LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 990

Introduced by Wayne, 13.
Read first time January 14, 2020
Committee: General Affairs

A BILL FOR AN ACT relating to gambling; to amend sections 28-1101, 28-1105, and 28-1113, Reissue Revised Statutes of Nebraska, section 79-1001, Revised Statutes Cumulative Supplement, 2018, and sections 9-1,101 and 77-3442, Revised Statutes Supplement, 2019; to adopt the Games of Skill Act; to redefine duties for the Department of Revenue; to provide a gambling exception for operating or participating in games of skill; to change a provision relating to the possession of gambling records; to change provisions relating to property tax levies; to change the Tax Equity and Educational Opportunities Support Act; to harmonize provisions; to provide an operative date; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Sections 1 to 9 of this act shall be known and may be cited as the Games of Skill Act.

Sec. 2. (1) The Legislature finds that:
   (a) Sports betting and fantasy sports require knowledge and skill. Knowledge of a sport and skill in analyzing and predicting the performance of athletes and the outcomes of sporting events is essential for a participant in sports betting or fantasy sports to be successful; and
   (b) Certain poker games also require knowledge and skill. While poker does have a random component in the cards that are dealt to participants, there is more skill than chance necessary for successful participation in a game where strategic decisions influence the other participants and ultimately the outcome of the game.

(2) It is the intent of the Legislature to recognize sports betting, fantasy sports, and various forms of poker as games of skill.

Sec. 3. For purposes of the Games of Skill Act:
   (1) Athlete means a person who competes in a sport or sporting event;
   (2) Confidential information means information related to participation in a game of skill obtained by an operator or by an employee of such operator;
   (3) Department means the Charitable Gaming Division of the Department of Revenue;
   (4) Entry fee means cash or a cash equivalent required to be paid by a participant in a game of skill to an operator in order to participate in such game of skill;
   (5) Fantasy sport means a game in which participants assemble imaginary or virtual teams of real athletes who play a sport, such teams compete based on the statistical performance of such athletes in actual sporting events, and such teams are not based on the current membership of an actual team that is a member of an amateur or professional sports
organization as defined in 28 U.S.C. 3701, as such section existed on January 1, 2020. Each fantasy sport shall meet the following conditions:

(a) All prizes offered to winning participants are established and made known to the participants in advance of the game and the value of any prize is not determined by the number of participants or the amount of entry fees paid by such participants;

(b) All winning outcomes reflect the relative knowledge and skill of the participants and are determined predominantly by accumulated statistical results of the performance of individual athletes in multiple real-world sporting events; and

(c) No winning outcome is based on (i) the score, point-spread, or performance or performances of any single real-world team or combination of teams or (ii) any single performance of an individual athlete in any single real-world sporting event;

(6) Game of skill means a fantasy sport, sports betting, or poker;

(7) Gross revenue means the total entry fees that an operator collects from participants less the total of sums paid out as prizes to participants with such difference multiplied by the location percentage;

(8) Location percentage means, for each game of skill, the percentage rounded to the nearest tenth of a percent of the total entry fees collected from participants located in Nebraska at the time of entry into the game of skill divided by the total entry fees collected from participants in all locations for such game of skill;

(9) Operator means a person that offers an opportunity for participants to engage in a game of skill, collects an entry fee from each participant, administers such game of skill, and awards prizes;

(10) Participant means a person who pays an entry fee to engage in a game of skill offered by an operator;

(11) Poker means a draw or community card game in which a participant bets that the value of his or her hand is greater than the value of the hands held by other participants in such game, and each
subsequent participant in such game must either equal or raise the bet or

drop out. Poker includes draw poker, such as five-card draw in which the

participant determines whether to discard and then receive new cards from

the dealer, and community card poker such as Texas Hold'em and Omaha

Hold'em in which the participant combines the cards he or she is holding

along with the community cards that all participants in such game share

and the participant with the highest hand at the end of the betting wins

the pot unless the participant is the only participant playing once the

other participants in such game have dropped out; and

(12) Sports betting means the placement of a wager on the outcome of

a sporting event where a winning wager is based on the score, point

total, point spread, or performance of a team in a team sport or on the

score, point total, point spread, or performance of an individual athlete

in a nonteam sport.

Sec. 4. (1) No operator shall offer any game of skill in this state

without first registering with the department. An application for

registration shall be in electronic or paper form prescribed by the

department and shall include submission of the applicant's fingerprints

pursuant to subsection (2) of this section. To be eligible to register to

offer a game of skill in this state, an operator shall (a) be authorized

to transact business in Nebraska, (b) pay a registration fee of ten

thousand dollars to the department, (c) pass a national criminal history

record information check pursuant to subsection (2) of this section, and

(d) comply with any other applicable provisions of the Games of Skill

Act.

(2)(a) To become a registered operator, an applicant shall provide a

full legible set of his or her fingerprints to the Nebraska State Patrol.

The Nebraska State Patrol shall undertake a search for criminal history

record information relating to the applicant, including transmittal of

the applicant's fingerprints to the Federal Bureau of Investigation for a

national criminal history record information check. The criminal history
record information shall include information concerning the applicant from federal repositories of such information and repositories of such information in other states if authorized by federal law. The Nebraska State Patrol shall issue a report to the department that includes the criminal history record information concerning the applicant. The applicant shall pay the actual cost of the fingerprinting and criminal history record information check. The department shall maintain a record of the results of the criminal history record information check. The criteria for failing the criminal history record information check shall include, at a minimum, any felony conviction within the last ten years or any conviction involving fraudulent activities.

(b) For purposes of this subsection, an applicant includes (i) each officer, director, and shareholder owning a beneficial interest in ten percent or more of an applicant corporation, (ii) each partner or joint venturer of an applicant partnership or joint venture, and (iii) each member and manager of an applicant limited liability company.

(3) After initial registration, an operator shall pay an annual registration renewal fee of six percent of such operator's gross revenue for the preceding twelve-month period, not to exceed ten thousand dollars, to the department. Initial and renewal registration fees shall be paid in a manner prescribed by the department. No refunds shall be allowed of any registration fees collected by the department. Any operator that allows a registration to lapse without requesting an extension of time to file an application for renewal shall be required to resubmit a new initial registration application. The department may grant an extension upon receipt of an operator.

(4) The department shall remit all registration and renewal fees collected under this section, after payment of all reasonable and necessary operating expenses and prizes, to the State Treasurer for credit to the Games of Skill School Property Tax Reduction Fund.

Sec. 5. (1) The department shall issue a valid registration to any
applicant who meets the criteria set forth in the Games of Skill Act. The
department shall deny registration to any applicant who does not meet
such criteria.

(2) The department shall approve or deny a registration application
within thirty days after receipt of the completed application or the
report from the Nebraska State Patrol pursuant to subsection (2) of
section 4 of this act, whichever is later. If the registration is not
issued, the department shall provide the operator with the specific
justification for not issuing such registration.

(3) The department shall maintain and publish a list of all
registered operators on the department's web site. Any pending
application made under the Games of Skill Act shall not be considered a
public record for purposes of sections 84-712 to 84-712.09 until such
application has been approved by the department.

Sec. 6. (1) The department shall adopt and promulgate rules and
regulations to implement and administer the Games of Skill Act,
including, but not limited to, rules and regulations:

(a) To provide for the prevention of practices detrimental to the
public interest and to safeguard the integrity of games of skill;

(b) To establish the necessary scope of review of registration
applications filed by operators; and

(c) To establish criteria for failing the criminal history record
information check.

(2) The department shall not adopt and promulgate rules and
regulations limiting or regulating:

(a) Game rules governing the play of an individual game of skill;

(b) The statistical components of a game of skill; or

(c) Any digital platform to be used by an operator.

Sec. 7. (1) As a condition of registration, an operator shall
submit evidence, deemed satisfactory to the department, that the operator
has established and implemented, or has the ability to implement, prior
to conducting operations, commercially reasonable procedures for a game of skill that:

(a) Prevent such operator, any employee of such operator, any relative living in the same household as such operator or any employee of such operator from engaging as a participant in any game of skill offered by such operator. For purposes of this subdivision, relative means the parent, child, brother, sister, or spouse of the operator or employee;

(b) Prevent the sharing of confidential information with third parties that could affect game of skill play until such information is made publicly available;

(c) Prohibit the following persons from engaging as a participant in any game of skill:

(i) A referee, umpire, coach, trainer, or other individual who officiates or participates in or prepares athletes for a sporting event that is the subject of a game of skill; or

(ii) Any sports agent, team employee, or league official associated with a sport or sporting event that is the subject of a game of skill;

(d) Verify that a participant in a game of skill is nineteen years of age or older;

(e) Provide a participant with access to information on responsible play and access to information on seeking assistance for compulsive gambling behavior;

(f) Provide a participant with information regarding the participant's play history and account details;

(g) Ensure that any athlete in a real-world sporting event is restricted from participating in a game of skill that is determined, in whole or in part, on the accumulated statistical results of such athlete, such athlete's real-world team, or the sport or sporting event in which such athlete is participating as an athlete;

(h) Allow a person to restrict himself or herself from participating in a game of skill upon request and provide reasonable steps to prevent
the person from participating in any game of skill offered by such
operator;

(i) Disclose the number of entries or wagers that a participant may
submit to each game of skill and provide reasonable steps to prevent a
participant from submitting more than the allowable number;

(j) Segregate participant funds from operational funds or maintain a
reserve that exceeds the amount of participant funds on deposit, which
reserve may not be used for operational activities. The reserve funds may
be in the form of cash, cash equivalents, payment processor reserves,
payment processor receivables, an irrevocable letter of credit, a bond,
or any combination thereof, in the amount that must exceed the total
balances of the accounts of all participants; and

(k) Prohibit the use of unauthorized third-party computer scripts.

(2) An operator shall not offer a game of skill based on the
performance of a participant in a collegiate, high school, or youth
sporting event.

(3) An operator shall:

(a) Contract annually with a certified public accountant to conduct
an independent financial audit consistent with the standards accepted by
the American Institute of Certified Public Accountants; and

(b) Submit a copy of the audit report prepared pursuant to
subdivision (a) of this subsection to the department.

Sec. 8. Any person who knowingly violates any provision of the
Games of Skill Act shall be subject to payment of a civil penalty of not
more than one thousand dollars for each violation, not to exceed five
thousand dollars for violations arising out of the same transaction or
occurrence. Such penalty may be recovered in a civil action brought by
the department. All penalty money collected by the department pursuant to
this section shall be remitted to the State Treasurer for distribution in
accordance with Article VII, section 5, of the Constitution of Nebraska.

Sec. 9. The Games of Skill School Property Tax Reduction Fund is
hereby created. The fund shall consist of all registration and renewal fees collected by the department under section 4 of this act, after payment of reasonable and necessary operating expenses and prizes. The fund shall be used solely for games of skill school property tax reduction aid pursuant to section 16 of this act. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 10. Section 9-1,101, Revised Statutes Supplement, 2019, is amended to read:

9-1,101 (1) The Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, the Games of Skill Act, and section 9-701 shall be administered and enforced by the Charitable Gaming Division of the Department of Revenue, which division is hereby created. The Department of Revenue shall make annual reports to the Governor, Legislature, Auditor of Public Accounts, and Attorney General on all tax revenue received, expenses incurred, and other activities relating to the administration and enforcement of such acts. The report submitted to the Legislature shall be submitted electronically.

(2) The Charitable Gaming Operations Fund is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(3)(a) Forty percent of the taxes collected pursuant to sections 9-239, 9-344, 9-429, and 9-648 shall be available to the Charitable Gaming Division for administering and enforcing the acts listed in subsection (1) of this section and providing administrative support for the Nebraska Commission on Problem Gambling. The remaining sixty percent shall be transferred to the General Fund. Any portion of the forty
percent not used by the division in the administration and enforcement of such acts and section shall be distributed as provided in this subsection.

(b) Beginning July 1, 2019, through June 30, 2021, on or before the last day of the last month of each calendar quarter, the State Treasurer shall transfer one hundred thousand dollars from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund. Beginning July 1, 2021, on or before November 1 each year, the State Treasurer shall transfer one hundred thousand dollars from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund, except that no transfer shall occur if the Charitable Gaming Operations Fund contains less than one hundred thousand dollars.

(c) Any money remaining in the Charitable Gaming Operations Fund after the transfer pursuant to subdivision (b) of this subsection not used by the Charitable Gaming Division in its administration and enforcement duties pursuant to this section may be transferred to the General Fund at the direction of the Legislature.

(4) The Tax Commissioner shall employ investigators who shall be vested with the authority and power of a law enforcement officer to carry out the laws of this state administered by the Tax Commissioner or the Department of Revenue and to enforce sections 28-1101 to 28-1117 relating to possession of a gambling device. For purposes of enforcing sections 28-1101 to 28-1117, the authority of the investigators shall be limited to investigating possession of a gambling device, notifying local law enforcement authorities, and reporting suspected violations to the county attorney for prosecution.

(5) The Charitable Gaming Division may charge a fee for publications and listings it produces. The fee shall not exceed the cost of publication and distribution of such items. The division may also charge a fee for making a copy of any record in its possession equal to the actual cost per page. The division shall remit the fees to the State
Treasurer for credit to the Charitable Gaming Operations Fund.

(6) For administrative purposes only, the Nebraska Commission on Problem Gambling shall be located within the Charitable Gaming Division. The division shall provide office space, furniture, equipment, and stationery and other necessary supplies for the commission. Commission staff shall be appointed, supervised, and terminated by the director of the Gamblers Assistance Program pursuant to section 9-1004.

Sec. 11. Section 28-1101, Reissue Revised Statutes of Nebraska, is amended to read:

28-1101 As used in this article, unless the context otherwise requires:

(1) A person advances gambling activity if, acting other than as a player, he or she engages in conduct that materially aids any form of gambling activity. Conduct of this nature includes, but shall not be limited to, conduct directed toward (a) the creation or establishment of the particular game, contest, scheme, device, or activity involved, (b) the acquisition or maintenance of premises, paraphernalia, equipment, or apparatus therefor, or (c) engaging in the procurement, sale, or offering for sale within this state of any chance, share, or interest in a lottery of another state or government whether or not such chance, share, or interest is an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of such interest except as provided in the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery Act, the Games of Skill Act, or section 9-701;

(2) Bookmaking means advancing gambling activity by unlawfully accepting bets from members of the public as a business upon the outcome of future contingent events. Bookmaking does not include a wager placed in a game of skill conducted under the Games of Skill Act;

(3) A person profits from gambling activity if, other than as a
player, he or she accepts or receives money or other property pursuant to
an agreement or understanding with any person whereby he or she
participates or is to participate in the proceeds of gambling activity;

(4) A person engages in gambling if he or she bets something of
value upon the outcome of a future event, which outcome is determined by
an element of chance, or upon the outcome of a game, contest, or
election, or conducts or participates in any bingo, lottery by the sale
of pickle cards, lottery, raffle, gift enterprise, or other scheme not
authorized or conducted in accordance with the Nebraska Bingo Act, the
Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle
Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and
Raffle Act, the State Lottery Act, the Games of Skill Act, or section
9-701, but a person does not engage in gambling by:

(a) Entering into a lawful business transaction;

(b) Playing an amusement device or a coin-operated mechanical game
which confers as a prize an immediate, unrecorded right of replay not
exchangeable for something of value;

(c) Conducting or participating in a prize contest;

(d) Conducting or participating in any bingo, lottery by the sale of
pickle cards, lottery, raffle, or gift enterprise conducted in accordance
with the Nebraska Bingo Act, the Nebraska County and City Lottery Act,
the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery
Act, the Nebraska Small Lottery and Raffle Act, the State Lottery Act, or
section 9-701;

(e) Operating a game of skill as a registered operator pursuant to
the Games of Skill Act;

(5) Gambling device shall mean any device, machine, paraphernalia,
writing, paper, instrument, article, or equipment that is used or usable
for engaging in gambling, whether that activity consists of gambling
between persons or gambling by a person involving the playing of a
machine. Gambling device shall also include any mechanical
gaming device, computer gaming device, electronic gaming device, or video
gaming device which has the capability of awarding something of value,
free games redeemable for something of value, instant-win tickets which
also provide the possibility of participating in a subsequent drawing or
event, or tickets or stubs redeemable for something of value, except as
authorized in the furtherance of parimutuel wagering. Supplies,
equipment, cards, tickets, stubs, and other items used in any bingo,
lottery by the sale of pickle cards, other lottery, raffle, or gift
enterprise, or game of skill conducted in accordance with the Nebraska
Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery
and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small
Lottery and Raffle Act, the State Lottery Act, the Games of Skill Act, or
section 9-701 are not gambling devices within this definition;
(6) Something of value shall mean any money or property, any token,
object, or article exchangeable for money or property, or any form of
credit or promise directly or indirectly contemplating transfer of money
or property or of any interest therein, or involving extension of a
service or entertainment; and
(7) Prize contest shall mean any competition in which one or more
competitors are awarded something of value as a consequence of winning or
achieving a certain result in the competition and (a) the value of such
awards made to competitors participating in the contest does not depend
upon the number of participants in the contest or upon the amount of
consideration, if any, paid for the opportunity to participate in the
contest or upon chance and (b) the value or identity of such awards to be
made to competitors is published before the competition begins.
Sec. 12. Section 28-1105, Reissue Revised Statutes of Nebraska, is
amended to read:
28-1105 (1) A person commits the offense of possession of gambling
records if, other than as a player, he or she knowingly possesses any
writing, paper, instrument, or article which is:
(a) Of a kind commonly used in the operation or promotion of a bookmaking scheme or enterprise and such writing, paper, instrument, or article has been used for the purpose of recording, memorializing, or registering any bet, wager, or other gambling information; or

(b) Of a kind commonly used in the operation, promotion, or playing of a lottery or mutuel scheme or enterprise or other scheme not conducted pursuant to the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery Act, the Games of Skill Act, or section 9-701 and such writing, paper, instrument, or article has been used for the purpose of recording, memorializing, or registering any bet, wager, or other gambling information not permitted by such acts or section.

(2) Possession of gambling records in the first degree is a Class II misdemeanor.

Sec. 13. Section 28-1113, Reissue Revised Statutes of Nebraska, is amended to read:

28-1113 Nothing in this article shall be construed to:

(1) Apply to or prohibit wagering on the results of horseraces by the parimutuel or certificate method when conducted by licensees within the racetrack enclosure at licensed horserace meetings; or

(2) Prohibit or punish the conducting or participating in any bingo, lottery by the sale of pickle cards, lottery, raffle, or gift enterprise when conducted in accordance with the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery Act, the Games of Skill Act, or section 9-701; or

(3) Apply to, prohibit, or punish the conducting or participating in any game of skill when conducted in accordance with the Games of Skill Act.

Sec. 14. Section 77-3442, Revised Statutes Supplement, 2019, is
amended to read:

77-3442 (1) Property tax levies for the support of local governments for fiscal years beginning on or after July 1, 1998, shall be limited to the amounts set forth in this section except as provided in section 77-3444.

(2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this section, school districts and multiple-district school systems may levy a maximum levy of (i) for fiscal years prior to fiscal year 2022-23, one dollar and five cents per one hundred dollars of taxable valuation of property subject to the levy and (ii) for fiscal year 2022-23 and each fiscal year thereafter, one dollar and five cents less any games of skill school property tax reduction factor calculated for such fiscal year pursuant to section 16 of this act per one hundred dollars of taxable valuation of property subject to the levy.

(b) For each fiscal year prior to fiscal year 2017-18, learning communities may levy a maximum levy for the general fund budgets of member school districts of ninety-five cents per one hundred dollars of taxable valuation of property subject to the levy. The proceeds from the levy pursuant to this subdivision shall be distributed pursuant to section 79-1073.

(c) Except as provided in subdivision (2)(e) of this section, for each fiscal year prior to fiscal year 2017-18, school districts that are members of learning communities may levy for purposes of such districts' general fund budget and special building funds a maximum combined levy of the difference of one dollar and five cents on each one hundred dollars of taxable property subject to the levy minus the learning community levy pursuant to subdivision (2)(b) of this section for such learning community.

(d) Excluded from the limitations in subdivisions (2)(a) and (2)(c) of this section are (i) amounts levied to pay for current and future sums agreed to be paid by a school district to certificated employees in
exchange for a voluntary termination of employment occurring prior to September 1, 2017, (ii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for current and future qualified voluntary termination incentives for certificated teachers pursuant to subsection (3) of section 79-8,142 that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (iii) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for seventy-five percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2017, and August 31, 2018, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (iv) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for fifty percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2017, and August 31, 2018, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (v) amounts levied by a school district otherwise at the maximum levy pursuant to subdivision (2)(a) of this section to pay for twenty-five percent of the current and future sums agreed to be paid to certificated employees in exchange for a voluntary termination of employment occurring between September 1, 2017, and August 31, 2018, as a result of a collective-bargaining agreement in force and effect on September 1, 2017, that are not otherwise included in an exclusion pursuant to subdivision (2)(d) of this section, (vi) amounts levied in compliance with sections 79-10,110 and 79-10,110.02, and (vii) amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April
1, 1996, for construction, expansion, or alteration of school district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

(e) Federal aid school districts may exceed the maximum levy prescribed by subdivision (2)(a) or (2)(c) of this section only to the extent necessary to qualify to receive federal aid pursuant to Title VIII of Public Law 103-382, as such title existed on September 1, 2001. For purposes of this subdivision, federal aid school district means any school district which receives ten percent or more of the revenue for its general fund budget from federal government sources pursuant to Title VIII of Public Law 103-382, as such title existed on September 1, 2001.

(f) For each fiscal year, learning communities may levy a maximum levy of one-half cent on each one hundred dollars of taxable property subject to the levy for elementary learning center facility leases, for remodeling of leased elementary learning center facilities, and for up to fifty percent of the estimated cost for focus school or program capital projects approved by the learning community coordinating council pursuant to section 79-2111.

(g) For each fiscal year, learning communities may levy a maximum levy of one and one-half cents on each one hundred dollars of taxable property subject to the levy for early childhood education programs for children in poverty, for elementary learning center employees, for contracts with other entities or individuals who are not employees of the learning community for elementary learning center programs and services, and for pilot projects, except that no more than ten percent of such levy may be used for elementary learning center employees.

(3) For each fiscal year, community college areas may levy the levies provided in subdivisions (2)(a) through (c) of section 85-1517, in accordance with the provisions of such subdivisions. A community college area may exceed the levy provided in subdivision (2)(b) of section
85-1517 by the amount necessary to retire general obligation bonds
assumed by the community college area or issued pursuant to section
85-1515 according to the terms of such bonds or for any obligation
pursuant to section 85-1535 entered into prior to January 1, 1997.

(4)(a) Natural resources districts may levy a maximum levy of four
and one-half cents per one hundred dollars of taxable valuation of
property subject to the levy.

(b) Natural resources districts shall also have the power and
authority to levy a tax equal to the dollar amount by which their
restricted funds budgeted to administer and implement ground water
management activities and integrated management activities under the
Nebraska Ground Water Management and Protection Act exceed their
restricted funds budgeted to administer and implement ground water
management activities and integrated management activities for FY2003-04,
not to exceed one cent on each one hundred dollars of taxable valuation
annually on all of the taxable property within the district.

(c) In addition, natural resources districts located in a river
basin, subbasin, or reach that has been determined to be fully
appropriated pursuant to section 46-714 or designated as overappropriated
pursuant to section 46-713 by the Department of Natural Resources shall
also have the power and authority to levy a tax equal to the dollar
amount by which their restricted funds budgeted to administer and
implement ground water management activities and integrated management
activities under the Nebraska Ground Water Management and Protection Act
exceed their restricted funds budgeted to administer and implement ground
water management activities and integrated management activities for
FY2005-06, not to exceed three cents on each one hundred dollars of
taxable valuation on all of the taxable property within the district for
fiscal year 2006-07 and each fiscal year thereafter through fiscal year
2017-18.

(5) Any educational service unit authorized to levy a property tax
pursuant to section 79-1225 may levy a maximum levy of one and one-half
cents per one hundred dollars of taxable valuation of property subject to
the levy.

(6)(a) Incorporated cities and villages which are not within the
boundaries of a municipal county may levy a maximum levy of forty-five
cents per one hundred dollars of taxable valuation of property subject to
the levy plus an additional five cents per one hundred dollars of taxable
valuation to provide financing for the municipality's share of revenue
required under an agreement or agreements executed pursuant to the
Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
levy shall include amounts levied to pay for sums to support a library
pursuant to section 51-201, museum pursuant to section 51-501, visiting
community nurse, home health nurse, or home health agency pursuant to
section 71-1637, or statue, memorial, or monument pursuant to section
80-202.

(b) Incorporated cities and villages which are within the boundaries
of a municipal county may levy a maximum levy of ninety cents per one
hundred dollars of taxable valuation of property subject to the levy. The
maximum levy shall include amounts paid to a municipal county for county
services, amounts levied to pay for sums to support a library pursuant to
section 51-201, a museum pursuant to section 51-501, a visiting community
nurse, home health nurse, or home health agency pursuant to section
71-1637, or a statue, memorial, or monument pursuant to section 80-202.

(7) Sanitary and improvement districts which have been in existence
for more than five years may levy a maximum levy of forty cents per one
hundred dollars of taxable valuation of property subject to the levy, and
sanitary and improvement districts which have been in existence for five
years or less shall not have a maximum levy. Unconsolidated sanitary and
improvement districts which have been in existence for more than five
years and are located in a municipal county may levy a maximum of eighty-
five cents per hundred dollars of taxable valuation of property subject
(8) Counties may levy or authorize a maximum levy of fifty cents per one hundred dollars of taxable valuation of property subject to the levy, except that five cents per one hundred dollars of taxable valuation of property subject to the levy may only be levied to provide financing for the county's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201 or museum pursuant to section 51-501. The county may allocate up to fifteen cents of its authority to other political subdivisions subject to allocation of property tax authority under subsection (1) of section 77-3443 and not specifically covered in this section to levy taxes as authorized by law which do not collectively exceed fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property. The county may allocate to one or more other political subdivisions subject to allocation of property tax authority by the county under subsection (1) of section 77-3443 some or all of the county's five cents per one hundred dollars of valuation authorized for support of an agreement or agreements to be levied by the political subdivision for the purpose of supporting that political subdivision's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. If an allocation by a county would cause another county to exceed its levy authority under this section, the second county may exceed the levy authority in order to levy the amount allocated.

(9) Municipal counties may levy or authorize a maximum levy of one dollar per one hundred dollars of taxable valuation of property subject to the levy. The municipal county may allocate levy authority to any political subdivision or entity subject to allocation under section 77-3443.

(10) Beginning July 1, 2016, rural and suburban fire protection
districts may levy a maximum levy of ten and one-half cents per one hundred dollars of taxable valuation of property subject to the levy if

(a) such district is located in a county that had a levy pursuant to subsection (8) of this section in the previous year of at least forty cents per one hundred dollars of taxable valuation of property subject to the levy or (b) such district had a levy request pursuant to section 77-3443 in any of the three previous years and the county board of the county in which the greatest portion of the valuation of such district is located did not authorize any levy authority to such district in such year.

(11) A regional metropolitan transit authority may levy a maximum levy of ten cents per one hundred dollars of taxable valuation of property subject to the levy for each fiscal year that commences on the January 1 that follows the effective date of the conversion of the transit authority established under the Transit Authority Law into the regional metropolitan transit authority.

(12) Property tax levies (a) for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a political subdivision which require or obligate a political subdivision to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a political subdivision, (b) for preexisting lease-purchase contracts approved prior to July 1, 1998, (c) for bonds as defined in section 10-134 approved according to law and secured by a levy on property except as provided in section 44-4317 for bonded indebtedness issued by educational service units and school districts, and (d) for payments by a public airport to retire interest-free loans from the Division of Aeronautics of the Department of Transportation in lieu of bonded indebtedness at a lower cost to the public airport are not included in the levy limits established by this section.

(13) The limitations on tax levies provided in this section are to
include all other general or special levies provided by law. Notwithstanding other provisions of law, the only exceptions to the limits in this section are those provided by or authorized by sections 77-3442 to 77-3444.

(14) Tax levies in excess of the limitations in this section shall be considered unauthorized levies under section 77-1606 unless approved under section 77-3444.

(15) For purposes of sections 77-3442 to 77-3444, political subdivision means a political subdivision of this state and a county agricultural society.

(16) For school districts that file a binding resolution on or before May 9, 2008, with the county assessors, county clerks, and county treasurers for all counties in which the school district has territory pursuant to subsection (7) of section 79-458, if the combined levies, except levies for bonded indebtedness approved by the voters of the school district and levies for the refinancing of such bonded indebtedness, are in excess of the greater of (a) one dollar and twenty cents per one hundred dollars of taxable valuation of property subject to the levy or (b) the maximum levy authorized by a vote pursuant to section 77-3444, all school district levies, except levies for bonded indebtedness approved by the voters of the school district and levies for the refinancing of such bonded indebtedness, shall be considered unauthorized levies under section 77-1606.

Sec. 15. Section 79-1001, Revised Statutes Cumulative Supplement, 2018, is amended to read:

79-1001 Sections 79-1001 to 79-1033 and section 16 of this act shall be known and may be cited as the Tax Equity and Educational Opportunities Support Act.

Sec. 16. (1) For school fiscal years 2022-23 and each school fiscal year thereafter, each school district shall receive games of skill school property tax reduction aid in an amount calculated by:
(a) Dividing the balance in the Games of Skill School Property Tax Reduction Fund as of the October 1 immediately preceding the certification of aid pursuant to section 79-1022 for such school fiscal year by the statewide adjusted valuation to arrive at the games of skill school property tax reduction factor; and

(b) Multiplying the adjusted valuation for such school district by the games of skill school property tax reduction factor to arrive at games of skill school property tax reduction aid for such school district.

(2) Games of skill school property tax reduction aid shall not be included in the calculation of either formula needs or formula resources.

Sec. 17. This act becomes operative on January 1, 2021.

Sec. 18. Original sections 28-1101, 28-1105, and 28-1113, Reissue Revised Statutes of Nebraska, section 79-1001, Revised Statutes Cumulative Supplement, 2018, and sections 9-1,101 and 77-3442, Revised Statutes Supplement, 2019, are repealed.