

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 561**

FINAL READING  
(THIRD)

Introduced by Briese, 41.

Read first time January 19, 2021

Committee: General Affairs

1 A BILL FOR AN ACT relating to gambling; to amend sections 2-1201.01,  
2 2-1202, 2-1203.02, 2-1204, 2-1207.01, 2-1208.03, 2-1208.04, 2-1209,  
3 2-1211, 2-1213, 2-1215, 2-1217, 2-1219, 2-1224, 2-1225, 2-1244,  
4 2-1246, 2-1247, 77-382, and 84-710, Reissue Revised Statutes of  
5 Nebraska, sections 2-1201, 2-1203, 2-1207, 2-1208, 2-1216, 2-1221,  
6 2-1222, and 13-3102, Revised Statutes Cumulative Supplement, 2020,  
7 section 77-2704.20, Reissue Revised Statutes of Nebraska, as amended  
8 by section 11, Initiative Law 2020, No. 430, section 2-1203.01,  
9 Revised Statutes Cumulative Supplement, 2018, as amended by section  
10 7, Initiative Law 2020, No. 430, sections 1, 3, 5, and 6, Initiative  
11 Law 2020, No. 430, and sections 2, 5, 6, and 7, Initiative Law 2020,  
12 No. 431; to rename the State Racing Commission; to change membership  
13 provisions and powers and duties of the State Racing Commission; to  
14 change provisions relating to wagering on horseracing and penalties;  
15 to rename a fund; to provide regulatory authority of authorized  
16 games of chance, create a fund, and provide penalties under the  
17 Nebraska Racetrack Gaming Act; to authorize sports wagering; to  
18 change gaming tax provisions and change and provide enforcement and  
19 penalty provisions; to harmonize provisions; to repeal the original  
20 sections; and to declare an emergency.  
21 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-1201, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 2-1201 (1) There hereby is created a State Racing and Gaming  
4 Commission. For purposes of sections 2-1201 to 2-1229, commission means  
5 the State Racing and Gaming Commission.

6 ~~(2) Until July 15, 2010, the commission shall consist of three~~  
7 ~~members who shall be appointed by the Governor and subject to~~  
8 ~~confirmation by a majority of the members elected to the Legislature and~~  
9 ~~may be for cause removed by the Governor. One member shall be appointed~~  
10 ~~each year for a term of three years. The members shall serve until their~~  
11 ~~successors are appointed and qualified.~~

12 (2) The ~~(3) On and after July 15, 2010,~~ the commission shall consist  
13 of seven ~~five~~ members who shall be appointed by the Governor and subject  
14 to confirmation by a majority of the members elected to the Legislature  
15 and may be for cause removed by the Governor. One member of the  
16 commission shall be appointed from each congressional district, as such  
17 districts existed on January 1, 2010, and four ~~two~~ members of the  
18 commission shall be appointed at large for terms as follows:

19 (a) The member representing the second congressional district who is  
20 appointed on or after April 1, 2010, shall serve until March 31, 2014,  
21 and until his or her successor is appointed and qualified. Thereafter the  
22 term of the member representing such district shall be four years and  
23 until his or her successor is appointed and qualified;

24 (b) The member representing the third congressional district who is  
25 appointed on or after April 1, 2011, shall serve until March 31, 2015,  
26 and until his or her successor is appointed and qualified. Thereafter the  
27 term of the member representing such district shall be four years and  
28 until his or her successor is appointed and qualified;

29 (c) The member representing the first congressional district who is  
30 appointed on or after April 1, 2012, shall serve until March 31, 2016,  
31 and until his or her successor is appointed and qualified. Thereafter the

1 term of the member representing such district shall be four years and  
2 until his or her successor is appointed and qualified;

3 (d) Not later than sixty days after July 15, 2010, the Governor  
4 shall appoint one at-large member who shall serve until March 31, 2013,  
5 and until his or her successor is appointed and qualified. Thereafter the  
6 term of such member shall be four years and until his or her successor is  
7 appointed and qualified;~~and~~

8 (e) Not later than sixty days after July 15, 2010, the Governor  
9 shall appoint one at-large member who shall serve until March 31, 2014,  
10 and until his or her successor is appointed and qualified. Thereafter the  
11 term of such member shall be four years and until his or her successor is  
12 appointed and qualified; and -

13 (f) Not later than sixty days after the effective date of this act,  
14 the Governor shall appoint two additional at-large members who shall  
15 serve until March 31, 2025, and until their successors are appointed and  
16 qualified. One of such members shall have experience in the Nebraska  
17 gaming industry, and one shall be a member of the organization  
18 representing the majority of licensed owners and trainers of horses at  
19 racetracks in Nebraska. Thereafter the terms of such at-large members  
20 shall be four years and until their successors are appointed and  
21 qualified.

22 (3) ~~(4)~~ Not more than four ~~three~~ members of the commission shall  
23 belong to the same political party. No more than three ~~two~~ of the members  
24 shall reside, when appointed, in the same congressional district. No more  
25 than two of the members shall reside in any one county. Any vacancy shall  
26 be filled by appointment by the Governor for the unexpired term. The  
27 compensation of the members of the commission shall be one thousand  
28 dollars per month, which may be adjusted every two years in an amount not  
29 to exceed the change in the Consumer Price Index for Urban Wage Earners  
30 and Clerical Workers for the period between June 30 of the first year to  
31 June 30 of the year of adjustment. The members shall serve without

1 ~~compensation~~ but shall be reimbursed for expenses incurred in the  
2 performance of their duties as provided in sections 81-1174 to 81-1177.  
3 The members of the commission shall be bonded or insured as required by  
4 section 11-201.

5 (4) No member shall have any personal financial interest in any  
6 licensed racetrack enclosure or authorized gaming operator as defined in  
7 the Nebraska Racetrack Gaming Act for the duration of the member's term.

8 Sec. 2. Section 2-1201.01, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 2-1201.01 The purpose of the commission ~~State Racing Commission~~ is  
11 to provide statewide regulation of horseracing and games of chance as  
12 defined in the Nebraska Racetrack Gaming Act in order to prevent and  
13 eliminate corrupt practices and fraudulent behavior, and thereby maintain  
14 a high level of integrity and honesty in the horseracing industry of  
15 Nebraska and the operation of games of chance in Nebraska, and to insure  
16 that all funds received by the commission are properly distributed.

17 Sec. 3. Section 2-1202, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 2-1202 (1) The commission shall elect one of its members to be  
20 chairperson ~~chairman~~ thereof, and it shall be authorized to employ an  
21 executive director ~~a secretary~~ and such other assistants and employees as  
22 may be necessary to carry out the purposes of sections 2-1201 to 2-1218,  
23 the Nebraska Racetrack Gaming Act, and sections 1 to 8 of Initiative Law  
24 2020, No. 431, and section 42 of this act. Such executive director  
25 secretary shall have no other official duties. The executive director  
26 secretary shall keep a record of the proceedings of the commission,  
27 preserve the books, records, and documents entrusted to the executive  
28 director ~~his care~~, and perform such other duties as the commission shall  
29 prescribe; and the commission shall require the executive director  
30 secretary to give bond in such sum as it may fix, conditioned for the  
31 faithful performance of the his duties of the executive director. The

1 commission shall be authorized to fix the compensation of the executive  
2 director ~~its secretary~~, and also the compensation of its other employees,  
3 subject to the approval of the Governor. The commission shall have an  
4 office at such place within the state as it may determine, and shall meet  
5 at such times and places as it shall find necessary and convenient for  
6 the discharge of its duties.

7 (2) The commission shall appoint or employ deputies, investigators,  
8 inspectors, agents, security personnel, and other persons as deemed  
9 necessary to administer and effectively enforce the regulation of  
10 horseracing, the Nebraska Racetrack Gaming Act, sections 1 to 8 of  
11 Initiative Law 2020, No. 431, and section 42 of this act. Any appointed  
12 or employed personnel shall perform the duties assigned by the  
13 commission.

14 (3) All personnel appointed or employed by the commission shall be  
15 bonded or insured as required by section 11-201. As specified by the  
16 commission, certain personnel shall be vested with the authority and  
17 power of a law enforcement officer to carry out the laws of this state  
18 administered by the commission.

19 Sec. 4. Section 2-1203, Revised Statutes Cumulative Supplement,  
20 2020, is amended to read:

21 2-1203 The commission ~~State Racing Commission~~ shall have power to  
22 prescribe and enforce rules and regulations governing horseraces and race  
23 meetings licensed as provided in sections 2-1201 to 2-1229 and games of  
24 chance as provided in the Nebraska Racetrack Gaming Act. Such rules and  
25 regulations shall contain criteria to be used by the commission for  
26 decisions on approving and revoking track licenses and setting racing  
27 dates.

28 The commission may revoke or suspend licenses issued to racing  
29 industry participants and may, in lieu of or in addition to such  
30 suspension or revocation, impose a fine in an amount not to exceed five  
31 thousand dollars upon a finding that a rule or regulation has been

1 violated by a licensed racing industry participant. The exact amount of  
2 the fine shall be proportional to the seriousness of the violation and  
3 the extent to which the licensee derived financial gain as a result of  
4 the violation.

5 The commission may delegate to a board of stewards such of the  
6 commission's powers and duties as may be necessary to carry out and  
7 effectuate the purposes of sections 2-1201 to 2-1229.

8 Any decision or action of such board of stewards may be appealed to  
9 the commission or may be reviewed by the commission on its own  
10 initiative. The board of stewards may impose a fine not to exceed fifteen  
11 hundred dollars upon a finding that a rule or regulation has been  
12 violated.

13 The commission shall remit administrative fines collected under this  
14 section to the State Treasurer for distribution in accordance with  
15 Article VII, section 5, of the Constitution of Nebraska.

16 Sec. 5. Section 2-1203.01, Revised Statutes Cumulative Supplement,  
17 2018, as amended by section 7, Initiative Law 2020, No. 430, is amended  
18 to read:

19 2-1203.01 The commission ~~State Racing Commission~~ shall:

20 (1) Enforce all state laws covering horseracing as required by  
21 sections 2-1201 to 2-1229 and enforce rules and regulations covering  
22 horseracing adopted and promulgated by the commission under the authority  
23 of section 2-1203;

24 (2) License racing industry participants, race officials, mutuel  
25 employees, concessionaires, and such other persons as deemed necessary by  
26 the commission if the license applicants meet eligibility standards  
27 established by the commission;

28 (3) Prescribe and enforce security provisions, including, but not  
29 limited to, the restricted access to areas within track enclosures and  
30 backstretch areas, and prohibitions against misconduct or corrupt  
31 practices;

1 (4) Determine or cause to be determined by chemical testing and  
2 analysis of body fluids whether or not any prohibited substance has been  
3 administered to the winning horse of each race and any other horse  
4 selected by the board of stewards;

5 (5) Verify the certification of horses registered as being Nebraska-  
6 bred under section 2-1213; and

7 (6) Collect and verify the amount of revenue received by the  
8 commission under section 2-1208. ~~;~~ and

9 ~~(7) Serve as ex officio members of the Nebraska Gaming Commission,~~  
10 ~~and perform the duties set forth in the Nebraska Racetrack Gaming Act.~~

11 Sec. 6. Section 2-1203.02, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 2-1203.02 (1) Any person applying for or holding a license to  
14 participate in or be employed at a horserace meeting licensed by the  
15 commission ~~State Racing Commission~~ shall be subject to fingerprinting and  
16 a check of his or her criminal history record information maintained by  
17 the Identification Division of the Federal Bureau of Investigation for  
18 the purpose of determining whether the commission has a basis to deny the  
19 license application or to suspend, cancel, or revoke the person's  
20 license, except that the commission shall not require a person to be  
21 fingerprinted if such person has been previously fingerprinted in  
22 connection with a license application in this state or any other state  
23 within the last five years prior to the application for such license. Any  
24 person involved in the administration or management of a racetrack,  
25 including the governing body, shall be subject to fingerprinting and a  
26 check of his or her criminal history record information maintained by the  
27 Identification Division of the Federal Bureau of Investigation. The  
28 applicant, licensee, or person involved in the administration or  
29 management of a racetrack shall pay the actual cost of any fingerprinting  
30 or check of his or her criminal history record information. The  
31 requirements of this subsection shall not apply to employees of

1 concessions who do not work in restricted-access areas, admissions  
2 employees whose duties involve only admissions ticket sales and  
3 verification or parking receipts sales and verification, and medical or  
4 emergency services personnel authorized to provide such services at the  
5 racetrack.

6 (2) If the applicant is an individual who is applying for a license  
7 to participate in or be employed at a horserace meeting, the application  
8 shall include the applicant's social security number.

9 Sec. 7. Section 2-1204, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 2-1204 The Nebraska State Fair Board, a county fair board, a county  
12 agricultural society for the improvement of agriculture organized under  
13 the County Agricultural Society Act, or a corporation or association of  
14 persons organized and carried on for civic purposes or which conducts a  
15 livestock exposition for the promotion of the livestock or horse-breeding  
16 industries of the state and which does not permit its members to derive  
17 personal profit from its activities by way of dividends or otherwise may  
18 apply to the commission ~~State Racing Commission~~ for a license to conduct  
19 horseracing at a designated place within the state. Such application  
20 shall be filed with the executive director ~~secretary~~ of the commission at  
21 least sixty days before the first day of the horserace meeting which such  
22 corporation or association proposes to hold or conduct, shall specify the  
23 day or days when and the exact location where it is proposed to conduct  
24 such racing, and shall be in such form and contain such information as  
25 the commission shall prescribe.

26 Sec. 8. Section 2-1207, Revised Statutes Cumulative Supplement,  
27 2020, is amended to read:

28 2-1207 (1) Within the enclosure of any racetrack where a race or  
29 race meeting licensed and conducted under sections 2-1201 to 2-1218 is  
30 held or at a racetrack licensed to simulcast races or conduct interstate  
31 simulcasting, the parimutuel method or system of wagering on the results



1 of the respective races may be used and conducted by the licensee. Under  
2 such system, the licensee may receive wagers of money from any person  
3 present at such race or racetrack receiving the simulcast race or  
4 conducting interstate simulcasting on any horse in a race selected by  
5 such person to run first in such race, and the person so wagering shall  
6 acquire an interest in the total money so wagered on all horses in such  
7 race as first winners in proportion to the amount of money wagered by him  
8 or her. Such licensee shall issue to each person so wagering a  
9 certificate on which shall be shown the number of the race, the amount  
10 wagered, and the number or name of the horse selected by such person as  
11 first winner. As each race is run, at the option of the licensee, the  
12 licensee may deduct from the total sum wagered on all horses as first  
13 winners not less than fifteen percent or more than eighteen percent from  
14 such total sum, plus the odd cents of the redistribution over the next  
15 lower multiple of ten. At the option of the licensee, the licensee may  
16 deduct up to and including twenty-five percent from the total sum wagered  
17 by exotic wagers as defined in section 2-1208.03. The commission State  
18 ~~Racing Commission~~ may authorize other levels of deduction on wagers  
19 conducted by means of interstate simulcasting. The licensee shall notify  
20 the commission in writing of the percentages the licensee intends to  
21 deduct during the live race meet conducted by the licensee and shall  
22 notify the commission at least one week in advance of any changes to such  
23 percentages the licensee intends to make. The licensee shall also deduct  
24 from the total sum wagered by exotic wagers, if any, the tax plus the odd  
25 cents of the redistribution over the next multiple of ten as provided in  
26 subsection (1) of section 2-1208.04. The balance remaining on hand shall  
27 be paid out to the holders of certificates on the winning horse in the  
28 proportion that the amount wagered by each certificate holder bears to  
29 the total amount wagered on all horses in such race to run first. The  
30 licensee may likewise receive such wagers on horses selected to run  
31 second, third, or both, or in such combinations as the commission may

1 authorize, the method, procedure, and authority and right of the  
2 licensee, as well as the deduction allowed to the licensee, to be as  
3 specified with respect to wagers upon horses selected to run first.

4 (2) At all race meets held pursuant to this section, the licensee  
5 shall deduct from the total sum wagered one-third of the amount over  
6 fifteen percent deducted pursuant to subsection (1) of this section on  
7 wagers on horses selected to run first, second, or third and one percent  
8 of all exotic wagers to be used to promote agriculture and horse breeding  
9 in Nebraska and for the support and preservation of horseracing pursuant  
10 to section 2-1207.01.

11 (3) No person under twenty-one ~~nineteen~~ years of age shall be  
12 permitted to make any parimutuel wager, and there shall be no wagering on  
13 horseracing except under the parimutuel method outlined in this section.  
14 Any person, association, or corporation who knowingly aids or abets a  
15 person under twenty-one ~~nineteen~~ years of age in making a parimutuel  
16 wager shall be guilty of a Class I ~~IV~~ misdemeanor.

17 Sec. 9. Section 2-1207.01, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 2-1207.01 The amount deducted from wagers pursuant to subsection (2)  
20 of section 2-1207 may be used to promote agriculture and horsebreeding in  
21 Nebraska and shall be distributed as purse supplements and breeder and  
22 stallion awards for Nebraska-bred horses, as defined and registered  
23 pursuant to section 2-1213, at the racetrack where the funds were  
24 generated, except that if a racetrack does not continue to conduct live  
25 race meets, amounts deducted may be distributed as purse supplements and  
26 breeder and stallion awards at racetracks that conduct live race meets  
27 and amounts deducted pursuant to a contract with the organization  
28 representing the majority of the licensed owners and trainers at the  
29 racetrack's most recent live race meet shall be used by that organization  
30 to promote live thoroughbred horseracing in the state or as purse  
31 supplements at racetracks that conduct live race meets in the state. Any

1 costs incurred by the commission ~~State Racing Commission~~ pursuant to this  
2 section and subsection (2) of section 2-1207 shall be separately  
3 accounted for and be deducted from such funds.

4 Sec. 10. Section 2-1208, Revised Statutes Cumulative Supplement,  
5 2020, is amended to read:

6 2-1208 For all race meetings, every corporation or association  
7 licensed under the provisions of sections 2-1201 to 2-1218 relating to  
8 horseracing shall pay the tax imposed by section 2-1208.01 and shall also  
9 pay to the commission ~~State Racing Commission~~ the sum of sixty-four one  
10 hundredths of one percent of the gross sum wagered by the parimutuel  
11 method at each licensed racetrack enclosure during the calendar year. For  
12 race meetings devoted principally to running live races, the licensee  
13 shall pay to the commission the sum of fifty dollars for each live racing  
14 day that the licensee serves as the host track for intrastate  
15 simulcasting and twenty-five dollars for any other live racing day.

16 No other license tax, permit tax, occupation tax, or excise tax or  
17 racing fee, except as provided in this section and in sections 2-1203 and  
18 2-1208.01, relating to horseracing shall be levied, assessed, or  
19 collected from any such licensee by the state or by any county, township,  
20 district, city, village, or other governmental subdivision or body having  
21 power to levy, assess, or collect any such tax or fee.

22 Sec. 11. Section 2-1208.03, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 2-1208.03 For purposes of sections 2-1208.03 and 2-1208.04, unless  
25 the context otherwise requires:

26 (1) Exotic wagers shall mean daily double, exacta, quinella,  
27 trifecta, pick six, and other similar types of bets which are approved by  
28 the commission ~~State Racing Commission~~;

29 (2) Gross exotic daily receipts shall mean the total sum of all  
30 money wagered, on a daily basis, by means of exotic wagers at race meets;

31 (3) Race meet shall mean any exhibition of racing of horses at which

1 the parimutuel or certificate method of wagering is used;

2 (4) Racetrack shall mean any racetrack licensed by the commission  
3 ~~State Racing Commission~~ to conduct race meets; and

4 (5) Recipient track shall mean a racetrack with a total annual  
5 parimutuel handle, based on the previous racing year, of twelve million  
6 dollars or less.

7 Sec. 12. Section 2-1208.04, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 2-1208.04 (1) Racetracks shall separately account for their gross  
10 exotic daily receipts. For all meets commencing after July 16, 1994, any  
11 racetrack that had for its previous race meet a total parimutuel handle  
12 of less than fifty million dollars shall withhold an amount equal to one-  
13 half of one percent of such receipts and any racetrack that had for its  
14 previous race meet a total parimutuel handle of fifty million dollars or  
15 more shall withhold an amount equal to one percent of such receipts,  
16 except that for all meets commencing on or after January 1, 1995, each  
17 racetrack shall withhold an amount equal to one-fourth of one percent of  
18 such receipts, which amount shall be deducted from purses at the  
19 withholding track. Such amount withheld shall be paid to the commission  
20 ~~State Racing Commission~~ on the last day of each month during each race  
21 meeting for deposit in the Track Distribution Fund, which fund is hereby  
22 created.

23 (2) The fund shall be distributed monthly to recipient racetracks  
24 which conduct wagering by the parimutuel method on thoroughbred  
25 horseracing. Such racetracks shall receive the percentage which the total  
26 number of days of horseraces run at such racetrack in the year of  
27 distribution bears to the total number of days of horseraces run at all  
28 such racetracks in the year of distribution. Before January 1, 1995, one-  
29 half of the amount received under this subsection by a racetrack shall be  
30 used to supplement purses at the track, and on and after January 1, 1995,  
31 the entire amount received by a racetrack shall be used to supplement

1 purses at the track.

2 (3) Any money in the Track Distribution Fund available for  
3 investment shall be invested by the state investment officer pursuant to  
4 the Nebraska Capital Expansion Act and the Nebraska State Funds  
5 Investment Act. Any money in the fund which is not distributed at the end  
6 of the calendar year shall be available for expenditure by the commission  
7 to defray its expenses pursuant to section 2-1209.

8 (4) The assessment required by this section shall be in addition to  
9 the assessments, taxes, and fees required by Chapter 2, article 12.

10 Sec. 13. Section 2-1209, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 2-1209 Out of the funds received pursuant to section 2-1208, the  
13 expenses of the commissioners, the compensation and reasonable expenses  
14 of the executive director ~~secretary~~, assistants, and employees, and the  
15 other reasonable expenses of the commission related to the regulation of  
16 horseracing ~~State Racing Commission~~, including suitable furniture,  
17 equipment, supplies, and office expenses, shall first be paid. The  
18 ~~commission shall maintain a reserve fund balance which shall not exceed~~  
19 ~~ten percent of the appropriation for the commission for the calendar~~  
20 ~~year. If the commission has unexpended funds in excess of its~~  
21 ~~appropriation and authorized reserve fund balance at the end of the~~  
22 ~~calendar year, such funds shall be credited to the General Fund. Sums~~  
23 paid out by the commission shall be subject to the general policy for  
24 disbursement of funds by agencies of the state, including regular audit.

25 Sec. 14. Section 2-1211, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 2-1211 Every corporation or association licensed under sections  
28 2-1201 to 2-1218 shall so keep its books and records as to clearly show  
29 the total number of admissions to races conducted by it on each racing  
30 day, including the number of admissions upon free passes or complimentary  
31 tickets, and the amount received daily from admission fees and the total

1 amount of money wagered during the race meeting, including wagers at  
2 locations to which its races were simulcast and at races which it  
3 received via simulcast from other racetracks, and shall furnish to the  
4 ~~commission~~ State Racing Commission such reports and information as it may  
5 require with respect thereto. At the end of each race meeting, the  
6 licensee shall furnish to the commission and the Governor a complete  
7 audit by a certified public accountant detailing all expenses and  
8 disbursements. Such audit shall be in the form specified by the  
9 commission and shall be filed on or before February 1 following such  
10 meet.

11 Sec. 15. Section 2-1213, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 2-1213 (1)(a) No racing under sections 2-1201 to 2-1218 shall be  
14 permitted on Sunday except when approved by a majority of the members of  
15 the ~~commission~~ State Racing Commission upon application for approval by  
16 any racetrack. Such approval shall be given after the commission has  
17 considered: (i) Whether Sunday racing at the applicant track will tend to  
18 promote and encourage agriculture and horse breeding in Nebraska; (ii)  
19 whether the applicant track operates under a license granted by the  
20 commission; (iii) whether the applicant track is in compliance with all  
21 applicable health, safety, fire, and police rules and regulations or  
22 ordinances; (iv) whether the denial of Sunday racing at the applicant  
23 track would impair such track's economic ability to continue to function  
24 under its license; and (v) whether the record of the public hearing held  
25 on the issue of Sunday racing at the applicant track shows reasonable  
26 public support. Notice of such public hearing shall be given at least ten  
27 days prior thereto by publication in a newspaper having general  
28 circulation in the county in which the applicant track is operating, and  
29 the commission shall conduct a public hearing in such county. The  
30 commission may adopt, promulgate, and enforce rules and regulations  
31 governing the application and approval for Sunday racing in addition to

1 its powers in section 2-1203. If the commission permits racing on Sunday,  
2 the voters may prohibit such racing in the manner prescribed in section  
3 2-1213.01. If approval by the commission for Sunday racing at the  
4 applicant track is granted, no racing shall occur on Sunday until after 1  
5 p.m.

6 (b) No license shall be granted for racing on more than one  
7 racetrack in any one county, except that the commission may, in its  
8 discretion, grant a license to any county agricultural society to conduct  
9 racing during its county fair notwithstanding a license may have been  
10 issued for racing on another track in such county.

11 (c) Since the purpose of sections 2-1201 to 2-1218 is to encourage  
12 agriculture and horse breeding in Nebraska, every licensee shall hold at  
13 least one race on each racing day limited to Nebraska-bred horses,  
14 including thoroughbreds or quarter horses. Three percent of the first  
15 money of every purse won by a Nebraska-bred horse shall be paid to the  
16 breeder of such horse. Beginning September 1, 2005, through January 1,  
17 2008, each licensee who holds a license for quarter horseracing shall,  
18 for each live racing day, give preference to Nebraska-bred quarter horses  
19 in at least one race in lieu of the requirements of this subdivision.

20 (2) For purposes of this section, Nebraska-bred horse shall mean a  
21 horse registered with the Nebraska Thoroughbred or Quarter Horse Registry  
22 and meeting the following requirements: (a) It shall have been foaled in  
23 Nebraska; (b) its dam shall have been registered, prior to foaling, with  
24 the Nebraska Thoroughbred or Quarter Horse Registry; and (c) its dam  
25 shall have been continuously in Nebraska for ninety days immediately  
26 prior to foaling, except that such ninety-day period may be reduced to  
27 thirty days in the case of a mare in foal which is purchased at a  
28 nationally recognized thoroughbred or quarter horse blood stock sale, the  
29 name and pedigree of the mare being listed in the sale catalog, and which  
30 is brought into this state and remains in this state for thirty days  
31 immediately prior to foaling.

1           The requirement that a dam shall be continuously in Nebraska for  
2 either ninety days or thirty days, as specified in subdivision (2)(c) of  
3 this section, shall not apply to a dam which is taken outside of Nebraska  
4 to be placed for sale at a nationally recognized thoroughbred or quarter  
5 horse blood stock sale, the name and pedigree of the mare being listed in  
6 the sale catalog, or for the treatment of an extreme sickness or injury,  
7 if written notice of such proposed sale or treatment is provided to the  
8 secretary of the commission within three days of the date such horse is  
9 taken out of the state.

10           The commission may designate official registrars for the purpose of  
11 registration and to certify the eligibility of Nebraska-bred horses. An  
12 official registrar shall perform such duties in accordance with policies  
13 and procedures adopted and promulgated by the commission in the current  
14 rules and regulations of the commission. The commission may authorize the  
15 official registrar to collect specific fees as would reasonably  
16 compensate the registrar for expenses incurred in connection with  
17 registration of Nebraska-bred horses. The amount of such fee or fees  
18 shall be established by the commission and shall not be changed without  
19 commission approval. Fees shall not exceed one hundred dollars per horse.

20           Any decision or action taken by the official registrar shall be  
21 subject to review by the commission or may be taken up by the commission  
22 on its own initiative.

23           Sec. 16. Section 2-1215, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25           2-1215 Any person, corporation, or association holding or conducting  
26 any horserace or horserace meeting in connection with which the said  
27 parimutuel system of wagering is used or to be used, without a license  
28 duly issued by the commission ~~State Racing Commission~~; or any person,  
29 corporation, or association holding or conducting horseraces or horserace  
30 meetings in connection with which any wagering is permitted otherwise  
31 than in the manner hereinbefore specified in sections 2-1201 to 2-1218;



1 or any person, corporation, or association violating any of the  
2 provisions of sections 2-1201 to 2-1218 or any of the rules and  
3 regulations prescribed by the commission, shall be guilty of a Class I  
4 misdemeanor.

5 Sec. 17. Section 2-1216, Revised Statutes Cumulative Supplement,  
6 2020, is amended to read:

7 2-1216 The parimutuel system of wagering on the results of  
8 horseraces, when conducted within the racetrack enclosure at licensed  
9 horserace meetings, shall not under any circumstances be held or  
10 construed to be unlawful, any other statutes of the State of Nebraska to  
11 the contrary notwithstanding. The money inuring to the commission ~~State~~  
12 ~~Racing Commission~~ under sections 2-1201 to 2-1218 relating to horseracing  
13 from permit fees or from other sources shall never be considered as  
14 license money. It is the intention of the Legislature that the funds  
15 arising under such sections be construed as general revenue to be  
16 appropriated and allocated exclusively for the specific purposes set  
17 forth in such sections.

18 Sec. 18. Section 2-1217, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 2-1217 It shall be unlawful for any person to use, or permit to be  
21 used a narcotic of any kind to stimulate or retard any horse that is to  
22 run in a race in this state to which the provisions of sections 2-1201 to  
23 2-1218 apply, or for a person having the control of such horse and  
24 knowledge of such stimulation or retardation to allow it to run in any  
25 such race. The owners of such horse and their agents or employees shall  
26 permit any member of the commission ~~State Racing Commission~~ or any person  
27 appointed by the said ~~the~~ commission for that purpose to make such tests as  
28 the commission deems proper in order to determine whether any such animal  
29 has been so stimulated or retarded. The findings of the said ~~the~~ commission  
30 that a horse has been stimulated or retarded by a narcotic or narcotics  
31 shall be prima facie evidence of such fact.

1           Sec. 19. Section 2-1219, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           2-1219 (1) When any matter comes before the commission ~~State Racing~~  
4 ~~Commission~~ that may cause financial benefit or detriment to a member of  
5 the commission, a member of his or her immediate family, or a business  
6 with which the member is associated, which is distinguishable from the  
7 effects of such matter on the public generally or a broad segment of the  
8 public, such member shall take the following actions as soon as he or she  
9 is aware of such potential conflict or should reasonably be aware of such  
10 potential conflict, whichever is sooner:

11           (a) Prepare a written statement describing the matter requiring  
12 action or decision and the nature of the potential conflict;

13           (b) Deliver a copy of the statement to the executive director  
14 ~~secretary~~ of the commission; and

15           (c) Recuse himself or herself from taking any action or making any  
16 decision relating to such matter in the discharge of his or her official  
17 duties as a member of the commission.

18           (2) No horse in which any employee of the commission ~~State Racing~~  
19 ~~Commission~~ has any interest shall be raced at any meet under the  
20 jurisdiction of the commission.

21           (3) No employee of the commission ~~State Racing Commission~~ shall have  
22 a pecuniary interest or engage in any private employment in a profession  
23 or business which is regulated by or interferes or conflicts with the  
24 performance or proper discharge of the duties of the commission.

25           (4) No employee of the commission ~~State Racing Commission~~ shall  
26 wager or cause a wager to be placed on the outcome of any race at a race  
27 meeting which is under the jurisdiction and supervision of the  
28 commission.

29           (5) No employee of the commission ~~State Racing Commission~~ shall have  
30 a pecuniary interest or engage in any private employment in a business  
31 which does business with any racing association licensed by the

1 commission or in any business issued a concession operator license by the  
2 commission.

3 (6) Any commission employee violating this section shall forfeit his  
4 or her employment.

5 (7) The commission shall include in its rules and regulations  
6 prohibitions against actual or potential specific conflicts of interest  
7 on the part of racing officials and other individuals licensed by the  
8 commission.

9 Sec. 20. Section 2-1221, Revised Statutes Cumulative Supplement,  
10 2020, is amended to read:

11 2-1221 Except as provided in section 2-1207, whoever directly or  
12 indirectly accepts anything of value to be wagered or to be transmitted  
13 or delivered for wager in any parimutuel system of wagering on horseraces  
14 or delivers anything of value which has been received outside of the  
15 enclosure of a racetrack holding a race meet licensed under sections  
16 2-1201 to 2-1247 to be placed as wagers in the parimutuel pool within  
17 such enclosure shall be guilty of a Class I ~~II~~ misdemeanor.

18 Sec. 21. Section 2-1222, Revised Statutes Cumulative Supplement,  
19 2020, is amended to read:

20 2-1222 There is hereby created the Racing and Gaming Commission's  
21 Cash Fund from which shall be appropriated such amounts as are available  
22 therefrom and as shall be considered incident to the administration of  
23 horseracing by the State Racing and Gaming Commission's office. The fund  
24 shall contain all license fees and gross receipt taxes collected by the  
25 commission as provided under sections 2-1203, 2-1203.01, and 2-1208  
26 relating to horseracing but shall not include taxes collected pursuant to  
27 section 2-1208.01, and such fees and taxes collected shall be remitted to  
28 the State Treasurer for credit to the Racing and Gaming Commission's Cash  
29 Fund. Money in the fund may be transferred to the General Fund at the  
30 direction of the Legislature. The State Treasurer shall transfer one  
31 hundred fifty thousand dollars from the fund to the General Fund on or

1 before June 15, 2018, on such dates and in such amounts as directed by  
2 the budget administrator of the budget division of the Department of  
3 Administrative Services. Any money in the Racing and Gaming Commission's  
4 Cash Fund available for investment shall be invested by the state  
5 investment officer pursuant to the Nebraska Capital Expansion Act and the  
6 Nebraska State Funds Investment Act.

7 Sec. 22. Section 2-1224, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 2-1224 (1) The Legislature finds that:

10 (a) The horseracing, horse breeding, and parimutuel wagering  
11 industry is an important sector of the agricultural economy of the state,  
12 provides substantial revenue for state and local governments, and employs  
13 many residents of the state;

14 (b) The simultaneous telecast of live audio and visual signals of  
15 horseraces conducted within the state on which parimutuel betting is  
16 permitted holds the potential to strengthen and further these economic  
17 contributions and it is in the best interest of the state to permit such  
18 live telecasts;

19 (c) Permitting parimutuel wagering on the results of horseracing  
20 conducted at racetracks outside the state also holds the potential to  
21 strengthen and further these economic contributions and it is in the best  
22 interest of the state to permit such wagering; and

23 (d) No simulcast or interstate simulcast shall be authorized which  
24 would jeopardize present live racing, horse breeding, or employment  
25 opportunities or which would infringe on current operations or markets of  
26 the racetracks which generate significant revenue for local governments  
27 in the state.

28 (2) The Legislature hereby authorizes the telecasts of horseraces  
29 conducted within the state on which parimutuel wagering shall be  
30 permitted and interstate simulcasting under rules and regulations adopted  
31 and promulgated by the commission ~~State Racing Commission~~ in the manner

1 and subject to the conditions provided in sections 2-1207 and 2-1224 to  
2 2-1229.

3 Sec. 23. Section 2-1225, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 2-1225 For purposes of sections 2-1207 and 2-1224 to 2-1229, unless  
6 the context otherwise requires:

7 (1) Commission shall mean the State Racing and Gaming Commission;

8 (2) Interstate simulcast shall mean parimutuel wagering at any  
9 licensed racetrack within the state on the results of any horserace  
10 conducted outside the state;

11 (3) Licensed horserace meeting shall include, but not be limited to,  
12 licensed racetracks at which simulcasts or interstate simulcasts are  
13 conducted;

14 (4) Operator shall mean any licensee issued a license under sections  
15 2-1201 to 2-1223 operating a simulcast facility in accordance with  
16 sections 2-1224 to 2-1229;

17 (5) Receiving track shall mean any track which displays a simulcast  
18 which originates from another track or which conducts interstate  
19 simulcasts;

20 (6) Sending track shall mean any track from which a simulcast or  
21 interstate simulcast originates;

22 (7) Simulcast shall mean the telecast of live audio and visual  
23 signals of any horserace conducted in the state for the purpose of  
24 parimutuel wagering;

25 (8) Simulcast facility shall mean a facility within the state which  
26 is authorized to display simulcasts for parimutuel wagering purposes  
27 under sections 2-1224 to 2-1227 or to conduct interstate simulcasts under  
28 sections 2-1228 and 2-1229; and

29 (9) Track shall mean the grounds or enclosures within which  
30 horseraces are conducted by licensees authorized to conduct such races in  
31 accordance with sections 2-1201 to 2-1223.

1           Sec. 24. Section 2-1244, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           2-1244 For purposes of sections 2-1243 to 2-1246, horseracing  
4 industry participant shall mean an individual who currently holds a valid  
5 license for purposes of conducting horseracing from the State Racing and  
6 Gaming Commission and who owns, trains, cares for, or rides horses  
7 stabled at a Nebraska-licensed racetrack for the purpose of horseracing  
8 at the live race meeting at such racetrack.

9           Sec. 25. Section 2-1246, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11           2-1246 (1) The State Racing and Gaming Commission shall adopt and  
12 promulgate rules and regulations which provide for dismissal, license  
13 revocation or suspension, fines, or other suitable penalties necessary to  
14 enforce sections 2-1243 to 2-1245.

15           (2) Nothing in such sections shall affect in any way the right of  
16 any horseracing industry participant to bring any action in any  
17 appropriate forum for the violation of any law of this state or any rule  
18 of racing.

19           Sec. 26. Section 2-1247, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21           2-1247 The Interstate Compact on Licensure of Participants in Horse  
22 Racing with Pari-Mutuel Wagering is hereby enacted into law and entered  
23 into with all other jurisdictions legally joining therein, in the form  
24 substantially as follows:

25           ARTICLE I. PURPOSES

26           Section 1. Purposes.

27           The purposes of this compact are to:

28           1. Establish uniform requirements among the party states for the  
29 licensing of participants in live horse racing with pari-mutuel wagering,  
30 and ensure that all such participants who are licensed pursuant to this  
31 compact meet a uniform minimum standard of honesty and integrity.

1           2. Facilitate the growth of the horse racing industry in each party  
2 state and nationwide by simplifying the process for licensing  
3 participants in live racing, and reduce the duplicative and costly  
4 process of separate licensing by the regulatory agency in each state that  
5 conducts live horse racing with pari-mutuel wagering.

6           3. Authorize the Nebraska State Racing and Gaming Commission to  
7 participate in this compact.

8           4. Provide for participation in this compact by officials of the  
9 party states, and permit those officials, through the compact committee  
10 established by this compact, to enter into contracts with governmental  
11 agencies and nongovernmental persons to carry out the purposes of this  
12 compact.

13          5. Establish the compact committee created by this compact as an  
14 interstate governmental entity duly authorized to request and receive  
15 criminal history record information from the Federal Bureau of  
16 Investigation and other state and local law enforcement agencies.

17           ARTICLE II. DEFINITIONS

18           Section 2. Definitions.

19           "Compact committee" means the organization of officials from the  
20 party states that is authorized and empowered by this compact to carry  
21 out the purposes of this compact.

22           "Official" means the appointed, elected, designated or otherwise  
23 duly selected member of a racing commission or the equivalent thereof in  
24 a party state who represents that party state as a member of the compact  
25 committee.

26           "Participants in live racing" means participants in live horse  
27 racing with pari-mutuel wagering in the party states.

28           "Party state" means each state that has enacted this compact.

29           "State" means each of the several states of the United States, the  
30 District of Columbia, the Commonwealth of Puerto Rico and each territory  
31 or possession of the United States.

1 ARTICLE III. ENTRY INTO FORCE, ELIGIBLE PARTIES AND WITHDRAWAL

2 Section 3. Entry into force.

3 This compact shall come into force when enacted by any four (4)  
4 states. Thereafter, this compact shall become effective as to any other  
5 state upon both (i) that state's enactment of this compact and (ii) the  
6 affirmative vote of a majority of the officials on the compact committee  
7 as provided in Section 8.

8 Section 4. States eligible to join compact.

9 Any state that has adopted or authorized horse racing with pari-  
10 mutuel wagering shall be eligible to become party to this compact.

11 Section 5. Withdrawal from compact and impact thereof on force and  
12 effect of compact.

13 Any party state may withdraw from this compact by enacting a statute  
14 repealing this compact, but no such withdrawal shall become effective  
15 until the head of the executive branch of the withdrawing state has given  
16 notice in writing of such withdrawal to the head of the executive branch  
17 of all other party states. If as a result of withdrawals participation in  
18 this compact decreases to less than three (3) party states, this compact  
19 no longer shall be in force and effect unless and until there are at  
20 least three (3) or more party states again participating in this compact.

21 ARTICLE IV. COMPACT COMMITTEE

22 Section 6. Compact committee established.

23 There is hereby created an interstate governmental entity to be  
24 known as the "compact committee," which shall be comprised of one (1)  
25 official from the racing commission or its equivalent in each party  
26 state. The Nebraska State Racing and Gaming Commission shall designate  
27 one of its members to represent the State of Nebraska as the compact  
28 committee official. A compact committee official shall be appointed,  
29 serve and be subject to removal in accordance with the laws of the party  
30 state he represents. Pursuant to the laws of his party state, each  
31 official shall have the assistance of his state's racing commission or



1 the equivalent thereof in considering issues related to licensing of  
2 participants in live racing and in fulfilling his responsibilities as the  
3 representative from his state to the compact committee. If an official  
4 representing the State of Nebraska is unable to perform any duty in  
5 connection with the powers and duties of the compact committee, the  
6 Nebraska State Racing and Gaming Commission shall designate another of  
7 its members or its executive director ~~secretary~~ as an alternate who shall  
8 serve and represent the State of Nebraska as its official on the compact  
9 committee until the commission determines that the original  
10 representative official is able once again to perform the duties as that  
11 party state's representative official on the compact committee. The  
12 designation of an alternate shall be communicated by the Nebraska State  
13 Racing and Gaming Commission to the compact committee as the committee's  
14 bylaws may provide.

15 Section 7. Powers and duties of compact committee.

16 In order to carry out the purposes of this compact, the compact  
17 committee is hereby granted the power and duty to:

18 1. Determine which categories of participants in live racing,  
19 including but not limited to owners, trainers, jockeys, grooms, mutuel  
20 clerks, racing officials, veterinarians, and farriers, should be licensed  
21 by the committee, and establish the requirements for the initial  
22 licensure of applicants in each such category, the term of the license  
23 for each category, and the requirements for renewal of licenses in each  
24 category. Provided, however, that with regard to requests for criminal  
25 history record information on each applicant for a license, and with  
26 regard to the effect of a criminal record on the issuance or renewal of a  
27 license, the compact committee shall determine for each category of  
28 participants in live racing which licensure requirements for that  
29 category are, in its judgment, the most restrictive licensure  
30 requirements of any party state for that category and shall adopt  
31 licensure requirements for that category that are, in its judgment,

1 comparable to those most restrictive requirements.

2       2. Investigate applicants for a license from the compact committee  
3 and, as permitted by federal and state law, gather information on such  
4 applicants, including criminal history record information from the  
5 Federal Bureau of Investigation and relevant state and local law  
6 enforcement agencies, and, where appropriate, from the Royal Canadian  
7 Mounted Police and law enforcement agencies of other countries, necessary  
8 to determine whether a license should be issued under the licensure  
9 requirements established by the committee as provided in paragraph 1  
10 above. Only officials on, and employees of, the compact committee may  
11 receive and review such criminal history record information, and those  
12 officials and employees may use that information only for the purposes of  
13 this compact. No such official or employee may disclose or disseminate  
14 such information to any person or entity other than another official on  
15 or employee of the compact committee. The fingerprints of each applicant  
16 for a license from the compact committee shall be taken by the compact  
17 committee, its employees, or its designee and, pursuant to Public Law  
18 92-544 or Public Law 100-413, shall be forwarded to a state  
19 identification bureau, or to the Association of Racing Commissioners,  
20 International, an association of state officials regulating pari-mutuel  
21 wagering designated by the Attorney General of the United States, for  
22 submission to the Federal Bureau of Investigation for a criminal history  
23 record check. Such fingerprints may be submitted on a fingerprint card or  
24 by electronic or other means authorized by the Federal Bureau of  
25 Investigation or other receiving law enforcement agency.

26       3. Issue licenses to, and renew the licenses of, participants in  
27 live racing listed in paragraph 1 of this section who are found by the  
28 committee to have met the licensure and renewal requirements established  
29 by the committee. The compact committee shall not have the power or  
30 authority to deny a license. If it determines that an applicant will not  
31 be eligible for the issuance or renewal of a compact committee license,

1 the compact committee shall notify the applicant that it will not be able  
2 to process his application further. Such notification does not constitute  
3 and shall not be considered to be the denial of a license. Any such  
4 applicant shall have the right to present additional evidence to, and to  
5 be heard by, the compact committee, but the final decision on issuance or  
6 renewal of the license shall be made by the compact committee using the  
7 requirements established pursuant to paragraph 1 of this section.

8 4. Enter into contracts or agreements with governmental agencies and  
9 with nongovernmental persons to provide personal services for its  
10 activities and such other services as may be necessary to effectuate the  
11 purposes of this compact.

12 5. Create, appoint, and abolish those offices, employments, and  
13 positions, including an executive director, as it deems necessary for the  
14 purposes of this compact, prescribe their powers, duties and  
15 qualifications, hire persons to fill those offices, employments and  
16 positions, and provide for the removal, term, tenure, compensation,  
17 fringe benefits, retirement benefits and other conditions of employment  
18 of its officers, employees and other positions.

19 6. Borrow, accept, or contract for the services of personnel from  
20 any state, the United States, or any other governmental agency, or from  
21 any person, firm, association, corporation or other entity.

22 7. Acquire, hold, and dispose of real and personal property by gift,  
23 purchase, lease, license, or in other similar manner, in furtherance of  
24 the purposes of this compact.

25 8. Charge a fee to each applicant for an initial license or renewal  
26 of a license.

27 9. Receive other funds through gifts, grants and appropriations.

28 Section 8. Voting requirements.

29 A. Each official shall be entitled to one (1) vote on the compact  
30 committee.

31 B. All action taken by the compact committee with regard to the

1 addition of party states as provided in Section 3, the licensure of  
2 participants in live racing, and the receipt and disbursement of funds  
3 shall require a majority vote of the total number of officials (or their  
4 alternates) on the committee. All other action by the compact committee  
5 shall require a majority vote of those officials (or their alternates)  
6 present and voting.

7 C. No action of the compact committee may be taken unless a quorum  
8 is present. A majority of the officials (or their alternates) on the  
9 compact committee shall constitute a quorum.

10 Section 9. Administration and management.

11 A. The compact committee shall elect annually from among its members  
12 a chairman, a vice-chairman, and a secretary/treasurer.

13 B. The compact committee shall adopt bylaws for the conduct of its  
14 business by a two-thirds vote of the total number of officials (or their  
15 alternates) on the committee at that time and shall have the power by the  
16 same vote to amend and rescind these bylaws. The committee shall publish  
17 its bylaws in convenient form and shall file a copy thereof and a copy of  
18 any amendments thereto with the secretary of state or equivalent agency  
19 of each of the party states.

20 C. The compact committee may delegate the day-to-day management and  
21 administration of its duties and responsibilities to an executive  
22 director and his support staff.

23 D. Employees of the compact committee shall be considered  
24 governmental employees.

25 Section 10. Immunity from liability for performance of official  
26 responsibilities and duties.

27 No official of a party state or employee of the compact committee  
28 shall be held personally liable for any good faith act or omission that  
29 occurs during the performance and within the scope of his  
30 responsibilities and duties under this compact.

31 ARTICLE V. RIGHTS AND RESPONSIBILITIES OF EACH PARTY STATE

1 Section 11. Rights and responsibilities of each party state.

2 A. By enacting this compact, each party state:

3 1. Agrees (i) to accept the decisions of the compact committee  
4 regarding the issuance of compact committee licenses to participants in  
5 live racing pursuant to the committee's licensure requirements, and (ii)  
6 to reimburse or otherwise pay the expenses of its official representative  
7 on the compact committee or his alternate.

8 2. Agrees not to treat a notification to an applicant by the compact  
9 committee under paragraph 3 of Section 7 that the compact committee will  
10 not be able to process his application further as the denial of a  
11 license, or to penalize such applicant in any other way based solely on  
12 such a decision by the compact committee.

13 3. Reserves the right (i) to charge a fee for the use of a compact  
14 committee license in that state, (ii) to apply its own standards in  
15 determining whether, on the facts of a particular case, a compact  
16 committee license should be suspended or revoked, (iii) to apply its own  
17 standards in determining licensure eligibility, under the laws of that  
18 party state, for categories of participants in live racing that the  
19 compact committee determines not to license and for individual  
20 participants in live racing who do not meet the licensure requirements of  
21 the compact committee, and (iv) to establish its own licensure standards  
22 for the licensure of non-racing employees at horse racetracks and  
23 employees at separate satellite wagering facilities. Any party state that  
24 suspends or revokes a compact committee license shall, through its racing  
25 commission or the equivalent thereof or otherwise, promptly notify the  
26 compact committee of that suspension or revocation.

27 B. No party state shall be held liable for the debts or other  
28 financial obligations incurred by the compact committee.

29 ARTICLE VI. CONSTRUCTION AND SEVERABILITY

30 Section 12. Construction and severability.

31 This compact shall be liberally construed so as to effectuate its

1 purposes. The provisions of this compact shall be severable, and, if any  
2 phrase, clause, sentence or provision of this compact is declared to be  
3 contrary to the Constitution of the United States or of any party state,  
4 or the applicability of this compact to any government, agency, person or  
5 circumstance is held invalid, the validity of the remainder of this  
6 compact and the applicability thereof to any government, agency, person  
7 or circumstance shall not be affected thereby. If all or some portion of  
8 this compact is held to be contrary to the constitution of any party  
9 state, the compact shall remain in full force and effect as to the  
10 remaining party states and in full force and effect as to the state  
11 affected as to all severable matters.

12 Sec. 27. Section 1, Initiative Law 2020, No. 430, is amended to  
13 read:

14 Section 1. Sections 1 to 6 of this act and sections 31 to 40 of this  
15 act shall be known and may be cited as the Nebraska Racetrack Gaming Act.

16 Sec. 28. Section 3, Initiative Law 2020, No. 430, is amended to  
17 read:

18 Sec. 3. For purposes of the Nebraska Racetrack Gaming Act:

19 (1) Authorized gaming operator means a person or entity licensed  
20 pursuant to the act to operate games of chance within a licensed  
21 racetrack enclosure;

22 (2) Authorized gaming operator license means a license to operate  
23 games of chance as an authorized gaming operator at a licensed racetrack  
24 enclosure;

25 (3)(a) Except as otherwise provided in subdivision (b) of this  
26 subdivision, authorized sporting event means a professional sporting  
27 event, a collegiate sporting event, an international sporting event, a  
28 professional motor race event, a professional sports draft, an individual  
29 sports award, an electronic sport, or a simulated game; and

30 (b) Authorized sporting event does not include an instate collegiate  
31 sporting event in which an instate collegiate or university team is a

1 participant, a parimutuel wager, a fantasy sports contest, a minor league  
2 sporting event, a sporting event at the high school level or below  
3 regardless of the age of any individual participant, or any sporting  
4 event excluded by the commission;

5 (4) Collegiate sporting event means an athletic event or competition  
6 of an intercollegiate sport played at the collegiate level for which  
7 eligibility requirements for participation by a student athlete are  
8 established by a national association for the promotion or regulation of  
9 collegiate athletics;

10 (5) Commission means the State Racing and Gaming Commission;

11 (6) Designated sports wagering area means an area, as approved by  
12 the commission, in which sports wagering is conducted;

13 (7) ~~(3)~~ Game of chance means any game which has the elements of  
14 chance, prize, and consideration, including any wager on a slot machine,  
15 table game, counter game, or card game, a keno lottery conducted in  
16 accordance with the Nebraska County and City Lottery Act, or sports  
17 wagering. Game of chance does not include any game the operation of which  
18 is prohibited at a casino by federal law;

19 (8) ~~(4)~~ Gaming device means an electronic, mechanical, or other  
20 device which plays a game of chance when activated by a player using  
21 currency, a token, or other item of value;

22 (9) International sporting event means an international team or  
23 individual sporting event governed by an international sports federation  
24 or sports governing body, including sporting events governed by the  
25 International Olympic Committee and the International Federation of  
26 Association Football;

27 (10) ~~(5)~~ Licensed racetrack enclosure means premises at which  
28 licensed live horseracing is conducted in accordance with the  
29 Constitution of Nebraska and applicable Nebraska law;

30 (11) ~~(6)~~ Limited gaming device means an electronic gaming device  
31 which (a) offers games of chance, (b) does not dispense currency, tokens,

1 or other items of value, and (c) does not have a cash winnings hopper,  
2 mechanical or simulated spinning reel, or side handle; ~~and~~

3 (12) Prohibited participant means any individual whose participation  
4 may undermine the integrity of the wagering or the sporting event or any  
5 person who is prohibited from sports wagering for other good cause shown  
6 as determined by the commission, including, but not limited to: (a) Any  
7 individual placing a wager as an agent or proxy; (b) any person who is an  
8 athlete, a coach, a referee, or a player in any sporting event overseen  
9 by the sports governing body of such person based on publicly available  
10 information; (c) a person who holds a paid position of authority or  
11 influence sufficient to exert influence over the participants in a  
12 sporting event, including, but not limited to, any coach, manager,  
13 handler, or athletic trainer, or a person with access to certain types of  
14 exclusive information, on any sporting event overseen by the sports  
15 governing body of such person based on publicly available information; or  
16 (d) a person identified as prohibited from sports wagering by any list  
17 provided by a sports governing body to the commission;

18 (13) ~~(7)~~ Racing license means a license issued for a licensed  
19 racetrack enclosure by the commission; and ~~State Racing Commission.~~

20 (14) Sports wagering means the acceptance of wagers on an authorized  
21 sporting event by any system of wagering as authorized by the commission.  
22 Sports wagering does not include (a) placing a wager on the performance  
23 or nonperformance of any individual athlete participating in a single  
24 game or match of a collegiate sporting event in which a collegiate team  
25 from this state is participating, (b) placing an in-game wager on any  
26 game or match of a collegiate sporting event in which a collegiate team  
27 from this state is participating, (c) placing a wager on the performance  
28 or nonperformance of any individual athlete under eighteen years of age  
29 participating in a professional or international sporting event, or (d)  
30 placing a wager on the performance of athletes in an individual sporting  
31 event excluded by the commission.



1           Sec. 29. Section 5, Initiative Law 2020, No. 430, is amended to  
2 read:

3           Sec. 5. ~~(1) For purposes of providing the necessary licensing and~~  
4 ~~regulation of the operation of games of chance by authorized gaming~~  
5 ~~operators within licensed racetrack enclosures pursuant to the Nebraska~~  
6 ~~Racetrack Gaming Act, the commission shall administer the Nebraska~~  
7 ~~Racetrack Gaming Act. The commission shall have full jurisdiction over~~  
8 ~~and shall supervise all gaming operations pursuant to the Nebraska~~  
9 ~~Racetrack Gaming Act Gaming Commission is created.~~

10           ~~(2) The commission shall consist of seven members. Not more than~~  
11 ~~four of the seven members shall be affiliated with the same political~~  
12 ~~party. No member shall have any personal financial interest in any~~  
13 ~~licensed racetrack enclosure or authorized gaming operator for the~~  
14 ~~duration of his or her term. The members of the commission shall elect~~  
15 ~~one of the members to be chairperson.~~

16           ~~(3) The five members of the State Racing Commission shall be ex~~  
17 ~~officio members of the Nebraska Gaming Commission, serving terms and~~  
18 ~~receiving appointment in the same manner as provided in sections 2-1201~~  
19 ~~and 2-1202.~~

20           ~~(4) The Governor shall appoint two additional members to serve with~~  
21 ~~the members of the State Racing Commission as members of the Nebraska~~  
22 ~~Gaming Commission. The members appointed pursuant to this subsection~~  
23 ~~shall serve five year terms. One of such members shall have experience in~~  
24 ~~the Nebraska gaming industry, and one shall be a member of the~~  
25 ~~organization representing the majority of licensed owners and trainers of~~  
26 ~~horses at racetracks in Nebraska.~~

27           ~~(5) The compensation of the members of the Nebraska Gaming~~  
28 ~~Commission shall be one thousand dollars per month, which may be adjusted~~  
29 ~~every two years in an amount not to exceed the change in the Consumer~~  
30 ~~Price Index for Urban Wage Earners and Clerical Workers for the period~~  
31 ~~between June 30 of the first year to June 30 of the year of adjustment.~~

1           Sec. 30. Section 6, Initiative Law 2020, No. 430, is amended to  
2 read:

3           Sec. 6. The commission ~~Nebraska Gaming Commission~~ shall:

4           (1) License and regulate authorized gaming operators for the  
5 operation of all games of chance authorized pursuant to the Nebraska  
6 Racetrack Gaming Act, including adopting, promulgating, and enforcing  
7 rules and regulations governing such authorized gaming operators  
8 consistent with the act;

9           (2) Regulate the operation of games of chance in order to prevent  
10 and eliminate corrupt practices and fraudulent behavior, and thereby  
11 promote integrity, security, and honest administration in, and accurate  
12 accounting of, the operation of games of chance which are subject to the  
13 act;

14           (3) Establish criteria to license applicants for authorized gaming  
15 operator licenses and all other types of gaming licenses for other  
16 positions and functions incident to the operation of games of chance,  
17 including adopting, promulgating, and enforcing rules, regulations, and  
18 eligibility standards for such authorized gaming operator licenses,  
19 gaming licenses, and positions and functions incident to the operation of  
20 games of chance;

21           (4) Charge fees for applications for licenses and for the issuance  
22 of authorized gaming operator licenses and all other types of gaming  
23 licenses to successful applicants which shall be payable to the  
24 commission ~~Nebraska Gaming Commission~~;

25           (5) Charge fees to authorized gaming operators in an amount  
26 necessary to offset the cost of oversight and regulatory services to be  
27 provided which shall be payable to the commission ~~Nebraska Gaming~~  
28 ~~Commission~~;

29           (6) Impose a one-time authorized gaming operator license fee of one  
30 million dollars on each authorized gaming operator for each licensed  
31 racetrack enclosure payable to the commission ~~Nebraska Gaming Commission~~;

1 (7) Grant, deny, revoke, and suspend authorized gaming operator  
2 licenses and all other types of gaming licenses based upon reasonable  
3 criteria and procedures established by the commission to facilitate the  
4 integrity, productivity, and lawful conduct of gaming within the state;

5 (8) Grant or deny for cause applications for authorized gaming  
6 operator licenses of not less than twenty years in duration with no more  
7 than one such authorized gaming operator license granted for any licensed  
8 racetrack enclosure within the state;

9 (9) Conduct background investigations of applicants for authorized  
10 gaming operator licenses and all other types of gaming licenses;

11 (10) Adopt and promulgate rules and regulations for the standards of  
12 manufacture of gaming equipment;

13 (11) Inspect the operation of any authorized gaming operator  
14 conducting games of chance for the purpose of certifying the revenue  
15 thereof and receiving complaints from the public;

16 (12) Issue subpoenas for the attendance of witnesses or the  
17 production of any records, books, memoranda, documents, or other papers  
18 or things at or prior to any hearing as is necessary to enable the  
19 commission to effectively discharge its duties;

20 (13) Administer oaths or affirmations as necessary to carry out the  
21 act;

22 (14) Have the authority to impose, subject to judicial review,  
23 administrative fines not to exceed twenty-five thousand dollars for each  
24 violation of the act or any rules and regulations adopted and promulgated  
25 pursuant to the act;

26 (15) Collect and remit administrative fines collected under this  
27 section to the State Treasurer for distribution in accordance with  
28 Article VII, section 5, of the Constitution of Nebraska;

29 (16) Adopt and promulgate rules and regulations for any gaming taxes  
30 assessed to authorized gaming operators;

31 (17) Collect and account for any gaming taxes assessed to authorized

1 gaming operators and remit such taxes to the State Treasurer or county  
2 treasurer as required by Nebraska law;

3 (18) Promote treatment of gaming-related behavioral disorders;

4 (19) Establish procedures for the governance of the commission;

5 (20) Acquire necessary offices, facilities, counsel, and staff;

6 (21) Establish procedures for an applicant for a staff position to  
7 disclose conflicts of interest as part of the application for employment;

8 and

9 (22) Establish a process to allow a person to be voluntarily  
10 excluded from wagering in any game of chance under the act;

11 (23) Remit all license and application fees collected under the  
12 Nebraska Racetrack Gaming Act to the State Treasurer for credit to the  
13 Racetrack Gaming Fund; and

14 (24) {22} Do all things necessary and proper to carry out its powers  
15 and duties under the Nebraska Racetrack Gaming Act act, including the  
16 adoption and promulgation of rules and regulations and such other actions  
17 as permitted by the Administrative Procedure Act.

18 Sec. 31. The Racetrack Gaming Fund is created. The fund shall  
19 consist of all license and application fees collected under the Nebraska  
20 Racetrack Gaming Act. The fund shall be used for administration of the  
21 Nebraska Racetrack Gaming Act. Any money in the Racetrack Gaming Fund  
22 available for investment shall be invested by the state investment  
23 officer pursuant to the Nebraska Capitol Expansion Act and the Nebraska  
24 State Funds Investment Act.

25 Sec. 32. Any person applying for a gaming operator license pursuant  
26 to the Nebraska Racetrack Gaming Act shall be subject to fingerprinting  
27 and a check of such person's criminal history record information  
28 maintained by the Identification Division of the Federal Bureau of  
29 Investigation for the purpose of determining whether the commission has a  
30 basis to deny the license application or to suspend, cancel, or revoke  
31 the person's license. The applicant shall pay the actual cost of any

1 fingerprinting or check of such person's criminal history record  
2 information.

3       Sec. 33. Credit cards shall not be accepted by any authorized  
4 gaming operator for payment for any wager or to purchase coins, tokens,  
5 or other forms of credit to be wagered on any game of chance. An account  
6 for the purpose of participating in a game of chance under the Nebraska  
7 Racetrack Gaming Act may only be funded with cash, coins, a debit card,  
8 or a direct link to an account with a financial institution in the name  
9 of the player. The commission shall require an authorized gaming operator  
10 or applicant for an authorized gaming operator license to demonstrate in  
11 the license application and internal controls application the ability to  
12 restrict credit card transactions.

13       Sec. 34. (1) The commission may permit an authorized gaming  
14 operator to conduct sports wagering. Any sports wager shall be placed in  
15 person or at a wagering kiosk in the designated sports wagering area at  
16 the licensed racetrack enclosure.

17       (2) A floor plan identifying the designated sports wagering area,  
18 including the location of any wagering kiosks, shall be filed with the  
19 commission for review and approval. Modification to a previously approved  
20 plan must be submitted for approval at least ten days prior to  
21 implementation. The area shall not be accessible to persons under twenty-  
22 one years of age and shall have a sign posted to restrict access.  
23 Exceptions to this subsection must be approved in writing by the  
24 commission.

25       (3) The authorized gaming operator shall submit controls for  
26 approval by the commission, that include the following for operating the  
27 designated sports wagering area:

28       (a) Specific procedures and technology partners to fulfill the  
29 requirements set forth by the commission;

30       (b) Other specific controls as designated by the commission;

31       (c) A process to easily and prominently impose limitations or

1 notification for wagering parameters, including, but not limited to,  
2 deposits and wagers; and

3 (d) An easy and obvious method for a player to make a complaint and  
4 to enable the player to notify the commission if such complaint has not  
5 been or cannot be addressed by the sports wagering operator.

6 (4) The commission shall develop policies and procedures to ensure a  
7 prohibited participant is unable to place a sports wager.

8 Sec. 35. (1) Any person who knowingly cheats at any game of chance  
9 is guilty of a Class I misdemeanor.

10 (2) Any person who manipulates, with the intent to cheat, any  
11 component of a gaming device in a manner contrary to the designed and  
12 normal operational purpose of the component, including varying the pull  
13 of the handle of a gaming machine, with knowledge that the manipulation  
14 affects the outcome of the game or with knowledge of any event that  
15 affects the outcome of the game, is guilty of a Class I misdemeanor.

16 Sec. 36. (1) Any person who, in playing any game of chance designed  
17 to be played with or to receive or to be operated by tokens approved by  
18 the commission or by lawful currency of the United States, knowingly uses  
19 tokens other than those approved by the commission, uses currency that is  
20 not lawful currency of the United States, or uses currency not of the  
21 same denomination as the currency intended to be used in that game is  
22 guilty of a Class I misdemeanor.

23 (2) Any person who knowingly has in such person's possession within  
24 a gaming facility any device intended to be used to violate the Nebraska  
25 Racetrack Gaming Act is guilty of a Class I misdemeanor.

26 (3) Any person, other than a duly authorized employee of an  
27 authorized gaming operator acting in furtherance of such person's  
28 employment within a gaming facility, who knowingly has in such person's  
29 possession within a gaming facility any key or device known by such  
30 person to have been designed for the purpose of and suitable for opening,  
31 entering, or affecting the operation of any game, any dropbox, or any

1 electronic or mechanical device connected to the game or dropbox, is  
2 guilty of a Class I misdemeanor.

3 (4) Any person who knowingly and with intent to use any  
4 paraphernalia for manufacturing slugs for cheating or has such  
5 paraphernalia in such person's possession is guilty of a Class I  
6 misdemeanor. Possession of more than two items of the equipment,  
7 products, or material described in subdivision (4)(a) or (b) of this  
8 section permits a rebuttable presumption that the possessor intended to  
9 use such paraphernalia for cheating. For purposes of this subsection,  
10 paraphernalia for manufacturing slugs (a) means the equipment, products,  
11 and materials that are intended for use or designed for use in  
12 manufacturing, producing, fabricating, preparing, testing, analyzing,  
13 packaging, storing, or concealing a counterfeit facsimile of tokens  
14 approved by the commission or a lawful coin of the United States, the use  
15 of which is unlawful pursuant to the Nebraska Racetrack Gaming Act, and  
16 (b) includes: (i) Lead or lead alloy; (ii) molds, forms, or similar  
17 equipment capable of producing a likeness of a gaming token or coin;  
18 (iii) melting pots or other receptacles; (iv) torches; and (v) tongs,  
19 trimming tools, or other similar equipment.

20 Sec. 37. (1) A person who manufactures, sells, or distributes a  
21 device that is intended by such person to be used to violate any  
22 provision of the Nebraska Racetrack Gaming Act is guilty of a Class I  
23 misdemeanor.

24 (2) A person who marks, alters, or otherwise modifies any gaming  
25 device in a manner that (a) affects the result of a wager by determining  
26 win or loss or (b) alters the normal criteria of random selection that  
27 (i) affects the operation of a game of chance or (ii) determines the  
28 outcome of a game of chance is guilty of a Class I misdemeanor.

29 (3) A person who knowingly possesses any gaming device that has been  
30 manufactured, sold, or distributed in violation of the Nebraska Racetrack  
31 Gaming Act is guilty of a Class I misdemeanor.

1           Sec. 38. A person who, in an application, book, or record required  
2 to be maintained or in a report required to be submitted by the Nebraska  
3 Racetrack Gaming Act or a rule or regulation adopted and promulgated by  
4 the commission, knowingly makes a statement or entry that is false or  
5 misleading or fails to maintain or make an entry the person knows is  
6 required to be maintained or made is guilty of a Class I misdemeanor.

7           Sec. 39. (1) A person who knowingly permits an individual whom the  
8 person knows is younger than twenty-one years of age to participate in a  
9 game of chance is guilty of a Class I misdemeanor.

10           (2) A person who participates in a game of chance when such person  
11 is younger than twenty-one years of age at the time of participation is  
12 guilty of a Class I misdemeanor.

13           Sec. 40. A person who willfully violates, attempts to violate, or  
14 conspires to violate any of the provisions of the Nebraska Racetrack  
15 Gaming Act for which no other penalty is provided is guilty of a Class I  
16 misdemeanor.

17           Sec. 41. Section 2, Initiative Law 2020, No. 431, is amended to  
18 read:

19           Sec. 2. For purposes of this act and section 42 of this act:

20           (1) Authorized gaming operator means a person or entity licensed  
21 pursuant to the Nebraska Racetrack Gaming Act to operate games of chance  
22 within a licensed racetrack enclosure;

23           (2) Designated sports wagering area means an area, as designated by  
24 the gaming commission, in which sports wagering is conducted;

25           (3) (2) Dollar amount collected means the total dollar amount  
26 wagered by players of games of chance less the total dollar amount  
27 returned to such players as prizes;

28           (4) (3) Game of chance means any game which has the elements of  
29 chance, prize, and consideration, including any wager on a slot machine,  
30 table game, counter game, or card game, a keno lottery conducted in  
31 accordance with the Nebraska County and City Lottery Act, or sports



1 wagering. Game of chance does not include any game the operation of which  
2 is prohibited at a casino by federal law;

3 ~~(5) (4)~~ Gaming commission means the State Racing and Nebraska Gaming  
4 Commission established pursuant to the Nebraska Racetrack Gaming Act;

5 ~~(6) (5)~~ Gross gaming revenue means the dollar amount collected by an  
6 authorized gaming operator from operation of all games of chance within a  
7 licensed racetrack enclosure as computed pursuant to applicable statutes,  
8 rules, and regulations less the total of (a) all federal taxes, other  
9 than income taxes, imposed on the operation of such games of chance and  
10 (b) the amount provided to players by an authorized gaming operator as  
11 promotional gaming credits, but only to the extent such promotional  
12 gaming credits are redeemed by players to play one or more games of  
13 chance being operated by the authorized gaming operator;

14 ~~(7) (6)~~ Licensed racetrack enclosure means a premises at which  
15 licensed live horseracing is conducted in accordance with the  
16 Constitution of Nebraska and applicable Nebraska law; ~~and~~

17 ~~(8) (7)~~ Promotional gaming credit means a credit, token, or other  
18 item of value provided by an authorized gaming operator to a player for  
19 the purpose of enabling the player to play a game of chance; ~~and~~ -

20 (9) Sports wagering has the same meaning as in section 3, Initiative  
21 Law 2020, No. 430.

22 Sec. 42. (1) If any person liable to pay any tax or fee under the  
23 Nebraska Racetrack Gaming Act or sections 1 to 8 of Initiative Law 2020,  
24 No. 431, neglects or refuses to pay such tax or fee after demand, the  
25 amount of such tax or fee, including any interest, penalty, and additions  
26 to such tax, and such additional costs that may accrue, shall be a lien  
27 in favor of the gaming commission upon all property and rights to  
28 property, whether real or personal, then owned by such person or acquired  
29 by such person thereafter and prior to the expiration of the lien. Unless  
30 another date is specifically provided by law, such lien shall arise at  
31 the time of the assessment and shall remain in effect: (a) For three

1 years from the time of the assessment or one year after the expiration of  
2 an agreement between the gaming commission and a taxpayer for payment of  
3 tax which is due, whichever is later, if the notice of lien is not filed  
4 for record in the office of the appropriate filing officer; (b) for ten  
5 years from the time of filing for record in the office of the appropriate  
6 filing officer; or (c) until such amounts have been paid or a judgment  
7 against such person arising out of such liability has been satisfied or  
8 has become unenforceable by reason of lapse of time, unless a  
9 continuation statement is filed prior to the lapse.

10 (2)(a) The gaming commission may present for filing or file for  
11 record in the office of the appropriate filing officer a notice of lien  
12 specifying the year the tax was due, the tax program, and the amount of  
13 the tax and any interest, penalty, or addition to such tax that are due.  
14 Such notice shall be filed for record in the office of the appropriate  
15 filing officer within three years after the time of assessment or within  
16 one year after the expiration of an agreement between the gaming  
17 commission and a taxpayer for payment of tax which is due, whichever is  
18 later. Such notice shall contain the name and last-known address of the  
19 taxpayer, the last four digits of the taxpayer's social security number  
20 or federal identification number, the gaming commission's serial number,  
21 and a statement to the effect that the gaming commission has complied  
22 with all provisions of the Nebraska Racetrack Gaming Act and sections 1  
23 to 8 of Initiative Law 2020, No. 431, in the determination of the amount  
24 of the tax and any interest, penalty, and addition to such tax required  
25 to be paid.

26 (b) If the assets of the taxpayer are in the control or custody of  
27 the court in any proceeding before any court of the United States or of  
28 any state or the District of Columbia, before the end of the time period  
29 in subdivision (2)(a) of this section, the notice shall be filed for  
30 record within the time period or within six months after the assets are  
31 released by the court, whichever is later.

1       (3)(a) A lien imposed upon real property pursuant to the Uniform  
2 State Tax Lien Registration and Enforcement Act shall be valid against  
3 any subsequent creditor when notice of such lien and the amount due has  
4 been presented for filing by the gaming commission in the office of the  
5 Secretary of State and filed in the office of the register of deeds. A  
6 lien imposed upon personal property pursuant to the Uniform State Tax  
7 Lien Registration and Enforcement Act shall be valid against any  
8 subsequent creditor when notice of such lien and the amount due has been  
9 filed by the gaming commission in the office of the Secretary of State.

10       (b) In the case of any prior mortgage on real property or secured  
11 transaction covering personal property so written as to secure a present  
12 debt and future advances, the lien provided in this section, when notice  
13 thereof has been filed in the office of the appropriate filing officer,  
14 shall be subject to such prior lien unless the gaming commission has  
15 notified the lienholder in writing of the recording of such tax lien, in  
16 which case the lien of any indebtedness thereafter created under such  
17 mortgage or secured transaction shall be junior to the lien provided for  
18 in this section.

19       (4) The lien may, within ten years from the date of filing for  
20 record of the notice of lien in the office of the appropriate filing  
21 officer, be extended by filing for record a continuation statement. Upon  
22 timely filing of the continuation statement, the effectiveness of the  
23 original notice shall be continued for ten years after the last date to  
24 which the filing was effective. After such period the notice shall lapse  
25 in the manner prescribed in subsection (1) of this section unless another  
26 continuation statement is filed prior to such lapse.

27       (5) When a termination statement of any tax lien issued by the  
28 gaming commission is filed in the office where the notice of lien is  
29 filed, the appropriate filing officer shall enter such statement with the  
30 date of filing in the state tax lien index where notice of the lien so  
31 terminated is entered and shall file the termination statement with the

1 notice of the lien.

2 (6) The gaming commission may at any time, upon request of any party  
3 involved, release from a lien all or any portion of the property subject  
4 to any lien provided for in the Uniform State Tax Lien Registration and  
5 Enforcement Act or subordinate a lien to other liens and encumbrances if  
6 the gaming commission determines that (a) the tax amount and any  
7 interest, penalties, and additions to such tax have been paid or secured  
8 sufficiently by a lien on other property, (b) the lien has become legally  
9 unenforceable, (c) a surety bond or other satisfactory security has been  
10 posted, deposited, or pledged with the gaming commission in an amount  
11 sufficient to secure the payment of such taxes and any interest,  
12 penalties, and additions to such taxes, or (d) the release, partial  
13 release, or subordination of the lien will not jeopardize the collection  
14 of such taxes and any interest, penalties, and additions to such taxes.

15 (7) A certificate by the gaming commission stating that any property  
16 has been released from the lien or the lien has been subordinated to  
17 other liens and encumbrances shall be conclusive evidence that the  
18 property has in fact been released or the lien has been subordinated  
19 pursuant to the certificate.

20 Sec. 43. Section 5, Initiative Law 2020, No. 431, is amended to  
21 read:

22 Sec. 5. Every authorized gaming operator subject to taxation as set  
23 forth in this act and section 42 of this act shall pay such tax and make  
24 report thereof to the gaming commission under such rules and regulations  
25 as may be prescribed by the gaming commission.

26 Sec. 44. Section 6, Initiative Law 2020, No. 431, is amended to  
27 read:

28 Sec. 6. If the tax provided for in this act and section 42 of this  
29 act is not paid within such time as may be prescribed for payment thereof  
30 by rules and regulations prescribed by the gaming commission, the same  
31 shall become delinquent and a penalty of ten percent shall be added

1 thereto, together with interest at the rate specified in section  
2 45-104.02, as such rate may from time to time be adjusted, until paid.

3 Sec. 45. Section 7, Initiative Law 2020, No. 431, is amended to  
4 read:

5 Sec. 7. Any authorized gaming operator that willfully fails,  
6 neglects, or refuses to make any report required by this act and section  
7 42 of this act, or by rules and regulations adopted and promulgated under  
8 this act and section 42 of this act, or that knowingly makes any false  
9 statement in any such report, is guilty of a Class I ~~IV~~ misdemeanor.

10 Sec. 46. Section 13-3102, Revised Statutes Cumulative Supplement,  
11 2020, is amended to read:

12 13-3102 For purposes of the Sports Arena Facility Financing  
13 Assistance Act:

14 (1) Board means a board consisting of the Governor, the State  
15 Treasurer, the chairperson of the Nebraska Investment Council, the  
16 chairperson of the Nebraska State Board of Public Accountancy, and a  
17 professor of economics on the faculty of a state postsecondary  
18 educational institution appointed to a two-year term on the board by the  
19 Coordinating Commission for Postsecondary Education. For administrative  
20 and budget purposes only, the board shall be considered part of the  
21 Department of Revenue;

22 (2) Bond means a general obligation bond, redevelopment bond, lease-  
23 purchase bond, revenue bond, or combination of any such bonds;

24 (3) Eligible sports arena facility means:

25 (a) Any publicly owned, enclosed, and temperature-controlled  
26 building primarily used for sports that has a permanent seating capacity  
27 of at least three thousand but no more than seven thousand seats and in  
28 which initial occupancy occurs on or after July 1, 2010. Eligible sports  
29 arena facility includes stadiums, arenas, dressing and locker facilities,  
30 concession areas, parking facilities, and onsite administrative offices  
31 connected with operating the facilities; and

1 (b) Any racetrack enclosure licensed by the State Racing and Gaming  
2 Commission in which initial occupancy occurs on or after July 1, 2010,  
3 including concession areas, parking facilities, and onsite administrative  
4 offices connected with operating the racetrack;

5 (4) General obligation bond means any bond or refunding bond issued  
6 by a political subdivision and which is payable from the proceeds of an  
7 ad valorem tax;

8 (5) Increase in state sales tax revenue means the amount of state  
9 sales tax revenue collected by a nearby retailer during the fiscal year  
10 for which state assistance is calculated minus the amount of state sales  
11 tax revenue collected by the nearby retailer in the fiscal year that  
12 ended immediately preceding the date of occupancy of the eligible sports  
13 arena facility, except that the amount of state sales tax revenue of a  
14 nearby retailer shall not be less than zero;

15 (6) Nearby retailer means a retailer as defined in section  
16 77-2701.32 that is located within the program area. The term includes a  
17 subsequent owner of a nearby retailer operating at the same location;

18 (7) New state sales tax revenue means:

19 (a) For nearby retailers that commenced collecting state sales tax  
20 during the period of time beginning twenty-four months prior to occupancy  
21 of the eligible sports arena facility and ending forty-eight months after  
22 the occupancy of the eligible sports arena facility or, for applications  
23 for state assistance approved prior to October 1, 2016, forty-eight  
24 months after October 1, 2016, one hundred percent of the state sales tax  
25 revenue collected by the nearby retailer and sourced under sections  
26 77-2703.01 to 77-2703.04 to the program area; and

27 (b) For nearby retailers that commenced collecting state sales tax  
28 prior to twenty-four months prior to occupancy of the eligible sports  
29 arena facility, the increase in state sales tax revenue collected by the  
30 nearby retailer and sourced under sections 77-2703.01 to 77-2703.04 to  
31 the program area;

1 (8) Political subdivision means any city, village, or county;

2 (9) Program area means:

3 (a) For applications for state assistance submitted prior to October  
4 1, 2016, the area that is located within six hundred yards of an eligible  
5 sports arena facility, measured from any point of the exterior perimeter  
6 of the facility but not from any parking facility or other structure; or

7 (b) For applications for state assistance submitted on or after  
8 October 1, 2016, the area that is located within six hundred yards of an  
9 eligible sports arena facility, measured from any point of the exterior  
10 perimeter of the facility but not from any parking facility or other  
11 structure, except that if twenty-five percent or more of such area is  
12 unbuildable property, then the program area shall be adjusted so that:

13 (i) It avoids as much of the unbuildable property as is practical;  
14 and

15 (ii) It contains contiguous property with the same total amount of  
16 square footage that the program area would have contained had no  
17 adjustment been necessary.

18 Approval of an application for state assistance by the board  
19 pursuant to section 13-3106 shall establish the program area as that area  
20 depicted in the map accompanying the application for state assistance as  
21 submitted pursuant to subdivision (2)(c) of section 13-3104.

22 (10) Revenue bond means any bond or refunding bond issued by a  
23 political subdivision which is limited or special rather than a general  
24 obligation bond of the political subdivision and which is not payable  
25 from the proceeds of an ad valorem tax; and

26 (11) Unbuildable property means any real property that is located in  
27 a floodway, an environmentally protected area, a right-of-way, or a  
28 brownfield site as defined in 42 U.S.C. 9601 that the political  
29 subdivision determines is not suitable for the construction or location  
30 of residential, commercial, or other buildings or facilities.

31 Sec. 47. Section 77-382, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-382 (1) The department shall prepare a tax expenditure report  
3 describing (a) the basic provisions of the Nebraska tax laws, (b) the  
4 actual or estimated revenue loss caused by the exemptions, deductions,  
5 exclusions, deferrals, credits, and preferential rates in effect on July  
6 1 of each year and allowed under Nebraska's tax structure and in the  
7 property tax, (c) the actual or estimated revenue loss caused by failure  
8 to impose sales and use tax on services purchased for nonbusiness use,  
9 and (d) the elements which make up the tax base for state and local  
10 income, including income, sales and use, property, and miscellaneous  
11 taxes.

12 (2) The department shall review the major tax exemptions for which  
13 state general funds are used to reduce the impact of revenue lost due to  
14 a tax expenditure. The report shall indicate an estimate of the amount of  
15 the reduction in revenue resulting from the operation of all tax  
16 expenditures. The report shall list each tax expenditure relating to  
17 sales and use tax under the following categories:

18 (a) Agriculture, which shall include a separate listing for the  
19 following items: Agricultural machinery; agricultural chemicals; seeds  
20 sold to commercial producers; water for irrigation and manufacturing;  
21 commercial artificial insemination; mineral oil as dust suppressant;  
22 animal grooming; oxygen for use in aquaculture; animal life whose  
23 products constitute food for human consumption; and grains;

24 (b) Business across state lines, which shall include a separate  
25 listing for the following items: Property shipped out-of-state;  
26 fabrication labor for items to be shipped out-of-state; property to be  
27 transported out-of-state; property purchased in other states to be used  
28 in Nebraska; aircraft delivery to an out-of-state resident or business;  
29 state reciprocal agreements for industrial machinery; and property taxed  
30 in another state;

31 (c) Common carrier and logistics, which shall include a separate



1 listing for the following items: Railroad rolling stock and repair parts  
2 and services; common or contract carriers and repair parts and services;  
3 common or contract carrier accessories; and common or contract carrier  
4 safety equipment;

5 (d) Consumer goods, which shall include a separate listing for the  
6 following items: Motor vehicles and motorboat trade-ins; merchandise  
7 trade-ins; certain medical equipment and medicine; newspapers;  
8 laundromats; telefloral deliveries; motor vehicle discounts for the  
9 disabled; and political campaign fundraisers;

10 (e) Energy, which shall include a separate listing for the following  
11 items: Motor fuels; energy used in industry; energy used in agriculture;  
12 aviation fuel; and minerals, oil, and gas severed from real property;

13 (f) Food, which shall include a separate listing for the following  
14 items: Food for home consumption; Supplemental Nutrition Assistance  
15 Program; school lunches; meals sold by hospitals; meals sold by  
16 institutions at a flat rate; food for the elderly, handicapped, and  
17 Supplemental Security Income recipients; and meals sold by churches;

18 (g) General business, which shall include a separate listing for the  
19 following items: Component and ingredient parts; manufacturing machinery;  
20 containers; film rentals; molds and dies; syndicated programming;  
21 intercompany sales; intercompany leases; sale of a business or farm  
22 machinery; and transfer of property in a change of business ownership;

23 (h) Lodging and shelter, which shall include a separate listing for  
24 the following item: Room rentals by certain institutions;

25 (i) Miscellaneous, which shall include a separate listing for the  
26 following items: Cash discounts and coupons; separately stated finance  
27 charges; casual sales; lease-to-purchase agreements; and separately  
28 stated taxes;

29 (j) Nonprofits, governments, and exempt entities, which shall  
30 include a separate listing for the following items: Purchases by  
31 political subdivisions of the state; purchases by churches and nonprofit

1 colleges and medical facilities; purchasing agents for public real estate  
2 construction improvements; contractor as purchasing agent for public  
3 agencies; Nebraska lottery; admissions to school events; sales on Native  
4 American Indian reservations; school-supporting fundraisers; fine art  
5 purchases by a museum; purchases by the Nebraska State Fair Board;  
6 purchases by the Nebraska Investment Finance Authority and licensees of  
7 the State Racing and Gaming Commission; purchases by the United States  
8 Government; public records; and sales by religious organizations;

9 (k) Recent sales tax expenditures, which shall include a separate  
10 listing for each sales tax expenditure created by statute or rule and  
11 regulation after July 19, 2012;

12 (l) Services purchased for nonbusiness use, which shall include a  
13 separate listing for each such service, including, but not limited to,  
14 the following items: Motor vehicle cleaning, maintenance, and repair  
15 services; cleaning and repair of clothing; cleaning, maintenance, and  
16 repair of other tangible personal property; maintenance, painting, and  
17 repair of real property; entertainment admissions; personal care  
18 services; lawn care, gardening, and landscaping services; pet-related  
19 services; storage and moving services; household utilities; other  
20 personal services; taxi, limousine, and other transportation services;  
21 legal services; accounting services; other professional services; and  
22 other real estate services; and

23 (m) Telecommunications, which shall include a separate listing for  
24 the following items: Telecommunications access charges; prepaid calling  
25 arrangements; conference bridging services; and nonvoice data services.

26 (3) It is the intent of the Legislature that nothing in the Tax  
27 Expenditure Reporting Act shall cause the valuation or assessment of any  
28 property exempt from taxation on the basis of its use exclusively for  
29 religious, educational, or charitable purposes.

30 Sec. 48. Section 77-2704.20, Reissue Revised Statutes of Nebraska,  
31 as amended by section 11, Initiative Law 2020, No. 430, is amended to

1 read:

2 77-2704.20 Sales and use taxes shall not be imposed on the gross  
3 receipts from the sale, lease, or rental of and the storage, use, or  
4 other consumption in this state of purchases made by licensees of the  
5 State Racing and Gaming Commission ~~or of purchases made by licensees of~~  
6 ~~the Nebraska Gaming Commission.~~

7 Sec. 49. Section 84-710, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 84-710 It shall be unlawful for any executive department, state  
10 institution, board, or officer acting under or by virtue of any statute  
11 or authority of the state, including the State Racing and Gaming  
12 Commission, to receive any fees, proceeds from the sale of any public  
13 property, or any money belonging to the state or due for any service  
14 rendered by virtue of state authority without paying the same into the  
15 state treasury within three business days of the receipt thereof when the  
16 aggregate amount is five hundred dollars or more and within seven days of  
17 the receipt thereof when the aggregate amount is less than five hundred  
18 dollars. The State Treasurer may, upon a written request from an  
19 executive department, state institution, board, or officer stating that  
20 the applicable time period cannot be met, grant additional time to remit  
21 the funds to the state treasury. Funds received by an executive  
22 department, state institution, board, or officer for a good or service  
23 which may or may not be delivered contingent upon a selection process  
24 shall not be subject to this section until the selection period is over.

25 The provisions of this section and section 84-711 shall not apply to  
26 money received as proceeds of any fair, exposition, or exhibition held by  
27 any state board or society or of membership contributions to or receipts  
28 from miscellaneous sales by the Nebraska State Historical Society.

29 Such money so paid into the treasury shall be withdrawn therefrom or  
30 paid out only upon proper voucher and warrant.

31 The head of any institution receiving, from any source, funds to be

1 held in trust and expended for the benefit of any inmate thereof shall  
2 not be required to pay such trust funds into the state treasury as  
3 provided in this section but shall, at the end of each month, file with  
4 the Director of Administrative Services a detailed and attested statement  
5 of all such money received and expended by him or her.

6       Sec. 50. Original sections 2-1201.01, 2-1202, 2-1203.02, 2-1204,  
7 2-1207.01, 2-1208.03, 2-1208.04, 2-1209, 2-1211, 2-1213, 2-1215, 2-1217,  
8 2-1219, 2-1224, 2-1225, 2-1244, 2-1246, 2-1247, 77-382, and 84-710,  
9 Reissue Revised Statutes of Nebraska, sections 2-1201, 2-1203, 2-1207,  
10 2-1208, 2-1216, 2-1221, 2-1222, and 13-3102, Revised Statutes Cumulative  
11 Supplement, 2020, section 77-2704.20, Reissue Revised Statutes of  
12 Nebraska, as amended by section 11, Initiative Law 2020, No. 430, section  
13 2-1203.01, Revised Statutes Cumulative Supplement, 2018, as amended by  
14 section 7, Initiative Law 2020, No. 430, sections 1, 3, 5, and 6,  
15 Initiative Law 2020, No. 430, and sections 2, 5, 6, and 7, Initiative Law  
16 2020, No. 431, are repealed.

17       Sec. 51. Since an emergency exists, this act takes effect when  
18 passed and approved according to law.