

ONE HUNDRED EIGHTH LEGISLATURE

FIRST SPECIAL SESSION

LEGISLATIVE RESOLUTION 23CA

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Wayne, 13.

Read first time July 29, 2024

Committee: General Affairs

1 THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, FIRST
2 SPECIAL SESSION, RESOLVE THAT:

3 Section 1. At the general election in November 2024, the following
4 proposed amendment to the Constitution of Nebraska shall be submitted to
5 the electors of the State of Nebraska for approval or rejection:

6 To amend Article III, section 24:

7 III-24 (1) Subject to the limitations provided in this section, the
8 Legislature shall authorize and regulate gambling activities. Gambling
9 activities include, but not limited to, any game of chance, lottery,
10 bingo game, gift enterprise, sports wagering or other wagering, and
11 wagering on the results of horseraces, wherever run, either within or
12 outside of the state, by the parimutuel method, when such wagering is
13 conducted by licensees within a licensed racetrack enclosure, if the
14 consideration for a chance to participate in such activities involves the
15 payment of money for the purchase of property, services, or a chance or
16 admission ticket or requires an expenditure of substantial effort or
17 time. Gambling activities includes any version of such gambling
18 activities played by means of an online or mobile platform. No gambling
19 activities are authorized except as provided in this section.

20 (2) The tax proceeds generated from any gambling activities
21 authorized and regulated by the Legislature shall be used for the
22 following purposes as directed by the Legislature:

23 (i) Eighty percent of the tax proceeds shall be allocated to a

1 dedicated fund for the purpose of providing property tax relief to the
2 residents of Nebraska;

3 (ii) Five percent of the tax proceeds shall be used for education
4 purposes as the Legislature may direct;

5 (iii) Five percent of the tax proceeds shall be transferred to the
6 Compulsive Gamblers Assistance Fund; and

7 (iv) Ten percent of the tax proceeds shall be transferred to the
8 General Fund.

9 (3) No gambling activities shall be conducted by means of an online
10 or mobile platform if the individual or entity conducting such gambling
11 activities does not have a physical location in the State of Nebraska
12 where such gambling activities are conducted.

13 ~~(1) Except as provided in this section, the Legislature shall not~~
14 ~~authorize any game of chance or any lottery or gift enterprise when the~~
15 ~~consideration for a chance to participate involves the payment of money~~
16 ~~for the purchase of property, services, or a chance or admission ticket~~
17 ~~or requires an expenditure of substantial effort or time.~~

18 ~~(2) The Legislature may authorize and regulate a state lottery~~
19 ~~pursuant to subsection (3) of this section and other lotteries, raffles,~~
20 ~~and gift enterprises which are intended solely as business promotions or~~
21 ~~the proceeds of which are to be used solely for charitable or community~~
22 ~~betterment purposes without profit to the promoter of such lotteries,~~
23 ~~raffles, or gift enterprises.~~

24 ~~(3)(a) The Legislature may establish a lottery to be operated and~~
25 ~~regulated by the State of Nebraska. The proceeds of the lottery shall be~~
26 ~~appropriated by the Legislature for the costs of establishing and~~
27 ~~maintaining the lottery and for the following purposes, as directed by~~
28 ~~the Legislature:~~

29 ~~(i) The first five hundred thousand dollars after the payment of~~
30 ~~prizes and operating expenses shall be transferred to the Compulsive~~
31 ~~Gamblers Assistance Fund;~~

1 ~~(ii) Forty-four and one-half percent of the money remaining after~~
2 ~~the payment of prizes and operating expenses and the initial transfer to~~
3 ~~the Compulsive Gamblers Assistance Fund shall be transferred to the~~
4 ~~Nebraska Environmental Trust Fund to be used as provided in the Nebraska~~
5 ~~Environmental Trust Act;~~

6 ~~(iii) Forty-four and one-half percent of the money remaining after~~
7 ~~the payment of prizes and operating expenses and the initial transfer to~~
8 ~~the Compulsive Gamblers Assistance Fund shall be used for education as~~
9 ~~the Legislature may direct;~~

10 ~~(iv) Ten percent of the money remaining after the payment of prizes~~
11 ~~and operating expenses and the initial transfer to the Compulsive~~
12 ~~Gamblers Assistance Fund shall be transferred to the Nebraska State Fair~~
13 ~~Board if the most populous city within the county in which the fair is~~
14 ~~located provides matching funds equivalent to ten percent of the funds~~
15 ~~available for transfer. Such matching funds may be obtained from the city~~
16 ~~and any other private or public entity, except that no portion of such~~
17 ~~matching funds shall be provided by the state. If the Nebraska State Fair~~
18 ~~ceases operations, ten percent of the money remaining after the payment~~
19 ~~of prizes and operating expenses and the initial transfer to the~~
20 ~~Compulsive Gamblers Assistance Fund shall be transferred to the General~~
21 ~~Fund; and~~

22 ~~(v) One percent of the money remaining after the payment of prizes~~
23 ~~and operating expenses and the initial transfer to the Compulsive~~
24 ~~Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers~~
25 ~~Assistance Fund.~~

26 ~~(b) No lottery game shall be conducted as part of the lottery unless~~
27 ~~the type of game has been approved by a majority of the members of the~~
28 ~~Legislature.~~

29 ~~(4) Nothing in this section shall be construed to prohibit (a) the~~
30 ~~enactment of laws providing for the licensing and regulation of wagering~~
31 ~~on the results of horseraces, wherever run, either within or outside of~~

1 ~~the state, by the parimutuel method, when such wagering is conducted by~~
2 ~~licensees within a licensed racetrack enclosure or (b) the enactment of~~
3 ~~laws providing for the licensing and regulation of bingo games conducted~~
4 ~~by nonprofit associations which have been in existence for a period of~~
5 ~~five years immediately preceding the application for license, except that~~
6 ~~bingo games cannot be conducted by agents or lessees of such associations~~
7 ~~on a percentage basis.~~

8 ~~(5) This section shall not apply to any law which is enacted~~
9 ~~contemporaneously with the adoption of this subsection or at any time~~
10 ~~thereafter and which provides for the licensing, authorization,~~
11 ~~regulation, or taxation of all forms of games of chance when such games~~
12 ~~of chance are conducted by authorized gaming operators within a licensed~~
13 ~~racetrack enclosure.~~

14 Sec. 2. The proposed amendment shall be submitted to the electors
15 in the manner prescribed by the Constitution of Nebraska, Article XVI,
16 section 1, with the following ballot language:

17 A constitutional amendment to require the Legislature to authorize,
18 regulate, and provide for the taxation of gambling activities, including
19 gambling activities that are conducted by means of an online or mobile
20 platform if the entity or individual authorized to conduct such gambling
21 activities has a physical location in the State of Nebraska where such
22 gambling activities are conducted, and to designate how the tax proceeds
23 of such gambling activities are used.

24 For
25 Against.