

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 981**

Introduced by Holdcroft, 36; Brewer, 43; Lowe, 37.

Read first time January 05, 2024

Committee: General Affairs

1 A BILL FOR AN ACT relating to gaming; to amend sections 9-402, 9-422,  
2 9-426, 9-427, 9-429, 9-502, 9-511, and 28-1105.01, Reissue Revised  
3 Statutes of Nebraska; to change provisions relating to the Nebraska  
4 Lottery and Raffle Act and the Nebraska Small Lottery and Raffle  
5 Act; to harmonize provisions; to eliminate provisions relating to a  
6 small lottery; to repeal the original sections; and to outright  
7 repeal section 9-510, Reissue Revised Statutes of Nebraska.  
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-402, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 9-402 (1) The purpose of the Nebraska Lottery and Raffle Act is to  
4 protect the health and welfare of the public, to protect the economic  
5 welfare and interest in certain lotteries and raffles with gross proceeds  
6 greater than fifteen ~~one~~ thousand dollars ~~and certain raffles with gross~~  
7 ~~proceeds greater than five thousand dollars~~, to insure that the profits  
8 derived from the operation of any such lottery or raffle are accurately  
9 reported in order that their revenue-raising potential be fully exposed,  
10 to insure that the profits are used for legitimate purposes, and to  
11 prevent the purposes for which the profits of any such lottery or raffle  
12 are to be used from being subverted by improper elements.

13 (2) The purpose of the Nebraska Lottery and Raffle Act is also to  
14 completely and fairly regulate each level of the traditional marketing  
15 scheme of tickets or stubs for such lotteries and raffles to insure  
16 fairness, quality, and compliance with the Constitution of Nebraska. To  
17 accomplish such purpose, the regulation and licensure of nonprofit  
18 organizations and any other person involved in the marketing scheme are  
19 necessary.

20 (3) The Nebraska Lottery and Raffle Act shall apply to all lotteries  
21 and raffles with gross proceeds greater than fifteen ~~in excess of one~~  
22 thousand dollars, except for lotteries by the sale of pickle cards  
23 conducted in accordance with the Nebraska Pickle Card Lottery Act,  
24 lotteries conducted by a county, city, or village in accordance with the  
25 Nebraska County and City Lottery Act, and lottery games conducted in  
26 accordance with the State Lottery Act, ~~and to all raffles with gross~~  
27 ~~proceeds in excess of five thousand dollars~~.

28 (4) All such lotteries and raffles shall be played and conducted  
29 only by the methods permitted in the Nebraska Lottery and Raffle Act ~~act~~.  
30 No other form, means of selection, or method of play shall be allowed.

31 Sec. 2. Section 9-422, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 9-422 No person, except a licensed organization operating pursuant  
3 to the Nebraska Lottery and Raffle Act, shall conduct any lottery or  
4 raffle with gross proceeds greater than fifteen ~~in excess of one~~ thousand  
5 ~~dollars or any raffle with gross proceeds in excess of five thousand~~  
6 ~~dollars~~. Any lottery or raffle conducted in violation of this section is  
7 hereby declared to be a public nuisance. Any person who violates this  
8 section shall be guilty of a Class III misdemeanor. Nothing in this  
9 section shall be construed to apply to any lottery conducted in  
10 accordance with the Nebraska County and City Lottery Act, any lottery by  
11 the sale of pickle cards conducted in accordance with the Nebraska Pickle  
12 Card Lottery Act, or any lottery game conducted pursuant to the State  
13 Lottery Act.

14 Sec. 3. Section 9-426, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 9-426 (1) A licensed organization may obtain from the department a  
17 special permit to conduct one raffle and one lottery. The cost of the  
18 special permit shall be ten dollars. The special permit shall exempt the  
19 licensed organization from subsection (2) ~~subsections (2) and (3)~~ of  
20 section 9-427 and from section 9-430. The organization shall comply with  
21 all other requirements of the Nebraska Lottery and Raffle Act.

22 (2) The special permit shall be valid for one year and shall be  
23 issued by the department upon the proper application by the licensed  
24 organization. The special permit shall become invalid upon termination,  
25 revocation, or cancellation of the organization's license to conduct a  
26 lottery or raffle. The application shall be in such form and contain such  
27 information as the department may prescribe.

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

1           Sec. 4. Section 9-427, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           9-427 (1) The gross proceeds of any lottery or raffle shall be used  
4 solely for lawful purposes, awarding of prizes, and allowable expenses.

5           ~~(2) Not less than sixty-five percent of the gross proceeds of any~~  
6 ~~lottery shall be used for the awarding of prizes, and not more than ten~~  
7 ~~percent of the gross proceeds shall be used to pay the allowable expenses~~  
8 ~~of operating such scheme.~~

9           (2) ~~(3)~~ Not less than sixty-five percent of the gross proceeds of  
10 any lottery or raffle shall be used for the awarding of prizes, and not  
11 more than ten percent of the gross proceeds of a lottery or raffle shall  
12 be used to pay the allowable expenses of operating such scheme, except  
13 that if prizes are donated to the licensed organization to be awarded in  
14 connection with a such raffle, the prizes awarded shall have a fair  
15 market value equal to at least sixty-five percent of the gross proceeds  
16 of the raffle and the licensed organization shall use the proceeds for  
17 allowable expenses, optional additional prizes, and a lawful purpose.

18           Sec. 5. Section 9-429, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20           9-429 Any licensed organization or any other organization ~~or person~~  
21 conducting a lottery or raffle activity required to be licensed pursuant  
22 to the Nebraska Lottery and Raffle Act shall pay to the department a tax  
23 of two percent of the gross proceeds of each lottery or raffle having  
24 gross proceeds greater ~~of more than~~ fifteen ~~one~~ thousand dollars ~~or~~  
25 ~~raffle having gross proceeds of more than five thousand dollars~~. Such tax  
26 shall be remitted annually by September 30 each year on forms approved  
27 and provided by the department. The department shall remit the tax to the  
28 State Treasurer for credit to the Charitable Gaming Operations Fund. All  
29 deficiencies of the tax imposed by this section shall accrue interest and  
30 be subject to a penalty as provided for sales and use taxes in the  
31 Nebraska Revenue Act of 1967.

1           Sec. 6. Section 9-502, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           9-502 (1) The purpose of the Nebraska Small Lottery and Raffle Act  
4 is to allow qualifying nonprofit organizations to conduct lotteries and  
5 raffles with gross proceeds not greater than fifteen ~~one~~ thousand dollars  
6 ~~or raffles with gross proceeds not greater than five thousand dollars~~  
7 subject to minimal regulation.

8           (2) The Nebraska Small Lottery and Raffle Act shall apply to all  
9 lotteries and raffles with gross proceeds not greater than fifteen ~~one~~  
10 thousand dollars, except for lotteries by the sale of pickle cards  
11 conducted in accordance with the Nebraska Pickle Card Lottery Act,  
12 lotteries conducted by a county, city, or village in accordance with the  
13 Nebraska County and City Lottery Act, and lottery games conducted  
14 pursuant to the State Lottery Act, ~~and to all raffles with gross proceeds~~  
15 ~~not greater than five thousand dollars.~~

16           (3) All such lotteries and raffles shall be played and conducted  
17 only by the methods permitted in the Nebraska Small Lottery and Raffle  
18 Act ~~act~~. No other form or method shall be authorized or permitted.

19           Sec. 7. Section 9-511, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21           9-511 Any qualifying nonprofit organization may conduct a lottery or  
22 raffle that has gross proceeds not greater than fifteen ~~five~~ thousand  
23 dollars. Each chance in such lottery or raffle shall have an equal  
24 likelihood of being a winning chance. The gross proceeds shall be used  
25 solely for charitable or community betterment purposes, awarding of  
26 prizes, and expenses. Any qualifying nonprofit organization may conduct  
27 one lottery per calendar month that has gross proceeds not greater than  
28 fifteen thousand dollars. Any qualifying nonprofit organization may  
29 conduct one or more raffles in a calendar month if the total gross  
30 proceeds from such raffles do not exceed fifteen ~~five~~ thousand dollars  
31 during such month.

1           Sec. 8. Section 28-1105.01, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           28-1105.01 (1) A person commits the offense of gambling debt  
4 collection if he or she employs any force or intimidation or threatens  
5 force or intimidation in order to collect any debt which results from  
6 gambling as described in ~~defined by~~ sections ~~9-510,~~ 28-1101 to 28-1109,  
7 and 28-1117.

8           (2) Gambling debt collection is a Class III felony.

9           Sec. 9. Original sections 9-402, 9-422, 9-426, 9-427, 9-429, 9-502,  
10 9-511, and 28-1105.01, Reissue Revised Statutes of Nebraska, are  
11 repealed.

12           Sec. 10. The following section is outright repealed: Section 9-510,  
13 Reissue Revised Statutes of Nebraska.