

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB541

Chairperson: Senator Tyson Larson

Committee: General Affairs

Date of Hearing: February 06, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 541 makes changes to the Nebraska Lottery and Raffle Act which governs lotteries and raffles that are conducted by non-profit organizations, volunteer fire companies or volunteer first-aid, rescue, ambulance or emergency squads. The bill changes the Act to reflect 2017 dollar amounts and practices of non-profit fundraising events in three areas:

1) Eligibility, Licensing and Tax Requirements

-Current law requires any 501(c)(3) who is conducting a lottery or raffle to obtain a license and be subject to the Act if the lottery exceeds \$1,000 in proceeds or the raffle exceeds \$5,000 in proceeds. LB 541 would raise these amounts to \$2,500 and \$20,000 respectively. This threshold change would also raise the amounts that trigger the requirement for when these non-profit organizations pay a 2% tax to the Department of Revenue on the proceeds of their lotteries and raffles.

2) Prizes

-Currently, the Lottery and Raffle Act specifies that unless the organization receives a special permit from the Department of Revenue, at least 65% of the proceeds of both a lottery or a raffle must be used for prizes. LB 541 moves this amount to 45% so that the "split the pot" lotteries that organizations use to award the winner 50% of the proceeds are occurring lawfully without the organization first obtaining a special permit.

3) Special Permits

-Should a special permit be needed, Section 3 of LB 541 enables organizations to have more flexibility in their fundraising efforts by providing an option for special permit periods; LB 541 allows for two ninety-day special permits, or one one-hundred eighty-day special permit. Finally, LB 541 raises the permit fee from \$10 to \$50 to bring the fee more in line with today's dollar.

Principal Introducer: _____

Senator Dan Quick