

LEGISLATIVE BILL 486

Approved by the Governor March 25, 1985

Introduced by Labeledz, 5

AN ACT relating to bingo and other gambling; to amend sections 9-173 and 9-185, Revised Statutes Supplement, 1984; to provide a special permit for certain raffles and lotteries; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. (1) An organization licensed to conduct a raffle or lottery pursuant to section 9-199 may obtain from the department a special permit to conduct one raffle and one lottery. The cost of the special permit shall be ten dollars. The special permit shall exempt the licensed organization from section 9-150 and subsections (3) and (4) of section 9-185.

(2) The special permit shall be valid for three calendar months and shall be issued by the department upon the proper application by the licensed organization. The application shall be in such form and contain such information as the department may prescribe. No licensed organization may obtain more than one special permit for each calendar year.

(3) No licensed organization conducting a raffle or lottery pursuant to a special permit shall pay persons selling tickets for the raffle or lottery, except that nothing in this subsection shall prohibit the awarding of prizes to such persons based on ticket sales.

Sec. 2. That section 9-173, Revised Statutes Supplement, 1984, be amended to read as follows:

9-173. Sections 9-124 to 9-199 and section 1 of this act shall be known as and may be cited as the Nebraska Bingo and Lottery Control Act.

Sec. 3. That section 9-185, Revised Statutes Supplement, 1984, be amended to read as follows:

9-185. (1) The gross proceeds of any lottery or raffle conducted pursuant to section 9-199 or lottery by the sale of pickle cards shall be used solely for lawful purposes, awarding of prizes, remission of proper taxes, and allowable expenses.

(2) Not less than sixty-five per cent of the gross proceeds of any lottery by the sale of pickle cards shall be used for the awarding of prizes and not more than ten per cent of the gross proceeds shall be used to pay the expenses of operating such lottery.

(3) When the gross proceeds of any lottery

conducted pursuant to section 9-199 are greater than one thousand dollars, not less than sixty-five per cent of such proceeds shall be used for the awarding of prizes and not more than ten per cent of the gross proceeds shall be used to pay the expenses of operating such scheme. This subsection shall not apply to raffles or lotteries conducted pursuant to section 1 of this act.

(4) When the gross proceeds of any raffle conducted pursuant to section 9-199 are greater than five thousand dollars, not less than sixty-five per cent of such proceeds shall be used for the awarding of prizes and not more than ten per cent of the gross proceeds shall be used to pay the expenses of operating such scheme, except that if prizes are donated to the licensee to be awarded in connection with such raffle, the prizes awarded shall have a fair market value equal to at least sixty-five per cent of the gross proceeds and the licensee shall use the proceeds for taxes, allowable expenses, optional additional prizes, and a lawful purpose pursuant to the Nebraska Bingo and Lottery Control Act. This subsection shall not apply to raffles or lotteries conducted pursuant to section 1 of this act.

(5) For the purpose of this section, allowable expenses shall include: (a) All costs associated with the purchasing, printing, or manufacturing of any items to be used or distributed to participants such as tickets or other paraphernalia; (b) all office expenses; (c) all promotional expenses; (d) all salaries of persons employed to operate the lottery by the sale of pickle cards; (e) any rental or lease expense; and (f) any fee paid to any person associated with the operation of any lottery or raffle conducted pursuant to section 9-199 or lottery by the sale of pickle cards.

Sec. 4. That original sections 9-173 and 9-185, Revised Statutes Supplement, 1984, are repealed.

Sec. 5. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.