

LEGISLATIVE BILL 949

Approved by the Governor April 11, 1984

Introduced by Miscellaneous Subjects Committee, Hefner, 19, Chairperson; Hannibal, 4; Von Minden, 17; Barrett, 39; Fenger, 45; Lundy, 36; Newell, 13

AN ACT relating to bingo and other gambling; to amend sections 9-126, 9-128, 9-132, 9-134, 9-136 to 9-138, 9-147, 9-148, 9-154, 9-157, 9-159, 9-161, 9-166, and 9-171, Revised Statutes Supplement, 1982, and sections 9-124, 9-125, 9-133, 9-140.01 to 9-140.06, 9-140.09 to 9-145, 9-149, 9-150, 9-153, 9-156, 9-158, 9-160, 9-163, 9-164, 9-165, 9-168, 9-169, 9-170, 9-172 to 9-174, 9-177 to 9-179, 9-181 to 9-196, 28-1101, 28-1113, 28-1115, and 28-1116, Revised Statutes Supplement, 1983; to rename an act; to define and redefine terms; to provide for the regulation of lotteries, bingo, and raffles as prescribed; to change, provide, and eliminate requirements, restrictions, exceptions, powers, and duties; to transfer powers, duties, records, equipment, and funds; to eliminate a commission; to create a committee; to impose a tax; to provide a penalty; to harmonize provisions; to eliminate a definition and certain expense provisions; to provide operative dates; to provide severability; to repeal the original sections, and also section 9-131, Revised Statutes Supplement, 1982, and section 9-180, Revised Statutes Supplement, 1983; and to declare an emergency.

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

Section 1. That section 9-124, Revised Statutes Supplement, 1983, be amended to read as follows:

9-124. (1) The purpose of the Nebraska Bingo and Lottery Control Pickle Card Regulatory Act is to protect the health and welfare of the public, to protect the economic welfare and interest in lotteries, raffles, and pickle card sales and winnings and in the fair play of bingo participants, to insure that the profits derived from the operation of bingo and any lottery, raffle, or lottery by the sale of pickle cards are accurately reported in order that their revenue-raising potential be fully exposed, to insure that the profits from bingo and pickle card sales are used for legitimate purposes, and to prevent the purposes for which the profits of bingo and any

lottery, raffle, or lottery by the sale of pickle cards are to be used ~~for~~ from being subverted by improper elements. Bingo and any lottery, raffle, or lottery by the sale of pickle cards shall be played and conducted only by those methods permitted in the Nebraska Bingo and Lottery Control Pickle Card Regulatory Act. No other form, means of selection, or method of play shall be authorized or permitted.

(2) The intent of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act is that (a) if facilities used for bingo occasions are leased or rented pursuant to the provisions of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act, they shall be leased or rented at not more than their fair market value, (b) no lease or rental agreement shall provide a means for obtaining a percentage of the receipts or a portion of the profits from the bingo operation, and (c) rental or lease agreements entered into for facilities shall be separate and apart from lease and rental agreements for bingo equipment and supplies.

(3) The intent of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act is that if equipment and supplies used for bingo occasions are leased or rented, they shall be leased or rented at not more than their fair market value and that no lease or rental agreement shall provide a means for obtaining a percentage of the receipts or a portion of the profits from the bingo operation.

Sec. 2. That section 9-125, Revised Statutes Supplement, 1983, be amended to read as follows:

9-125. For purposes of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act, unless the context otherwise requires, the definitions found in sections 9-126 to 9-140.10, sections 18 and 19 of this act, and subdivisions (6) and (10) of section 28-1101 shall be used.

Sec. 3. That section 9-126, Revised Statutes Supplement, 1982, be amended to read as follows:

9-126. (1) Lawful purpose shall mean charitable or community betterment purposes including, but not limited to, one or more of the following:

(a) Benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering, or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded;

(b) Initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; and

(c) Lessening the burdens borne by government or voluntarily supporting, augmenting, or supplementing

services which government would normally render to the people.

(2) Lawful purpose shall not include any activity consisting of an attempt to influence legislation or participate in any political campaign on behalf of any elected official or person who is or has been a candidate for public office.

Sec. 4. That section 9-128, Revised Statutes Supplement, 1982, be amended to read as follows:

9-128. Bingo occasion shall mean a single gathering or session at which a bingo game or series of successive bingo games are played.

Sec. 5. That section 9-132, Revised Statutes Supplement, 1982, be amended to read as follows:

9-132. Gross receipts shall mean total receipts received from the conduct of bingo including, but not limited to, receipts from admission to the premises where bingo is conducted or from the sale, rental, or use of regular bingo cards, extra regular cards, special bingo cards, and bingo supplies.

Sec. 6. That section 9-133, Revised Statutes Supplement, 1983, be amended to read as follows:

9-133. Licensed organization shall mean an organization licensed under the provisions of the Nebraska Bingo and Pickle Card Regulatory Act to conduct bingo Lottery Control Act.

Sec. 7. That section 9-134, Revised Statutes Supplement, 1982, be amended to read as follows:

9-134. Limited period bingo shall mean the conduct of bingo for a period of not more than four nonconsecutive days or seven consecutive days in any one year at a festival, bazaar, picnic, carnival, or similar special function conducted by a licensed organization. No more than four limited periods with a total of not more than seven days shall be held in any annual license year.

Sec. 8. That section 9-136, Revised Statutes Supplement, 1982, be amended to read as follows:

9-136. Profit shall mean the gross receipts collected from one or more bingo occasions permitted activities, less reasonable sums necessarily and actually expended for bingo supplies and equipment, prizes, utilities, security services, license fees, taxes, and rent other allowable expenses.

Sec. 9. That section 9-137, Revised Statutes Supplement, 1982, be amended to read as follows:

9-137. Regular bingo card shall mean a reusable nonreusable card issued to a person upon payment of the admission fee which affords a person the opportunity to participate in all regular games played at a bingo occasion.

Sec. 10. That section 9-138, Revised Statutes Supplement, 1982, be amended to read as follows:

9-138. Regular bingo game shall mean a bingo

game in which a person, upon payment of an admission, is issued a regular bingo card and may purchase or rent ~~extra~~ additional regular cards.

Sec. 11. That section 9-140.01, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.01. (1) Lottery by the sale of pickle cards shall mean any gambling scheme in which participants pay or agree to pay something of value for a pickle card. Any lottery by the sale of pickle cards shall be conducted pursuant to and in accordance with the provisions of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.

(2) Pickle card shall mean any (a) disposable card, board, or ticket which accords a person an opportunity to win something of value by opening, pulling, detaching, or otherwise removing tabs from the card, board, or ticket to reveal a set of numbers, letters, symbols, or configurations, or any combination thereof, and (b) card known as a pickle ticket, pickle, break-open, pull-tab, pull-tab board, pull card, or any other similar card, board, or ticket which is included under this section, whether referred to by any other name.

(3) Pickle card shall not mean or include any: (a) Regular bingo card as defined in section 9-137; (b) special bingo card as defined in section 9-139; (c) racing ticket or wager in connection with any horserace conducted pursuant to Chapter 2, article 12; (d) scrape-off or rub-off ticket; (e) punch board; or (f) any other kind of gambling, lottery, raffle, or gift enterprise ticket or scheme authorized pursuant to Chapter 28, article 11.

~~(3)~~ (4) The winning cards, boards, or tickets in any lottery by the sale of pickle cards shall be determined by a comparison of those numbers, letters, symbols, or configurations, or combination thereof, which are revealed by removal of the tabs from the pickle cards, to a set of numbers, letters, symbols, or configurations, or combination thereof, which has been previously specified on each pickle card as a winning combination. The winning chances of any pickle card shall not be determined or otherwise known until after its purchase and only upon opening, pulling, detaching, or otherwise removing the tabs to clearly reveal the combination. The winning chances shall be determined by and based upon an element of chance.

~~(4)~~ (5) Any person possessing a winning pickle card shall receive the appropriate prize or value previously determined and specified on each pickle card for that winning combination.

~~(5)~~ (6) All pickle cards shall bear the name of the nonprofit organization conducting the lottery by the sale of pickle cards, such organization's identification number, and a unit number.

~~(6)~~ Pickle card shall include any card known as a

pickle ticket, pickle, break-open, pull-tab, pull-tab board, pull card, or any other similar card, board, or ticket which is included under this section, whether referred to by any other name.

(7) Pickle card shall not mean or include: (a) Any regular bingo card as defined in section 9-137, (b) any special bingo card as defined in section 9-139, (c) any racing ticket or wager in connection with any horse race conducted pursuant to Chapter 2, article 12, or (d) any other kind of gambling, lottery, raffle, or gift enterprise ticket or scheme authorized pursuant to Chapter 28, article 11.

Sec. 12. That section 9-140.02, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.02. Commission Committee shall mean the Nebraska Bingo and Pickle Card Regulatory Lottery Advisory Committee. Commission:

Sec. 13. That section 9-140.03, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.03. (1) The gross proceeds of a pickle card unit shall mean the total possible receipts received from the sale of all pickle cards in any pickle card unit.

(2) The gross proceeds of a lottery or raffle conducted pursuant to section 63 of this act and sections 28-1115 and 28-1116 shall mean the total receipts received from the conduct of the lottery or raffle without any reduction for commissions, discounts, or other expenses. Gross proceeds shall include the value of any free tickets or free plays used.

Sec. 14. That section 9-140.04, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.04. Distributor shall mean any person, licensed pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act, who sells or distributes bingo supplies and equipment and pickle cards in units in this state.

Sec. 15. That section 9-140.05, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.05. Unit shall mean a complete set of pickle cards, which consists of all winning and losing cards in a particular unit, set, deal, or scheme for a lottery by the sale of pickle cards, in the receptacle or box in and with which the unit of pickle cards is sold by a distributor.

Sec. 16. That section 9-140.06, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.06. Structure or building shall mean include, but not be limited to, any premises as defined in section 9-135, facility, or property on which bingo is played.

Sec. 17. That section 9-140.09, Revised Statutes Supplement, 1983, be amended to read as follows:

9-140.09. Revoke shall mean to permanently void

and recall all rights and privileges of an organization to obtain a license.

Sec. 18. Security services shall mean services provided by a licensed detective agency or by off-duty law enforcement officers.

Sec. 19. Department shall mean the Department of Revenue.

Sec. 20. That section 9-141, Revised Statutes Supplement, 1983, be amended to read as follows:

9-141. (1) Any organization existing for charitable, benevolent, humane, religious, philanthropic, recreational, social, educational, civic, fraternal, or other nonprofit purpose, to which contributions are deductible for federal or state income tax purposes, may apply to the commission for a license to conduct bingo or a license to conduct a lottery by sale of pickle cards.

(2) In addition to those organizations enumerated in subsection (1) of this section, any (1) Any nonprofit organization holding a certificate of exemption under the Internal Revenue Code section 501 or any volunteer fire company organized and operated pursuant to Chapter 35, article 1, or whose major activities are conducted for charitable and community betterment purposes may apply for a license to conduct bingo, a lottery or raffle conducted pursuant to section 63 of this act, or a lottery by sale of pickle cards.

(2) (3) Prior to applying for any license, an organization listed under subsection (1) or (2) of this section shall:

(a) Be incorporated in this state as a not-for-profit corporation or organized in this state as a religious or not-for-profit organization;

(b) Have at least ten members in good standing;

(c) Conduct activities within this state in addition to the conduct of bingo, lotteries, raffles, and lottery by sale of pickle cards;

(d) Be authorized by its constitution, articles, charter, or bylaws to further in this state a lawful purpose;

(e) Operate without profit to its members, and no part of the net earnings of such organization shall inure to the benefit of any private shareholder or individual;

(f) For a bingo license only, have been in existence for five years immediately preceding its application for a license, and shall have had during that five-year period a bona fide membership actively engaged in furthering a lawful purpose. A society defined in section 21-608, which is chartered in Nebraska under a state, grand, supreme, national, or other governing body, may use the charter date of its parent organization to satisfy such five-year requirement; and

(g) None of the provisions of this section shall

prohibit senior citizens groups from organizing and conducting bingo pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act when bingo is played only by members of the senior citizens groups conducting the bingo. For purposes of this section, senior citizens group shall mean any organization whose membership consists entirely of persons who are at least ~~sixty-two~~ sixty years old.

~~(4) Each valid bingo license issued prior to August 26, 1983, shall terminate thirty days after August 26, 1983.~~

Sec. 21. That section 9-142, Revised Statutes Supplement, 1983, be amended to read as follows:

9-142. Each applicant for a license to conduct bingo, a lottery or raffle conducted pursuant to section 63 of this act, or a lottery by sale of pickle cards shall file with the ~~commission~~ department an application on a form prescribed by the ~~commission~~ department.

(1) Each application shall include:

(a) The name and address of the applicant;

(b) Sufficient facts relating to the incorporation or organization of the applicant to enable the ~~commission~~ department to determine if the applicant is eligible for a license under this section;

(c) The name and address of each officer of the applicant organization;

(d) The name, address, date of birth, and years of membership of a bona fide and active member of the applicant organization who shall be responsible for the proper utilization of the gross receipts derived from the conduct of bingo or lottery by sale of pickle cards;

(e) A roster of members, if the ~~commission~~ department deems it necessary and proper; and

(f) Other information which the ~~commission~~ department deems necessary.

(2) In addition to the information required in subdivision (1) of this section, each application for a license to conduct bingo shall include:

~~(a) The place and date of each bingo occasion proposed to be conducted during the effective period of the license;~~

(a) ~~(b)~~ The name and address of the owner of the premises in which bingo will be conducted and the approximate capacity of the premises;

~~(c) A list of expenses proposed to be incurred in connection with the conduct of bingo, the name and address of each payee, the purposes for which each payee is proposed to be paid, and the estimated amount of each payment;~~

(b) ~~(d)~~ The name, date of birth, and address of each supervising member for each bingo occasion who shall be a bona fide and active member of the applicant organization and of good moral character and one or more of

whom shall be responsible for the conduct of bingo games at each bingo occasion; and

(c) Copies of all lease or rental agreements, if the department deems it necessary and proper.

(3) The information required by this section shall be kept current. An organization shall notify the department within thirty days if any information in the application is no longer correct and shall supply the correct information. Nothing in this section shall allow a licensed organization to hold or conduct any bingo game or occasion in any manner different from that described in its most recent filing with the department.

(e) The name of any licensed organization resensuring any bingo occasion; and

(f) The specific purposes to which the profits from the conduct of bingo are to be devoted.

Sec. 22. That section 9-143, Revised Statutes Supplement, 1983, be amended to read as follows:

9-143. All bingo licenses and licenses to conduct bingo, a lottery or raffle conducted pursuant to section 63 of this act, or a lottery by sale of pickle cards may be renewed annually and each annual application for a license shall be accompanied by:

(1) A sworn statement of each designated supervising member that he or she will be responsible for compliance with appropriate rules and regulations;

(2) A sworn statement by the member designated as responsible for the proper utilization of gross receipts that no commission, fee, rent, salary, profits, compensation, reward, or recompense will be paid to any person or organization except payments sanctioned by the ~~commission~~ department and that all profits will be spent for a lawful purpose; and

(3) A fifteen dollar license fee, five dollars for an annual license for each designated supervising member, and five dollars for an annual license for each designated member responsible for the proper utilization of gross receipts or gross proceeds.

Sec. 23. That section 9-144, Revised Statutes Supplement, 1983, be amended to read as follows:

9-144. No bingo occasion other than a limited period bingo shall be conducted except in a structure owned by the licensed organization or in a structure leased or rented by the licensed organization pursuant to the requirements for such arrangements set forth in the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act. No licensed organization may conduct a bingo occasion outside of the county in which the licensed organization has its principal office.

Sec. 24. That section 9-145, Revised Statutes Supplement, 1983, be amended to read as follows:

9-145. Any person conducting bingo shall be a member or officer of the organization holding the bingo

license and shall not receive any compensation, directly or indirectly, for any duties connected with conducting bingo. No compensation shall be paid to any other person for the conduct of, or in connection with, a bingo occasion, either directly or indirectly, except for security services. Any person providing security services shall not assist in the conduct of bingo.

Sec. 25. That section 9-147, Revised Statutes Supplement, 1982, be amended to read as follows:

9-147. No bingo occasion, except a limited period bingo, shall last for longer than six consecutive hours.

Sec. 26. That section 9-148, Revised Statutes Supplement, 1982, be amended to read as follows:

9-148. (1) Irrespective of whether a bingo game or a bingo occasion is conducted jointly by two or more licensed organizations, no prize in a single bingo game shall exceed one thousand dollars and the aggregate value of bingo prizes at any bingo occasion shall not exceed three thousand five hundred dollars.

(2) The gross receipts from any bingo occasion shall not exceed seven thousand dollars. At least fifty per cent of the gross receipts from each bingo occasion shall be awarded as prizes.

(3) Merchandise prizes shall be valued at their fair market retail value. No merchandise prize shall be redeemable or convertible into cash directly or indirectly by the licensed organization.

Sec. 27. That section 9-149, Revised Statutes Supplement, 1983, be amended to read as follows:

9-149. A licensed organization may purchase or rent bingo supplies or equipment from any distributor. Such purchase or rental shall be for the fair market value of the supplies or equipment and shall not include any services rendered. If requested to do so by the department, an organization shall be required to show that the amount charged for the purchase or rental of such supplies or equipment is not in excess of fair market value.

Sec. 28. That section 9-150, Revised Statutes Supplement, 1983, be amended to read as follows:

9-150. No person under eighteen years of age shall play any bingo game or participate in any way in any lottery or raffle conducted pursuant to section 63 of this act and sections 28-1115 and 28-1116 or lottery by the sale of pickle cards. No such person shall be present at a bingo occasion unless such person's parent or legal guardian is present and approves such person's presence during the bingo occasion, except that any licensed organization may prohibit the presence of any person at its bingo occasion.

Sec. 29. That section 9-153, Revised Statutes Supplement, 1983, be amended to read as follows:

9-153. No expense shall be incurred or amounts

paid in connection with the conduct of bingo by an organization, except those reasonably expended for bingo supplies and equipment, prizes, utilities used during the bingo occasion, security services used during the bingo occasion, bingo license fees, taxes related to bingo, the rental or lease of any structure, and bingo equipment and supplies rented or leased pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.

Sec. 30. That section 9-154, Revised Statutes Supplement, 1982, be amended to read as follows:

9-154. Each bingo winner shall be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted. Any conditional prize may be offered during any bingo occasion if the conditions relating to such prize are clearly posted and the bingo occasion is within the provisions of section 9-148.

Sec. 31. That section 9-156, Revised Statutes Supplement, 1983, be amended to read as follows:

9-156. (1) No organization shall lease any premises with rental payments based on a percentage of receipts or profits from bingo or on the number of persons participating in any bingo occasion. Rent shall be at a fixed monthly rate not subject to change during the term of the lease and not in excess of fair market value. All bingo occasions shall be conducted only by the licensee who holds such lease.

(2) All lease agreements shall be subject to approval by the ~~commission~~ department. If requested to do so by the department, an organization shall show that the amount of rent charged does not exceed fair market value.

(3) No lease of any premises shall contain any right to use bingo supplies, equipment, or any service.

Sec. 32. That section 9-157, Revised Statutes Supplement, 1982, be amended to read as follows:

9-157. Any organization conducting bingo shall clearly post the percentage of the gross receipts for the last preceding quarter that has been paid out in prizes and the percentage of the gross receipts, if any, that has been paid to charitable organizations. Such reports shall be posted on the premises within thirty days after the close of the quarter.

Sec. 33. That section 9-158, Revised Statutes Supplement, 1983, be amended to read as follows:

9-158. Bingo gross profits shall be segregated from other revenue of an organization and placed in a separate checking account. Separate books of its bingo operations shall be maintained by an organization. The current price of merchandise prizes donated to a licensed organization shall not be reported as an expense in its records or financial statement of bingo operations. Records, reports, and all postings required by the Nebraska Bingo and Pickle Card Regulatory Lottery Control

Act shall be preserved for ~~two~~ three years. Any law enforcement agency, or other agency of government, shall have the authority to investigate the bingo records of an organization at any time. Organizations shall, upon request, deliver their bingo records to the ~~commission~~ department or its duly appointed agents for investigation.

Sec. 34. That section 9-159, Revised Statutes Supplement, 1982, be amended to read as follows:

9-159. An organization shall report annually to its membership its gross receipts from bingo, the amount spent on prizes, the value of donated prizes, its profits from bingo, and the itemized distribution of those profits.

Sec. 35. That section 9-160, Revised Statutes Supplement, 1983, be amended to read as follows:

9-160. An organization shall file the following with the ~~commission~~ department before conducting a bingo occasion, and on an annual basis thereafter:

(1) U.S. Department of the Treasury, Internal Revenue Service, Return of Organization Exempt from Income Tax, Form 990, if the organization is required to file such form with the Department of the Treasury;

(2) U.S. Department of the Treasury, Internal Revenue Service, Exempt Organization Business Income Tax, Form 990-T, if the organization is required to file such form with the Department of the Treasury; and

(3) A report signed by an officer of the organization and notarized, which contains the following information:

(a) A roster of the membership of the organization, if required by the ~~commission~~ department;

(b) The address of the organization;

(c) The period of time the organization has been in existence;

(d) The purpose for which the organization is organized;

(e) Whether the group is authorized and existing under the laws of the state;

(f) The names and home addresses of all officers and the bingo chairperson of the organization;

(g) The location where the games are to be held, including the floor, the name of the owner of the property where the games are to be held, and a copy of the lease agreement, if any, and such lease agreement shall be subject to approval by the ~~commission~~ department;

(h) The days of the week bingo is to be played;

(i) The date of the first occasion and the date of the last occasion;

(j) The hours when the games will be played;

(k) The price to be charged per person for each card;

(l) The minimum number of players per game;

(m) The nature of the prizes, money, or

merchandise;

(n) The name of the member who will have charge of distribution of the profits of the game;

(o) Whether any refreshments will be served or allowed to be consumed during the time the games are being conducted and, if so, whether there will be a charge for such refreshments; and

(p) The terms and conditions of all rental or lease agreements entered into for facilities used for bingo or for bingo supplies and equipment.

The information required by this section shall be kept current. An organization shall notify the ~~commission~~ department within thirty days if any information in the report is no longer correct and shall supply the correct information including all information required pursuant to subdivision (p) of subsection (3) of this section, except that nothing in this section shall allow a licensed organization to hold a bingo game or conduct a bingo occasion on any day, at any time, or in any manner different from that described in its most recent filing with the ~~commission~~ department.

Sec. 36. That section 9-161, Revised Statutes Supplement, 1982, be amended to read as follows:

9-161. (1) Any number of cards may be purchased by a licensed organization and sold or rented to players at any bingo occasion. Each card in use by the organization at any bingo occasion shall differ from all others in use with respect to the distribution of playing numbers.

(2) The playing spaces on a regular bingo card and an ~~extra regular card~~ shall be contained within an area not less than four inches square. The playing spaces on a special bingo card shall be contained within an area not less than three inches square.

Sec. 37. That section 9-163, Revised Statutes Supplement, 1983, be amended to read as follows:

9-163. Bingo games shall be conducted only in the following manner:

(1) All bingo cards used in a regular bingo game shall be ~~sold~~ purchased at a price established before the start of the ~~regular bingo session occasion~~;

(2) At any bingo occasion except limited period bingo, any player buying or renting an ~~extra additional~~ regular card is entitled to use such card in all regular games conducted after he or she buys or rents the card;

(3) Each person admitted to a bingo occasion, other than limited period bingo, shall be furnished with a regular bingo card enabling him or her to play in all regular bingo games conducted at such bingo occasion;

~~(4) The value of any merchandise prize awarded in a bingo game shall be its current retail price. The current retail price of merchandise prizes donated to a licensed organization shall not be reported as an expenditure in its financial statement of bingo~~

operations. No merchandise prize shall be redeemable or convertible into cash directly or indirectly by the licensed organization;

(4) ~~(5)~~ The licensed organization shall keep an accurate, separate count of the number of regular bingo cards, ~~extra regular cards,~~ and special bingo cards which are sold, rented, or used. Such information shall be available for inspection at the close of the bingo occasion;

(5) ~~(6)~~ Method of play:

(a) The method of play in any bingo game and the utilization of bingo equipment and supplies shall be such that each player is afforded an equal opportunity to win;

(b) For any means of selection permitted by subdivision (1) or (2) of section 9-162, the designators to be drawn shall be essentially the same in size, color, shape, weight, balance, and all other characteristics, so that at all times during the conduct of bingo, each designator possesses the capacity for equal agitation with any other object within the receptacle;

(c) All designators within the total set from which the selection is to be made shall be subject to random selection at the beginning of each bingo game;

(d) The announcement of all designators selected shall be clearly audible to the players present;

(e) When more than one room is used for any one bingo game, the receptacle or electronic selection device and the caller and any assistant shall be in the room where the greatest number of players are present, and all numbers, letters, or other designators shall be announced in a manner clearly audible to the players in each room;

(f) Once removed, no designator shall be returned to the receptacle until after the ~~conclusion~~ verification of the winner of the game in which any means of selection permitted by subdivision (1) or (2) of section 9-162 are used; and

(g) The receptacle or electronic selection device and the caller shall be visible to the majority of players at all times;

(6) ~~(7)~~ The particular arrangement of numbers, letters, or other designators required to be covered in order to win and the amount of the prize for any bingo game shall be clearly described and audibly announced to the players immediately before each game. The amount of the prize for any bingo game also shall be posted where the regular bingo cards are distributed;

(7) ~~(8)~~ Verification of winner:

(a) The numbers, letters, or other designators appearing on the winning card at the time a winner is determined shall be verified in such a manner that all present can hear; and

(b) At the time a winner is determined, any player may call for a verification of all designators not

yet selected. This verification shall be made in the immediate presence of the supervising member and at least one disinterested player;

(8) ~~(9)~~ When more than one player is found to be the winner on the call of the same number, letter, or other designator in the same bingo game, a cash prize shall be divided equally, to the nearest nickel, among the winners. When equal division of a merchandise prize is not possible, identical substitute merchandise prizes whose aggregate retail value is approximately equal to that of the designated prize shall be awarded and if not immediately available, the licensed organization shall deliver the prizes to the winners; and

(9) ~~(10)~~ No licensed organization shall permit any person who is conducting or assisting in the conduct of bingo on a bingo occasion to participate as a player on that occasion.

Sec. 38. That section 9-164, Revised Statutes Supplement, 1983, be amended to read as follows:

9-164. A copy of all information filed with the commission department pursuant to sections 9-142, and 9-143, 9-~~158~~, and 9-~~159~~ shall also be filed with the county clerk of the county in which the bingo is to be conducted and if the bingo is conducted within the limits of an incorporated city or village, a copy shall also be filed with the city or village clerk. Such information shall be filed within five days after its filing with the commission department.

Sec. 39. That section 9-165, Revised Statutes Supplement, 1983, be amended to read as follows:

9-165. (1) The commission department shall collect a state tax of six per cent on the gross receipts received from the conducting of bingo within the state. Such tax shall be paid to the commission department and credited to the state General Fund. The tax shall be remitted quarterly, not later than thirty days from the close of the preceding quarter, together with any other reports as may be required by the commission department.

(2) Any city or village is hereby directed to impose a tax of four per cent on the gross receipts received from the conducting of bingo within such city or village. Where bingo is conducted outside the limits of any incorporated city or village, the county in which such bingo is conducted shall impose a tax of four per cent on the gross receipts from the conducting of bingo outside the corporate limits of such city or village. Such tax shall be credited to the general fund of the county, city, or village which issued the permit. Such tax shall be paid to the clerk of the political subdivision imposing the tax and the clerk shall transmit the tax to the treasurer of such subdivision. The tax shall be remitted quarterly, not later than thirty days from the close of the preceding quarter, together with such reports as may be required by

the political subdivision imposing the tax.

Sec. 40. That section 9-166, Revised Statutes Supplement, 1982, be amended to read as follows:

9-166. Upon payment of an annual permit fee of ten dollars, the licensee shall obtain a permit from the city or village clerk or finance department when bingo is to be conducted within the limits of any incorporated city or village and from the county clerk when bingo is to be conducted outside the limits of any incorporated city or village. Such annual permit fee of ten dollars shall be paid before bingo is played and shall be paid to the city or village clerk or finance director or county clerk at the time of obtaining the annual permit. When bingo is to be conducted jointly by two or more licensees, such licensees shall obtain a permit therefor by paying a fee of ten dollars. All permits and licenses issued pursuant to the Nebraska Bingo and Lottery Control Act shall expire on September 30 ~~March 31~~ of each year. Such permit shall be displayed conspicuously at the place where bingo is conducted at all times during the conduct thereof.

Sec. 41. That section 9-168, Revised Statutes Supplement, 1983, be amended to read as follows:

9-168. The proceeds from the tax levied pursuant to subsection (2) of section 9-165, shall be used to pay for the costs of regulation and enforcement of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.

Sec. 42. That section 9-169, Revised Statutes Supplement, 1983, be amended to read as follows:

9-169. The ~~commission~~ department shall adopt and promulgate such rules and regulations and prescribe all forms as are necessary to carry out the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.

Sec. 43. That section 9-170, Revised Statutes Supplement, 1983, be amended to read as follows:

9-170. Except when another penalty is specifically provided, any person, licensee, distributor, qualified organization, or employee or agent of any licensee, distributor, or qualified organization who shall violate any provision of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act shall be guilty of a Class II misdemeanor. Any licensed organization guilty of violating any provision of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act more than once in a twelve-month period shall have its license cancelled or revoked.

Sec. 44. That section 9-171, Revised Statutes Supplement, 1982, be amended to read as follows:

9-171. (1) No person, except a licensee operating pursuant to ~~sections 9-124 to 9-166~~ the Nebraska Bingo and Lottery Control Act, shall conduct any game of bingo for which a charge is made or to the winner of which any money, property, or other prize with a value in excess

of twenty-five dollars is awarded. Any such game conducted in violation of this subsection is hereby declared to be a public nuisance. Any person violating the provisions of this subsection shall be guilty of a Class IV misdemeanor.

(2) No person shall play at any game of bingo conducted in violation of subsection (1) of this section. Any person violating the provisions of this subsection shall be guilty of a Class IV misdemeanor.

Sec. 45. That section 9-172, Revised Statutes Supplement, 1983, be amended to read as follows:

9-172. Any person in this state, including any law enforcement official, who has cause to believe that (1) any licensed organization, (2) any lessor of facilities or bingo equipment and supplies used for a bingo occasion, (3) any person conducting any game of bingo, (4) any employee or agent of such licensed organization, lessor, or person, (5) any person acting in concert with such licensed organization, lessor, or person, or (6) any person in connection with a lottery or raffle conducted pursuant to section 63 of this act and sections 28-1115 and 28-1116 or lottery by the sale of pickle cards has engaged in or is engaging in any conduct in violation of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act or has aided or is aiding another in any conduct in violation of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act may commence a civil action in any district court of this state.

Sec. 46. That section 9-173, Revised Statutes Supplement, 1983, be amended to read as follows:

9-173. Sections 9-124 to 9-196 and sections 18, 19, 50, 62, 63, 67, and 71 of this act shall be known as and may be cited as the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.

Sec. 47. That section 9-174, Revised Statutes Supplement, 1983, be amended to read as follows:

9-174. In any civil action commenced pursuant to section 9-172 a court may allow:

(1) A temporary restraining order or injunction, with or without a bond as the court may direct, prohibiting a party to the action from continuing or engaging in such conduct, aiding in such conduct, or doing any act in furtherance of such conduct;

(2) A declaration that the conduct by a licensed organization or employee or agent of a licensed organization, which is a party to the action, constitutes a violation of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act and a determination of the number and times of violations for certification to the commission department for appropriate license revocation purposes;

(3) A permanent injunction under principles of equity and on reasonable terms;

(4) An accounting of the profits, earnings, or gains resulting directly and indirectly from such

violations, with a distribution of such profits, earnings, or gains to all licensed organizations existing at the time of such violations which apply to the court and show that they suffered monetary losses by reason of such violations and with distribution of any remaining profits, earnings, or gains to the state; and

(5) Reasonable attorneys' fees and court costs.

Sec. 48. That section 9-177, Revised Statutes Supplement, 1983, be amended to read as follows:

9-177. (1) Any organization licensed to conduct bingo or licensed to conduct a lottery by sale of pickle cards may ~~conduct a lottery by the sale of pickle cards and~~ purchase units for such purposes from a distributor and use the proceeds from the sale of the pickle cards for a lawful purpose.

(2) When any organization licensed to conduct a lottery by the sale of pickle cards purchases units from a distributor, such organization shall provide the distributor with a copy of the organization's license or other adequate identification indicating that such organization has a valid license issued pursuant to sections 9-141 to 9-143.

(3) No person paid by any organization licensed to conduct a lottery by the sale of pickle cards pursuant to sections 9-141 to 9-143 and no person, whether or not authorized to sell pickle cards for the licensed organization, who is not a member of the organization shall purchase any unit from a distributor for such licensed organization.

Sec. 49. That section 9-178, Revised Statutes Supplement, 1983, be amended to read as follows:

9-178. Any applicant for a distributor's license, including renewal thereof, shall file an application with the ~~commission~~ department on a form prescribed by the ~~commission~~ department. Each application shall be accompanied by a registration fee in the amount of twenty-five dollars, together with a license fee of one thousand five hundred dollars. At a minimum, the application shall include the name and address of the applicant, including all shareholders who own ten per cent or more of the outstanding stock if the applicant is a corporation; the location of its office or business; and a current list, if ~~appropriate~~ requested, of those organizations within the state to whom the applicant is selling bingo supplies and equipment or pickle card units. All applications shall include a sworn statement by the applicant or the appropriate officer thereof that the applicant shall comply with all provisions of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act and all rules and regulations adopted and promulgated under such act.

No person shall be issued a distributor's license if not doing business or authorized to do business

in this state.

All licenses issued pursuant to this section shall expire on March 31st of each year:

Renewal of any license issued pursuant to this section shall be initiated no less than forty-five days prior to the expiration of the license.

Sec. 50. (1) No distributor shall hold a license for bingo or lottery by the sale of pickle cards pursuant to sections 9-141 to 9-143.

(2) If a distributor delivers any pickle card unit, he or she shall deliver such unit only to a designated member of such organization responsible for the proper utilization of gross proceeds licensed pursuant to subdivision (3) of section 9-143 and shall not deliver such unit to any other person, whether or not such person is an agent or vendor of such licensed organization.

(3) No distributor shall offer or agree to offer anything of value to any (a) agent, vendor, or person paid by an organization licensed pursuant to sections 9-141 to 9-143 to sell pickle cards or (b) person whether or not authorized to sell pickle cards for a licensed organization, who is not a member of such organization, in exchange for an agreement or commitment by such agent, vendor, or person to sell pickle cards for the licensed organization, when the licensed organization has purchased the pickle card unit from such distributor.

(4) No distributor or employee of any distributor shall participate in any lottery by the sale of pickle cards except to the exclusive extent of his or her statutory duties as a licensed distributor. Membership in an organization licensed pursuant to sections 9-141 to 9-143 shall not be deemed a violation of this section.

Sec. 51. That section 9-179, Revised Statutes Supplement, 1983, be amended to read as follows:

9-179. (1) No person or organization other than those qualifying under section 9-177 shall be permitted to conduct a lottery by the sale of pickle cards in this state.

(2) No person other than a licensed distributor shall possess pickle cards that are not properly printed with the information required in section 9-140.01.

(3) Any person violating this section shall be guilty of a Class II misdemeanor.

Sec. 52. That section 9-181, Revised Statutes Supplement, 1983, be amended to read as follows:

9-181. The gross proceeds of any lottery or raffle conducted pursuant to section 63 of this act or lottery by the sale of pickle cards shall be segregated from other revenue of any organization conducting the lottery or raffle and placed in a separate account. Separate records shall be maintained by any organization conducting a lottery or raffle conducted pursuant to section 63 of this act or lottery by the sale of pickle

cards. Each nonprofit organization conducting a lottery conducted pursuant to section 63 of this act, raffle, or lottery by the sale of pickle cards shall keep a record of all locations or persons who are paid to sell tickets or pickle cards. Records required by the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act shall be preserved for at least ~~two~~ three years. Any law enforcement agency or other agency of government shall have the authority to investigate the records relating to lotteries or raffles conducted pursuant to section 63 of this act and sections 28-1115 and 28-1116 or lotteries by the sale of pickle cards and profits therefrom at any time. Organizations shall, upon request, deliver all such records to the ~~commission~~ department for investigation.

Sec. 53. That section 9-182, Revised Statutes Supplement, 1983, be amended to read as follows:

9-182. An organization conducting a lottery by the sale of pickle cards shall report annually to its membership its gross proceeds, its profits from pickle card sales, and the itemized distribution of such profits resulting from conducting any lottery by the sale of pickle cards pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act by such organization.

Sec. 54. That section 9-183, Revised Statutes Supplement, 1983, be amended to read as follows:

9-183. A distributor shall maintain records of total unit sales and, within thirty days after the end of the calendar quarter, report to the ~~commission~~ department, on a form prescribed by the ~~commission~~ department, the total number of units sold by such distributor for each quarter. The report shall include the total number of pickle cards in each unit, and the aggregate price for which such cards will be sold by the purchasing organization, and any other information the ~~commission~~ department deems necessary.

Sec. 55. That section 9-184, Revised Statutes Supplement, 1983, be amended to read as follows:

9-184. Accompanying the quarterly reports required in section 9-183, the distributor shall pay to the ~~commission~~ department the following taxes: (1) Two dollars per unit on each unit sold by the distributor; and (2) an amount equal to two per cent of the pickle card gross proceeds of each pickle card unit sold by the distributor, computed by using the price for which all pickle cards in the unit will be sold by the purchasing organizations. Such tax shall be credited to the General Fund of the state. The distributor shall include the tax due under this section in the selling price of units and shall not separately state such tax on the invoice.

Sec. 56. That section 9-185, Revised Statutes Supplement, 1983, be amended to read as follows:

9-185. (1) The gross proceeds of any lottery or raffle conducted pursuant to section 63 of this act or

lottery by sale of pickle cards shall be used solely for lawful purposes, awarding of prizes, remission of proper taxes, and allowable expenses related to pickle cards, and the cost of each unit. Not less than sixty-five per cent of the pickle card proceeds from any pickle card unit shall be used for the awarding of prizes. Each nonprofit organization selling pickle cards shall have its name printed clearly on each pickle card. No pickle card shall be sold unless such name is so printed thereon. Each nonprofit organization conducting a lottery by the sale of pickle cards shall keep a record of all locations where its pickle cards are sold.

(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 63 of this act 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.

(4) When the gross proceeds of any raffle conducted pursuant to section 63 of this act 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.

(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 63 of this act or lottery by the sale of pickle cards.

Sec. 57. That section 9-186, Revised Statutes Supplement, 1983, be amended to read as follows:

9-186. No distributor shall sell any pickle card units except to an organization qualified to conduct a lottery by the sale of pickle cards pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control

Act. No pickle cards shall be sold by a distributor except in the form of pickle card units. No pickle card unit shall be sold by a distributor without the name and license number of the organization conducting the lottery by the sale of pickle cards information required in section 9-140.01 printed on each pickle card in the unit. Each unit shall bear a unique number. Each pickle card in a unit shall bear the number of that particular unit.

Sec. 58. That section 9-187, Revised Statutes Supplement, 1983, be amended to read as follows:

9-187. The ~~commission~~ department shall have the following powers, functions, and duties:

(1) To revoke for cause any bingo, lottery or raffle conducted pursuant to section 63 of this act, or pickle card lottery license or any distributor's license;

(2) To cancel for cause any bingo, lottery or raffle conducted pursuant to section 63 of this act, or pickle card lottery license or any distributor's license;

(3) To suspend for cause any bingo, lottery or raffle conducted pursuant to section 63 of this act, or pickle card lottery license or any distributor's license;

(4) To enter or to authorize any law enforcement officer to enter at any time upon any licensed bingo premises to determine whether any of the provisions of the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act or any rules or regulations adopted under it have been or are being violated, and at such time to examine such premises;

(5) To examine or cause to be examined, under oath, any licensee upon whom notice of revocation, cancellation, or suspension has been served in the manner provided in sections 9-188 and 9-189, and to hear testimony and to examine evidence regarding the licensee's performance of his or her duties;

(6) To revoke, cancel, or suspend any license, if upon notice and hearing as provided in sections 9-188 and 9-189, the ~~commission~~ department determines that the licensee has violated any rule or regulation adopted and promulgated pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act; and

(7) To regulate lotteries conducted by counties, cities, and villages pursuant to section 28-1116 to insure fairness, equity, and uniformity; and

(8) Unless specifically provided otherwise, to compute and determine the amounts required to be paid as taxes imposed by the Nebraska Bingo and Lottery Control Act in the same manner as provided for sales and use taxes in Chapter 77, article 27.

Sec. 59. That section 9-188, Revised Statutes Supplement, 1983, be amended to read as follows:

9-188. Before the adoption of any rule or regulation pursuant to section 9-169, or before the revocation, cancellation, or suspension of any license

pursuant to section 9-187, the commission department shall set the matter for hearing.

At least ten days before the hearing, the commission department shall (1) in the case of revocation, suspension, or cancellation, serve notice upon the licensee of the time, date, and place of any hearing and issue a public notice of the same or (2) in the case of adoption of any rule or regulation, issue a public notice of the time, date, and place of such hearing.

Sec. 60. That section 9-189, Revised Statutes Supplement, 1983, be amended to read as follows:

9-189. (1) A copy of the rule, regulation, order, or decision of the commission department in any proceeding before it, certified under the seal of the commission department, shall be served upon each party of record to the proceeding before the commission department. Service upon any attorney of record for any such party shall be deemed to be service upon such party. Each party appearing before the commission department shall enter his or her appearance and indicate to the commission department his or her address for the service of a copy of any rule, regulation, order, decision, or notice. The mailing of any copy of any rule, regulation, or order or of any notice in the proceeding, to such party at such address shall be deemed to be service upon such party.

(2) At the time of making an appearance before the commission department, as referred to in subsection (1) of this section, each party shall deposit in cash or furnish a sufficient security for costs in an amount the commission department shall deem adequate to cover all costs liable to accrue, including costs for (a) reporting the testimony to be adduced, (b) making up a complete transcript of the hearing, and (c) extending reporter's original notes in typewriting.

(3) Within twenty days after the service of any order or decision of the commission department upon any party to the proceeding, as provided for by subsection (1) of this section, such party may apply for a rehearing in respect to any matters determined by the commission department. The commission department shall consider such application for a rehearing within twenty days from the date of receipt of the rehearing application. If such application is granted, the commission department shall promptly consider the matters presented by such application. No appeal shall be allowed from any decision of the commission department, except as is provided for in subsection (5) of this section.

(4) Upon the final disposition of any proceeding, costs shall be paid by the party or parties against whom a final decision is rendered.

Only one rehearing, pursuant to subsection (3) of this section, shall be granted by the commission department on application of any one party.

(5) Any decision of the ~~commission~~ department to revoke, cancel, or suspend, or to refuse to revoke, cancel, or suspend a license may be reversed, vacated, or modified by the district court as provided in section 84-917.

Sec. 61. That section 9-190, Revised Statutes Supplement, 1983, be amended to read as follows:

9-190. ~~At least fourteen days prior to conducting any limited period bingo, the licensee shall notify the commission and the~~ The city or village governing board or, if bingo is conducted outside any incorporated city or village, the county governing board; may require notification by any licensee conducting limited period bingo of the date, place, and time of such limited period bingo. ~~to be conducted by the licensee.~~

Sec. 62. ~~Each nonprofit organization conducting a lottery or raffle conducted pursuant to section 63 of this act or the Nebraska Bingo and Lottery Control Act shall have its name and identification number clearly printed on each lottery or raffle ticket used in such lottery or raffle. No such ticket shall be sold unless such name and identification number is so printed thereon. In addition, all lottery or raffle tickets shall bear a number, which numbers shall be in sequence and clearly printed on the ticket. Each nonprofit organization conducting a lottery or raffle shall keep a record of all locations where its tickets are sold.~~

Sec. 63. ~~No person, except a licensee operating pursuant to the Nebraska Bingo and Lottery Control Act, shall conduct any lottery with gross proceeds in excess of one thousand dollars or any raffle with gross proceeds in excess of five thousand dollars. Any lottery or raffle conducted in violation of this section is hereby declared to be a public nuisance. Any person violating the provisions of this section shall be guilty of a Class IV misdemeanor. Nothing in this section shall be construed to apply to any lottery established or conducted pursuant to section 28-1116.~~

Sec. 64. That section 9-191, Revised Statutes Supplement, 1983, be amended to read as follows:

9-191. ~~There is hereby established the Nebraska Bingo and Pickle Card Regulatory Lottery Advisory Committee Commission consisting of three eight members appointed by the Governor and subject to confirmation by the Legislature. Tax Commissioner. No more than two four members shall belong to the same political party and no two three members shall be citizens of the same county. congressional district. The Governor shall designate one member to serve as chairperson. Any commission member may be removed by the Governor, after an opportunity to be heard, for malfeasance, misfeasance, or neglect in office. The members of the Nebraska Bingo and Pickle Card Regulatory Commission on the operative date of this section shall, after such date, serve on the committee for~~

one year in place of three committee members. The committee members shall be appointed from the following groups: Law enforcement, bingo, lottery, raffle, and lottery by the sale of pickle cards operators, and bingo and pickle card distributors.

Sec. 65. That section 9-192, Revised Statutes Supplement, 1983, be amended to read as follows:

9-192. The members of the ~~commission~~ committee shall serve for terms of ~~five two~~ years each, except that of the members first appointed, one member shall serve for one year, three years, one for four years, and one for five years. ~~Members shall not serve more than two consecutive terms.~~

Sec. 66. That section 9-193, Revised Statutes Supplement, 1983, be amended to read as follows:

9-193. The ~~commission~~ committee members shall be reimbursed for their actual and necessary expenses. ~~The members shall be paid a per diem of fifty dollars for each day actually and necessarily engaged in the performance of their duties as members of the commission in addition to such expense allowance. Reimbursement shall be as provided in sections 84-306.01 to 84-306.05 for state employees.~~

Sec. 67. The committee shall consult with and advise the Tax Commissioner on all aspects of the Nebraska Bingo and Lottery Control Act. The committee shall meet at least quarterly each year.

Sec. 68. That section 9-194, Revised Statutes Supplement, 1983, be amended to read as follows:

9-194. The ~~commission~~ department shall employ ~~an executive director and such other staff, including inspectors, as necessary to carry out its duties pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.~~

Sec. 69. That section 9-195, Revised Statutes Supplement, 1983, be amended to read as follows:

9-195. (1) Except as provided in subsection (2) or (3) of this section, any county or incorporated municipality may, by resolution or ordinance, tax, regulate, control, or prohibit any lottery or raffle within the boundaries of such county or the corporate limits of such incorporated municipality. No county may impose a tax or otherwise regulate, control, or prohibit any lottery within the corporate limits of an incorporated municipality. Any tax imposed pursuant to this subsection shall be remitted to the general fund of the county or incorporated municipality imposing such tax.

(2) No city, county, or nonprofit organization holding a certificate of exemption under the Internal Revenue Code, section 501, or whose major activities are conducted for charitable or community betterment purposes may conduct a lottery or raffle and no person may engage in lottery or raffle activity within the boundaries of any

Class 6 or Class 7 county as classified under section 23-1114.01 or within the corporate limits of any city of the metropolitan or primary class until specific authorization has been granted by ordinance or resolution of the city or county to conduct a lottery, raffle, or related ~~or lottery~~ activity. Any ordinance or resolution that provides specific authorization for a lottery, raffle, or related ~~or lottery~~ activity may tax, regulate, or otherwise control such lottery, raffle, or related ~~or lottery~~ activity.

(3) Nothing in this section shall be construed to apply to (a) bingo as defined in section 9-127, (b) gift enterprise as defined in subdivision (9) of section 28-1101, (c) raffle with gross proceeds of not more than five thousand dollars or lottery with gross proceeds of not more than one thousand dollars as defined in ~~subdivision (10) of section 28-1101,~~ or (d) lottery by sale of pickle card as defined in section 9-140.01.

(4) Nothing in this section shall be construed to authorize any lottery not otherwise authorized under sections 28-1114 to ~~28-1116~~ 28-1116.01.

Sec. 70. That section 9-196, Revised Statutes Supplement, 1983, be amended to read as follows:

9-196. (1) Any county, city, or village which conducts lotteries pursuant to section 28-1116 shall pay to the ~~emmission~~ department a tax of two per cent of the gross proceeds of the lotteries. Such tax shall be remitted quarterly, within thirty days of the end of the quarter, and shall be credited to the General Fund of the state.

(2) Any organization licensed to conduct a lottery or raffle pursuant to the Nebraska Bingo and Lottery Control Act shall pay to the department a tax of two per cent of the gross proceeds of each lottery having gross proceeds of more than one thousand dollars or raffle having gross proceeds of more than five thousand dollars. Such tax shall be remitted quarterly, within thirty days of the end of the quarter, on forms approved and provided by the department and shall be credited to the General Fund of the state.

Sec. 71. All deficiencies of any tax prescribed in the Nebraska Bingo and Lottery Control Act shall accrue interest and be subject to a penalty as provided for sales and use taxes in Chapter 77, article 27.

Sec. 72. That section 28-1101, Revised Statutes Supplement, 1983, be amended to read as follows:

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 or (b) the acquisition or maintenance of premises, paraphernalia, equipment, or apparatus therefor;

(2) Bookmaking shall mean advancing gambling activity by unlawfully accepting bets from members of the public as a business upon the outcome of future contingent events;

(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 lottery, raffle, or scheme not authorized or conducted pursuant to sections 28-1114 to 28-1116.01, or conducts or participates in any bingo or lottery by the sale of pickle cards not authorized or conducted pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act, 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 a contest, lottery, raffle, or gift enterprise conducted in accordance with the provisions of sections 28-1113 to 28-1116.01; or

(e) Participating in or conducting bingo, a lottery, a raffle, or ~~participating in or conducting a~~ lottery by the sale of pickle cards pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control 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. Bingo supplies and equipment as defined in section 9-129, pickle cards as defined in section 9-140.01, pickle card units as defined in section 9-140.05 in the possession of a distributor licensed under section 9-178, pickle cards as defined in section 9-140.01, and tickets, cards, and other items used in the playing phases of schemes defined in sections 28-1113 to

28-1116.01; are not gambling devices within this definition;

(6) Lottery shall mean a gambling scheme in which (a) the players pay or agree to pay something of value for chances, represented and differentiated by numbers or by combinations of numbers or by some other medium, one or more of which chances are to be designated the winning ones, (b) the winning chances are to be determined by a drawing or by some other method based on an element of chance, and (c) the holders of the winning chances are to receive something of value cash or prizes redeemable for cash. Nothing in this subdivision shall be construed to include any bingo as defined in section 9-127, any raffle as defined in this section, or any scheme using pickle cards pursuant to the Nebraska Bingo and Lottery Control Act;

(7) 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;

(8) 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;

(9) Gift enterprise shall mean a game in which prizes are offered and awarded to participants in such games when no payment is required for participation therein. For business promotion purposes only, such games may require as a condition of participation the evidence of the purchase of a product or other property, except that the price charged for such product or other property shall be no greater than it would be if no game were involved; and

(10) Raffle shall mean any gambling scheme in which: (a) Participants pay or agree to pay something of value for an opportunity to win something of value; (b) winning opportunities are represented by tickets or cards differentiated by numbers sequentially enumerated; and (c) winners are determined by a random drawing of the tickets or cards. At least eighty per cent of all prizes awarded shall be merchandise that is not redeemable or convertible into cash directly or indirectly by the licensed organization. Nothing in this subdivision shall be construed to include any bingo as defined in section 9-127 nor any lottery by the sale of pickle cards as defined in section 9-140.01.

Sec. 73. That section 28-1113, Revised Statutes Supplement, 1983, be amended to read as follows:

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

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

(2) Prohibit or punish the playing of bingo when conducted by any licensee operating pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act or prohibit or punish conducting or participating in any lottery by the sale of pickle cards pursuant to the Nebraska Bingo and Pickle Card Regulatory Lottery Control Act.

Sec. 74. That section 28-1115, Revised Statutes Supplement, 1983, be amended to read as follows:

28-1115. ~~Except as provided in section 9-195,~~ any Any nonprofit organization holding a certificate of exemption under the Internal Revenue Code, section 501, or whose major activities, exclusive of conducting lotteries, raffles, or gift enterprises, are conducted for charitable and community betterment purposes, may conduct lotteries, raffles, and gift enterprises that have, in the case of lotteries and gift enterprises, gross proceeds not greater than one thousand dollars and, in the case of raffles, gross proceeds not greater than five thousand dollars or that are conducted pursuant to the Nebraska Bingo and Lottery Control Act. The gross proceeds of such activities may be used solely for charitable or community betterment purposes, awarding of prizes to participants, and operating such lottery, raffle, or gift enterprise. ~~When the gross proceeds are greater than one thousand dollars, not less than sixty-five per cent of the gross proceeds shall be used for the awarding of prizes and not more than twenty-five per cent of that amount remaining after the awarding of prizes shall be used to pay the expenses of operating such scheme. For the purpose of this section, the expenses of operating a lottery shall include (1) all costs associated with printing or manufacturing any items to be used or distributed to participants such as tickets or other paraphernalia; (2) all office expenses; (3) all promotional expenses; (4) all salaries of persons employed to operate the scheme; (5) any rental or lease expense; and (6) any fee paid to any person associated with the operation of a lottery, raffle, or gift enterprise, except that prizes awarded to participants shall not be included within the twenty-five per cent limitation contained in this section. Each nonprofit organization conducting a lottery shall have its name clearly printed on each lottery ticket used in such lottery. No such ticket shall be sold unless such name is so printed thereon. Each nonprofit organization conducting a lottery shall keep a record of~~

all locations where its lottery tickets are sold. All tickets must bear a number, which numbers shall be in sequence.

Sec. 75. That section 28-1116, Revised Statutes Supplement, 1983, be amended to read as follows:

28-1116. Any county, city, or village may establish and conduct lotteries when the proceeds of such lotteries are used for community betterment purposes and the awarding of prizes to participants. Such lotteries shall be subject to regulation by the Nebraska Bingo and Pickle Card Regulatory Commission Department of Revenue. No county, city, or village shall establish and conduct such a lottery until such course of action has been approved by a majority of the registered voters of such county, city, or village casting ballots on the issue at a regular election or a special election called for the purpose of considering such action.

Sec. 76. (1) On the operative date of this section, any records or equipment of the Nebraska Bingo and Pickle Card Regulatory Commission shall be transferred to the Department of Revenue.

(2) On the operative date of this section, the balance of any appropriation to the Nebraska Bingo and Pickle Card Regulatory Commission for Program 504 or any funds of such commission shall be transferred and appropriated to the Department of Revenue for Program 504 for the purpose of carrying out its duties pursuant to the Nebraska Bingo and Lottery Control Act.

(3) The appropriation to the Nebraska Bingo and Pickle Card Regulatory Commission for the period July 1, 1984, to June 30, 1985, pursuant to section 42 of Legislative Bill 1128, Eighty-eighth Legislature, Second Session, 1984, shall be transferred and appropriated to the Department of Revenue, for Program 504, for the purpose of carrying out its duties pursuant to the Nebraska Bingo and Lottery Control Act.

Sec. 77. Sections 40 and 80 of this act shall become operative on October 1, 1984, and the remaining sections of this act shall become operative forty-five days after the effective date of this act.

Sec. 78. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration shall not affect the validity or constitutionality of the remaining portions thereof.

Sec. 79. That original sections 9-126, 9-128, 9-132, 9-134, 9-136 to 9-138, 9-147, 9-148, 9-154, 9-157, 9-159, 9-161, and 9-171, Revised Statutes Supplement, 1982, and sections 9-124, 9-125, 9-133, 9-140.01 to 9-140.06, 9-140.09 to 9-145, 9-149, 9-150, 9-153, 9-156, 9-158, 9-160, 9-163, 9-164, 9-165, 9-168, 9-169, 9-170, 9-172 to 9-174, 9-177 to 9-179, 9-181 to 9-196, 28-1101, 28-1113, 28-1115, and 28-1116, Revised Statutes

Supplement, 1983, and also section 9-131, Revised Statutes Supplement, 1982, and section 9-180, Revised Statutes Supplement, 1983, are repealed.

Sec. 80. That original section 9-166, Revised Statutes Supplement, 1982, is repealed.

Sec. 81. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.