

AMENDMENTS TO LB775

Introduced by General Affairs.

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 9-601, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5           9-601 Sections 9-601 to 9-653 and sections 3 and 8 of this act shall  
6 be known and may be cited as the Nebraska County and City Lottery Act.

7           Sec. 2. Section 9-603, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9           9-603 For purposes of the Nebraska County and City Lottery Act, the  
10 definitions found in sections 9-603.02 to 9-618 and section 3 of this act  
11 shall be used.

12           Sec. 3. Digital-on-premises ticket means a digital ticket purchased  
13 in person on a mobile or other electronic device verified to be present  
14 at the location of the lottery operator or an authorized sales outlet  
15 location in accordance with subdivision (3)(b) of section 8 of this act.

16           Sec. 4. Section 9-606, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18           9-606 Gross proceeds shall mean the total aggregate receipts  
19 received from the conduct of any lottery conducted by any county, city,  
20 or village without any reduction for prizes, discounts, taxes, or  
21 expenses and shall include receipts from admission costs, any  
22 consideration necessary for participation, and the value of any free  
23 tickets, games, or plays used, except that gross proceeds shall not  
24 include any admission costs collected at any location where the lottery  
25 is also available to the public free of any admission charge.

26           Sec. 5. Section 9-607, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

1 9-607 (1) Lottery shall mean a gambling scheme in which:

2 (a) The players pay or agree to pay something of value for an  
3 opportunity to win;

4 (b) Winning opportunities are represented by tickets;

5 (c) Winners are solely determined by one of the following two  
6 methods:

7 (i) By a random drawing of tickets differentiated by sequential  
8 enumeration from a receptacle by hand whereby each ticket has an equal  
9 chance of being chosen in the drawing; or

10 (ii) By use of a game known as keno in which a player selects up to  
11 twenty numbers from a total of eighty numbers on a ~~paper~~ ticket and a  
12 computer, other electronic selection device, or electrically operated  
13 blower machine which is not player-activated randomly selects up to  
14 twenty numbers from the same pool of eighty numbers and the winning  
15 players are determined by the correct matching of the numbers on the  
16 ~~paper~~ ticket selected by the players with the numbers randomly selected  
17 by the computer, other electronic selection device, or electrically  
18 operated blower machine, except that (A) no keno game shall permit or  
19 require player activation of lottery equipment and (B) the random  
20 selection of numbers by the computer, other electronic selection device,  
21 or electrically operated blower machine shall not occur within five  
22 minutes of the completion of the previous selection of random numbers;  
23 ~~and~~

24 (d) The holders of the winning ~~paper~~ tickets are to receive cash or  
25 prizes redeemable for cash. Selection of a winner or winners shall be  
26 predicated solely on chance; and -

27 (e) Tickets are issued either (i) on paper or (ii) with the consent  
28 of the governing body of the county, city, or village conducting the  
29 lottery, digitally to a mobile or other device which, at the time of  
30 purchase, is verified to be present at the location of the lottery  
31 operator or an authorized sales outlet location as provided in

1 subdivision (3)(b) of section 8 of this act.

2 (2) Lottery shall not include:

3 (a) Any gambling scheme which uses any mechanical gaming device,  
4 computer gaming device, electronic gaming device, or video gaming device  
5 which has the capability of awarding something of value, free games  
6 redeemable for something of value, or tickets or stubs redeemable for  
7 something of value;

8 (b) Any activity authorized or regulated under the Nebraska Bingo  
9 Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card  
10 Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery  
11 Act, section 9-701, or Chapter 2, article 12; or

12 (c) Any activity prohibited under Chapter 28, article 11.

13 (3) Notwithstanding the requirement in subdivision (1)(c)(ii) of  
14 this section that a player select up to twenty numbers, a player may  
15 select more than twenty numbers on a ~~paper~~ ticket when a top or bottom,  
16 left or right, edge, or way ticket is played. For a top or bottom ticket,  
17 the player shall select all numbers from one through forty or all numbers  
18 from forty-one through eighty. For a left or right ticket, the player  
19 shall select all numbers ending in one through five or all numbers ending  
20 in six through zero. For an edge ticket, the player shall select all of  
21 the numbers comprising the outside edge of the ticket. For a way ticket,  
22 the player shall select a combination of groups of numbers in multiple  
23 ways on a single ticket.

24 (4) A county, city, or village conducting a keno lottery shall  
25 designate the method of winning number selection to be used in the  
26 lottery and submit such designation in writing to the department prior to  
27 conducting a keno lottery. Only those methods of winning number selection  
28 described in subdivision (1)(c)(ii) of this section shall be permitted,  
29 and the method of winning number selection initially utilized may only be  
30 changed once during that business day as set forth in the designation. A  
31 county, city, or village shall not change the method or methods of

1 winning number selection filed with the department or allow it to be  
2 changed once such initial designation has been made unless (a) otherwise  
3 authorized in writing by the department based upon a written request from  
4 the county, city, or village or (b) an emergency arises in which case a  
5 ball draw method of number selection would be switched to a number  
6 selection by a random number generator. An emergency situation shall be  
7 reported by the county, city, or village to the department within twenty-  
8 four hours of its occurrence.

9 Sec. 6. Section 9-646.01, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 9-646.01 (1)(a) No person or licensee, or any employee or agent  
12 thereof, accepting wagers on a lottery conducted pursuant to the Nebraska  
13 County and City Lottery Act shall extend credit from the gross proceeds  
14 of a lottery to participants in the lottery for the purchase of lottery  
15 tickets. No person shall purchase or be allowed to purchase any lottery  
16 ticket or make or be allowed to make any wager pursuant to the act unless  
17 he or she pays for such ticket or wager with cash, a debit card, the cash  
18 balance of a payment application, a transfer from a deposit account at a  
19 financial institution, or an account established in the name of the  
20 player with the lottery operator and funded as provided in subsection (2)  
21 of this section. For purposes of this section, cash shall mean United  
22 States currency having the same face value as the price of the ticket or  
23 wager. A credit card shall not be accepted for payment for any wager on  
24 keno.

25 (b) A participant shall not use a debit card to purchase more than  
26 two hundred dollars of keno wagers from a lottery operator in a single  
27 calendar day.

28 (2) A lottery operator may allow participants to create an account  
29 to be used for lottery play. Such accounts may only be funded with cash,  
30 a debit card, the cash balance of a payment application, or a transfer  
31 from a deposit account at a financial institution. The lottery operator

1 may also allow a participant to deposit prize money won from the lottery  
2 and refunds from the lottery into a lottery play account. A participant  
3 shall not deposit funds into any such account from a debit card  
4 transaction if the total amount of funds from all such debit card  
5 transactions in that calendar day would exceed two hundred dollars.

6 Sec. 7. Section 9-651, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 9-651 Each county, city, or village conducting a lottery shall have  
9 its name clearly associated with ~~printed on~~ each ticket used in the  
10 lottery. No such ticket shall be sold unless such ~~the~~ name is clearly  
11 identified ~~printed thereon~~.

12 Sec. 8. (1) Any purchase of a ticket for a keno game shall be made  
13 in person at the location of the lottery operator or an authorized sales  
14 outlet location.

15 (2) The lottery operator shall file with the department the address  
16 of each location where digital-on-premises tickets are sold. The lottery  
17 operator shall use reasonable safeguards approved by the department to  
18 ensure that digital-on-premises tickets are only accessible to  
19 individuals nineteen years of age or older.

20 (3) The lottery operator shall submit controls, for approval by the  
21 department, that include the following at the location of the lottery  
22 operator or the locations of its associated authorized sales outlets at  
23 which digital-on-premises tickets are sold:

24 (a) Any specific procedure and any technology partner used to  
25 fulfill the requirements set forth by the department;

26 (b) Any location detection procedure to reasonably detect and  
27 dynamically monitor the location of a player attempting to purchase a  
28 digital-on-premises ticket for a keno game. The location procedures shall  
29 be designed so that a player outside the permitted boundary is rejected  
30 and the player is notified. The permitted boundary shall be established  
31 in such a manner that access is not regularly available away from the

1 property on which the licensed premises is situated and such boundary is  
2 as closely matching to the actual or legal boundaries of the licensed  
3 premises as reasonably possible;

4 (c) Any other specific controls as designated by the department;

5 (d) A process to prominently display and easily impose any  
6 limitation parameters relating to the purchase of a digital-on-premises  
7 ticket for a keno game; and

8 (e) An easy and obvious method for a player to make a complaint and  
9 to enable the player to notify the department if such complaint has not  
10 been or cannot be addressed by the lottery operator.

11 (4) The department shall approve or deny the controls within thirty  
12 days after submission. If denied, the department shall provide the  
13 reasons for denial and allow the lottery operator to resubmit revised  
14 controls.

15 (5) The department may adopt and promulgate rules and regulations  
16 relating to digital-on-premises tickets. Such rules and regulations shall  
17 be adopted and promulgated no later than January 1, 2024.

18 Sec. 9. Section 9-1103, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 9-1103 For purposes of the Nebraska Racetrack Gaming Act:

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

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

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

1 (b) Authorized sporting event does not include an instate collegiate  
2 sporting event in which an instate collegiate or university team is a  
3 participant, a parimutuel wager, a fantasy sports contest, a minor league  
4 sporting event, a sporting event at the high school level or below  
5 regardless of the age of any individual participant, or any sporting  
6 event excluded by the commission;

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

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

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

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

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

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

29 (10) Licensed racetrack enclosure means all real property licensed  
30 and utilized for the conduct of a race meeting, including the racetrack  
31 and any grandstand, concession stand, office, barn, barn area, employee

1 housing facility, parking lot, and additional area designated by the  
2 commission premises at which licensed live horseracing is conducted in  
3 accordance with the Constitution of Nebraska and applicable Nebraska law;

4 (11) Limited gaming device means an electronic gaming device which  
5 (a) offers games of chance, (b) does not dispense currency, tokens, or  
6 other items of value, and (c) does not have a cash winnings hopper,  
7 mechanical or simulated spinning reel, or side handle;

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

23 (13) Racing license means a license issued for a licensed racetrack  
24 enclosure by the commission; and

25 (14) Sports wagering means the acceptance of wagers on an authorized  
26 sporting event by any system of wagering as authorized by the commission.  
27 Sports wagering does not include (a) placing a wager on the performance  
28 or nonperformance of any individual athlete participating in a single  
29 game or match of a collegiate sporting event in which a collegiate team  
30 from this state is participating, (b) placing an in-game wager on any  
31 game or match of a collegiate sporting event in which a collegiate team

1 from this state is participating, (c) placing a wager on the performance  
2 or nonperformance of any individual athlete under eighteen years of age  
3 participating in a professional or international sporting event, or (d)  
4 placing a wager on the performance of athletes in an individual sporting  
5 event excluded by the commission.

6 Sec. 10. Section 9-1106, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 9-1106 The commission shall:

9 (1) License and regulate authorized gaming operators for the  
10 operation of all games of chance authorized pursuant to the Nebraska  
11 Racetrack Gaming Act, including adopting, promulgating, and enforcing  
12 rules and regulations governing such authorized gaming operators  
13 consistent with the act;

14 (2) Regulate the operation of games of chance in order to prevent  
15 and eliminate corrupt practices and fraudulent behavior, and thereby  
16 promote integrity, security, and honest administration in, and accurate  
17 accounting of, the operation of games of chance which are subject to the  
18 act;

19 (3) Establish criteria to license applicants for authorized gaming  
20 operator licenses and all other types of gaming licenses for other  
21 positions and functions incident to the operation of games of chance,  
22 including adopting, promulgating, and enforcing rules, regulations, and  
23 eligibility standards for such authorized gaming operator licenses,  
24 gaming licenses, and positions and functions incident to the operation of  
25 games of chance;

26 (4) Charge fees for applications for licenses and for the issuance  
27 of authorized gaming operator licenses and all other types of gaming  
28 licenses to successful applicants which shall be payable to the  
29 commission;

30 (5) Charge fees to authorized gaming operators in an amount  
31 necessary to offset the cost of oversight and regulatory services to be

1 provided which shall be payable to the commission;

2 (6) Impose a one-time authorized gaming operator license fee of five  
3 million dollars on each authorized gaming operator for each licensed  
4 racetrack enclosure payable to the commission. The license fee may be  
5 paid over a period of five years with one million dollars due at the time  
6 the license is issued;

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

11 (8) Grant or deny for cause applications for authorized gaming  
12 operator licenses of not less than twenty years in duration, subject to  
13 an annual review by the commission and receipt by the commission of a  
14 fifty-thousand-dollar annual review fee, with no more than one such  
15 authorized gaming operator license granted for any licensed racetrack  
16 enclosure within the state;

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

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

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

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

28 (13) Administer oaths or affirmations as necessary to carry out the  
29 act;

30 (14) Have the authority to impose, subject to judicial review,  
31 appropriate administrative fines and penalties for each violation of the

1 act or any rules and regulations adopted and promulgated pursuant to the  
2 act in an amount not to exceed:

3 (a) For any licensed racetrack enclosure with an authorized gaming  
4 operator operating games of chance for one year or less, fifty thousand  
5 dollars per violation; or

6 (b) For any licensed racetrack enclosure with an authorized gaming  
7 operator operating games of chance for more than one year, three times  
8 the highest daily amount of gross receipts derived from wagering on games  
9 of chance during the twelve months preceding the violation at such  
10 licensed racetrack enclosure gaming facility per violation;

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

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

16 (17) Collect and account for any gaming taxes assessed to authorized  
17 gaming operators and remit such taxes to the State Treasurer or county  
18 treasurer as required by Nebraska law;

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

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

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

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

24 (22) Establish a process to allow a person to be voluntarily  
25 excluded from wagering in any game of chance under the act in accordance  
26 with section 9-1118;

27 (23) Remit all license and application fees collected under the  
28 Nebraska Racetrack Gaming Act to the State Treasurer for credit to the  
29 Racing and Gaming Commission's Racetrack Gaming Fund;

30 (24) Conduct or cause to be conducted a statewide horseracing market  
31 analysis to study the racing market as it currently exists across the

1 state and within the locations in Nebraska of the racetracks in Adams,  
2 Dakota, Douglas, Hall, Lancaster, and Platte counties as of the date of  
3 the market analysis. Such market analysis shall be completed as soon as  
4 practicable but not later than January 1, 2025, and every five years  
5 thereafter and shall be submitted electronically to the General Affairs  
6 Committee of the Legislature and to the Governor. Such market analysis  
7 shall examine the market potential and make recommendations involving:

8 (a) The number of live racing days per track, number of races run,  
9 and number of horses that should be entered per race;

10 (b) The number of Nebraska-bred horses available in the market for  
11 running races, including foals dropped in the state for the past three  
12 years at the time of the market analysis;

13 (c) The circuit scheduled in the state and if any overlapping dates  
14 would be beneficial to the circuit and market as a whole;

15 (d) The total number of horses available for the total annual  
16 schedule, with separate analysis for thoroughbred races and quarterhorse  
17 races;

18 (e) The purse money available per race and per track;

19 (f) The strength of the potential and ongoing simulcast market;

20 (g) The staffing patterns and problems that exist at each track,  
21 including unfilled positions;

22 (h) The positive and negative effects, including financial, on each  
23 existing racetrack at the time of the market analysis in the event the  
24 commission approves a new racetrack application;

25 (i) The potential to attract new owners and horses from other  
26 states;

27 (j) The market potential for expansion at each licensed racetrack  
28 enclosure to the live race meet days and the number of live horseraces  
29 required by section 2-1205, and the room for expansion, if any, for  
30 additional licensed racetrack enclosures into the market in Nebraska and  
31 the locations most suitable for such expansion; and

1 (k) Any other data and analysis required by the commission;

2 (25) Conduct or cause to be conducted a statewide casino gaming  
3 market analysis study across the state and within each location of a  
4 racetrack in Adams, Dakota, Douglas, Hall, Lancaster, and Platte  
5 counties. Such market analysis study shall be completed as soon as  
6 practicable but not later than January 1, 2025, and every five years  
7 thereafter and shall be submitted electronically to the General Affairs  
8 Committee of the Legislature and to the Governor. The market analysis  
9 study shall include:

10 (a) A comprehensive assessment of the potential casino gaming market  
11 conditions;

12 (b) An evaluation of the effects on the Nebraska market from  
13 competitive casino gaming locations outside of the state;

14 (c) Information identifying underperforming or underserved markets  
15 within Nebraska;

16 (d) A comprehensive study of potential casino gaming revenue in  
17 Nebraska; and

18 (e) Any other data and analysis required by the commission;

19 (26) Conduct or cause to be conducted a statewide socioeconomic-  
20 impact study of horseracing and casino gaming across the state and at  
21 each licensed racetrack enclosure and gaming facility in Adams, Dakota,  
22 Douglas, Hall, Lancaster, and Platte counties. Such socioeconomic-impact  
23 study shall be completed as soon as practicable but not later than  
24 January 1, 2025, and shall be submitted electronically to the General  
25 Affairs Committee of the Legislature and to the Governor. The study shall  
26 include:

27 (a) Information on financial and societal impacts of horseracing and  
28 casino gaming, including crime and local businesses;

29 (b) An analysis of problem gambling within the state; and

30 (c) A comparison of the economy of counties which contain a licensed  
31 racetrack enclosure operating games of chance and counties which do not

1 contain such a licensed racetrack enclosure as of the date of the study,  
2 which comparison shall include:

- 3 (i) The population of such counties;
- 4 (ii) Jobs created by each licensed racetrack enclosure operating  
5 games of chance in such counties;
- 6 (iii) Unemployment rates in such counties;
- 7 (iv) Information on family and household income in such counties;
- 8 (v) Retail sales in such counties;
- 9 (vi) Property values in such counties;
- 10 (vii) An analysis of the impact on community services, including  
11 police protection expenditures, fire protection expenditures, road,  
12 bridge, and sidewalk expenditures, and capital project expenditures in  
13 such counties;
- 14 (viii) Impact on community health in such counties;
- 15 (ix) Divorce rates in such counties;
- 16 (x) Information on available education and education levels in such  
17 counties;
- 18 (xi) Life expectancy in such counties;
- 19 (xii) Homelessness in such counties; and
- 20 (xiii) Any other data and analysis required by the commission;

21 (27) Approve or deny an application for any licensed racetrack  
22 enclosure which is not in existence or operational as of April 20, 2022,  
23 or any licensed racetrack enclosure in existence and operational as of  
24 November 1, 2020, that applies to move such licensed racetrack enclosure  
25 pursuant to section 2-1205, on the basis of the placement and location of  
26 such licensed racetrack enclosure and based on the market as it exists as  
27 of the most recent issuance of the statewide horseracing market analysis,  
28 statewide casino gaming market analysis, and statewide socioeconomic-  
29 impact studies conducted by the commission pursuant to this section. The  
30 commission shall deny a licensed racetrack enclosure or gaming operator  
31 license application if it finds that approval of such application in such

1 placement and location would be detrimental to the racing or gaming  
2 market that exists across the state based on the most recent statewide  
3 horseracing market analysis, statewide casino gaming market analysis, and  
4 statewide socioeconomic-impact studies;~~and~~

5 (28) Do all things necessary and proper to carry out its powers and  
6 duties under the Nebraska Racetrack Gaming Act, including the adoption  
7 and promulgation of rules and regulations and such other actions as  
8 permitted by the Administrative Procedure Act; -

9 (29) Recommend to the Governor and to the General Affairs Committee  
10 of the Legislature amendments to all laws administered by the commission;  
11 and

12 (30) As appropriate and as recommended by the executive director of  
13 the commission, delegate to an adjudication subcommittee of the  
14 commission those powers and duties of the commission as necessary to  
15 carry out and effectuate the purposes of the Nebraska Racetrack Gaming  
16 Act and investigate and respond to violations of the Nebraska Racetrack  
17 Gaming Act. The adjudication subcommittee staff shall be appointed by the  
18 executive director. No person may be appointed to the adjudication  
19 subcommittee if such person is involved in the investigation of any  
20 violation being heard or investigated by the subcommittee. Any action of  
21 the adjudication subcommittee may be appealed to the commission or may be  
22 reviewed by the commission on its own initiative. The adjudication  
23 subcommittee may impose a fine, consistent with the Nebraska Racetrack  
24 Gaming Act, not to exceed fifteen thousand dollars, upon a finding that  
25 the act or any rule or regulation adopted and promulgated under the act  
26 has been violated. The commission shall remit any fines collected under  
27 this subdivision to the State Treasurer for distribution in accordance  
28 with Article VII, section 5, of the Constitution of Nebraska.

29 Sec. 11. Section 81-3717, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 81-3717 (1) The governing body of the county shall after a public

1 hearing adopt a resolution establishing a County Visitors Promotion Fund  
2 and a visitors committee which shall serve as an advisory committee to  
3 the governing body in administering the proceeds from the taxes provided  
4 to the county by the Nebraska Visitors Development Act. The governing  
5 body of a county may also after a public hearing adopt a resolution  
6 establishing a County Visitors Improvement Fund. The proceeds of the  
7 County Visitors Promotion Fund shall be used generally to promote,  
8 encourage, and attract visitors to come to the county and use the travel  
9 and tourism facilities within the county. The proceeds of the County  
10 Visitors Improvement Fund shall be used to improve the visitor  
11 attractions and facilities in the county, except that no proceeds shall  
12 be used to improve a facility in which parimutuel wagering is conducted  
13 unless such facility also serves as the site of a state fair or district  
14 or county agricultural society fair. If the visitors committee determines  
15 that the visitor attractions in the county are adequate and do not  
16 require improvement, the governing body of the county, with the advice of  
17 the committee, may only use the County Visitors Improvement Fund to  
18 promote, encourage, and attract visitors to the county to use the  
19 county's travel and tourism facilities or, with the advice of the  
20 visitors committee, make grants to organizations to promote, encourage,  
21 and attract visitors to the county to use the county's travel and tourism  
22 facilities, ~~except that no proceeds shall be granted to an organization~~  
23 ~~to promote parimutuel wagering~~. The committee shall consist of five or  
24 seven members appointed by the governing body of the county. If the  
25 committee has five members, at least one but no more than two members of  
26 the committee shall be in the hotel industry. If the committee has seven  
27 members, at least two but no more than three members of the committee  
28 shall be in the hotel industry.

29 (2) The members of the committee shall serve without compensation,  
30 except for reimbursement for necessary expenses. Committee members shall  
31 serve for terms of four years, except that at least half of those

1 appointed shall be appointed for initial terms of two years. Vacancies  
2 shall be filled in the same manner as the initial appointments. The  
3 committee shall elect a chairperson and vice-chairperson from among its  
4 members to serve for terms of two years.

5 Sec. 12. Section 81-3720, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 81-3720 (1)(a) The County Visitors Improvement Fund shall be  
8 administered by the governing body of the county with the advice of the  
9 visitors committee created pursuant to section 81-3717. The fund shall be  
10 used to make grants for expanding and improving facilities at any  
11 existing visitor attraction, acquiring or expanding exhibits for existing  
12 visitor attractions, constructing visitor attractions, or planning or  
13 developing such expansions, improvements, or construction.

14 (b) Grants shall be available for any visitor attraction in the  
15 county owned by the public or any nonprofit organization, the primary  
16 purpose of which is to operate the visitor attraction, ~~except that grants~~  
17 ~~shall not be available for any visitor attraction where parimutuel~~  
18 ~~wagering is conducted.~~

19 (c) Grants may be made for a specified annual amount not to exceed  
20 the proceeds derived from a sales tax rate of one percent imposed by a  
21 county for a County Visitors Improvement Fund for a term of years not to  
22 exceed twenty years and may be pledged by the recipient to secure bonds  
23 issued to finance expansion, improvement, or construction of a visitor  
24 attraction. Any grant made for a term of years shall be funded each year  
25 in accordance with any agreement contained in the grant contract.

26 (d) No bonds issued by a grant recipient which pledges grant funds  
27 shall constitute a debt, liability, or general obligation of the county  
28 levying the tax or a pledge of the faith and credit of the county levying  
29 the tax but shall be payable solely from grant funds. Each bond issued by  
30 any grant recipient which pledges grant funds shall contain on the face  
31 thereof a statement that neither the faith and credit nor the taxing

1 power of the county levying the tax is pledged to the payment of the  
2 principal of or the interest on such bond.

3 (2) For purposes of this section and section 81-3717, visitor  
4 attraction means a defined location open to the public, which location is  
5 of educational, cultural, historical, artistic, or recreational  
6 significance or provides entertainment or in which are exhibits,  
7 displays, or performances of educational, cultural, historic, artistic,  
8 or entertainment value.

9 Sec. 13. Original sections 9-601, 9-603, 9-606, 9-607, 9-646.01,  
10 9-651, 9-1103, 9-1106, 81-3717, and 81-3720, Reissue Revised Statutes of  
11 Nebraska, are repealed.