee, or a licensee's  
13 duly authorized representative of the existence of and the grounds  
14 for any administrative action to deny the license application of,  
15 to revoke, cancel, or suspend the license of, or to levy an  
16 administrative fine upon any agent or employee of the applicant,  
17 the licensee, or any other person upon whom the applicant or  
18 licensee relies to conduct activities authorized by the act.

19 (3) Nothing in this section shall prohibit the Tax  
20 Commissioner or any employee or agent of the Tax Commissioner from  
21 making known the names of persons, firms, or corporations licensed  
22 to conduct activities under the act, the locations at which such  
23 activities are conducted by license holders, or the dates on which  
24 such licenses were issued.

25 (4) Notwithstanding subsection (1) of this section, the

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

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

18 Sec. 13. Section 9-424, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 9-424 (1) Each applicant for a license to conduct a  
21 lottery or raffle shall file with the department an application  
22 on a form prescribed by the department. Each application shall  
23 include:

24 (a) The name and address of the applicant and, if the  
25 applicant is an individual, his or her social security number;

1           (b) Sufficient facts relating to the incorporation or  
2 organization of the applicant to enable the department to determine  
3 if the applicant is eligible for a license under section 9-423;

4           (c) The name and address of each officer of the applicant  
5 organization;

6           (d) The name, address, social security number, date of  
7 birth, and years of membership of a bona fide and active member of  
8 the applicant organization to be licensed as a utilization-of-funds  
9 member. Such person shall have been an active and bona fide member  
10 of the applicant organization for at least one year preceding  
11 the date the application is filed with the department unless  
12 the applicant organization can provide evidence that the one-year  
13 requirement would impose an undue hardship on the organization.  
14 Such person shall sign a sworn statement indicating that he or she  
15 agrees to comply with all provisions of the Nebraska Lottery and  
16 Raffle Act and all rules and regulations adopted pursuant to the  
17 act, that no commission, fee, rent, salary, profits, compensation,  
18 or recompense will be paid to any person or organization except  
19 payments authorized by the act, and that all net profits will be  
20 spent only for lawful purposes. The department may prescribe a  
21 separate application for such license;

22           (e) A roster of members, if the department deems it  
23 necessary and proper;

24           (f) Other information which the department deems  
25 necessary; and

1           (g) A ~~fifteen-dollar~~ thirty-dollar biennial license fee  
2 for the organization and a ~~twenty-dollar~~ forty-dollar biennial  
3 license fee for each utilization-of-funds member.

4           (2) The information required by this section shall be  
5 kept current. An organization shall notify the department within  
6 thirty days if any information in the application is no longer  
7 correct and shall supply the correct information.

8           Sec. 14. Section 9-425, Revised Statutes Cumulative  
9 Supplement, 2006, is amended to read:

10           9-425 (1) ~~Except as otherwise provided in this section,~~  
11 ~~all~~ All licenses to conduct a lottery or raffle and licenses issued  
12 to utilization-of-funds members shall expire ~~on September 30 of~~  
13 ~~each year or such other date as the department may prescribe by~~  
14 ~~rule and regulation and may be renewed annually.~~ as provided in  
15 this section and may be renewed biennially. An application for  
16 license renewal shall be submitted to the department at least  
17 thirty days prior to the starting date of the first lottery  
18 or raffle ticket sales for the ~~license year.~~ biennial licensing  
19 period. The department may issue a temporary license prior to  
20 receiving all necessary information from the applicant.

21           (2) ~~Commencing October 1, 2001,~~ a A license to conduct  
22 a lottery or raffle issued to a nonprofit organization holding  
23 a certificate of exemption under section 501(c)(3) or (c)(4)  
24 of the Internal Revenue Code and any license issued to a  
25 utilization-of-funds member for such nonprofit organization shall

1 ~~be a biennial license,~~ shall expire on September 30 of each  
2 odd-numbered year or on such other date as the department may  
3 prescribe by rule and regulation. A ~~and may be renewed~~  
4 ~~biennially. An organization seeking to renew its license must~~  
5 ~~submit its application for renewal at least thirty days prior~~  
6 ~~to the date the organization intends to begin selling lottery or~~  
7 ~~raffle tickets in the new biennial licensing period. The biennial~~  
8 ~~license fee to conduct a lottery or raffle shall be thirty dollars~~  
9 ~~and the biennial license fee for a utilization-of-funds member~~  
10 ~~shall be forty dollars. Commencing October 1, 2002,~~ a license to  
11 conduct a lottery or raffle issued to a nonprofit organization  
12 holding a certificate of exemption under section 501 of the  
13 Internal Revenue Code, other than a nonprofit organization holding  
14 a certificate of exemption under section 501(c)(3) or (c)(4) of  
15 the code, or any volunteer fire company or volunteer first-aid,  
16 rescue, ambulance, or emergency squad, and any license issued to  
17 a utilization-of-funds member for such nonprofit organization or  
18 volunteer fire company or volunteer first-aid, rescue, ambulance,  
19 or emergency squad shall ~~be a biennial license,~~ shall expire on  
20 September 30 of each even-numbered year or on such other date as  
21 the department may prescribe by rule and regulation. and may be  
22 ~~renewed biennially. An organization seeking to renew its license~~  
23 ~~must submit its application for renewal at least thirty days prior~~  
24 ~~to the date the organization intends to begin selling lottery or~~  
25 ~~raffle tickets in the new biennial licensing period. The biennial~~

1 ~~license fee to conduct a lottery or raffle shall be thirty dollars~~  
2 ~~and the biennial license fee for a utilization-of-funds member~~  
3 ~~shall be forty dollars.~~

4           Sec. 15. Section 77-366, Revised Statutes Cumulative  
5 Supplement, 2006, is amended to read:

6           77-366 (1) The Tax Commissioner shall appoint or employ  
7 deputies, investigators, inspectors, agents, security personnel,  
8 and other persons as he or she deems necessary to administer and  
9 effectively enforce all provisions of the revenue laws of this  
10 state. The appointed personnel shall hold office at the pleasure  
11 of the Tax Commissioner. Any appointed or employed personnel shall  
12 perform the duties assigned by the Tax Commissioner.

13           (2) All personnel appointed or employed by the Tax  
14 Commissioner shall be bonded or insured as required by section  
15 11-201. As specified by the Tax Commissioner, certain personnel  
16 shall be vested with the authority and power of a law enforcement  
17 officer to carry out the laws of this state administered by the  
18 Tax Commissioner or the Department of Revenue and to enforce  
19 sections 28-1101 to 28-1117 relating to possession of a gambling  
20 device. Such personnel shall be empowered to arrest with or  
21 without a warrant, file and serve any lien, seize property, serve  
22 and return a summons, warrant, or subpoena issued by the Tax  
23 Commissioner, collect taxes, and bring an offender before any court  
24 with jurisdiction in this state, except that such personnel shall  
25 not be authorized to carry weapons or enforce any laws other than

1 laws administered by the Tax Commissioner or the Department of  
2 Revenue and sections 28-1101 to 28-1117 relating to possession of a  
3 gambling device.

4 (3) Subsection (2) of this section shall not be construed  
5 to restrict any other law enforcement officer of this state from  
6 enforcing any state law, revenue or otherwise.

7 Sec. 16. Original sections 9-239, 9-266, 9-356, and  
8 9-424, Reissue Revised Statutes of Nebraska, and sections  
9 9-1,101, 9-232.01, 9-232.02, 9-233, 9-241.03, 9-255.06, 9-328,  
10 9-329, 9-329.02, 9-425, and 77-366, Revised Statutes Cumulative  
11 Supplement, 2006, are repealed.

12 Sec. 17. The following sections are outright repealed:  
13 Sections 9-236 and 9-322.03, Reissue Revised Statutes of Nebraska.