

AMENDMENTS TO LB1317

Introduced by Linehan, 39.

1 1. Strike the original section and insert the following new
2 sections:

3 Section 1. Sections 1 to 13 of this act shall be known and may be
4 cited as the Gambling Winnings Setoff for Outstanding Debt Act.

5 Sec. 2. The purposes of the Gambling Winnings Setoff for
6 Outstanding Debt Act are to:

7 (1) Establish and maintain a procedure to set off against an
8 obligor's casino winnings, parimutuel winnings, sports wagering winnings,
9 or cash device winnings any debt (a) that is assigned to the Department
10 of Health and Human Services or that any individual not eligible as a
11 public assistance recipient is attempting to collect through the Title
12 IV-D child support enforcement program, (b) that has accrued through
13 written contract, subrogation, or court judgment, and (c) that is in the
14 form of a liquidated amount due and owing for the care, support, or
15 maintenance of a child or for medical or spousal support; and

16 (2) Establish and maintain a procedure to set off against a
17 taxpayer's casino winnings, parimutuel winnings, sports wagering
18 winnings, or cash device winnings the amount of such taxpayer's
19 outstanding state tax liability as determined by the Department of
20 Revenue.

21 Sec. 3. For purposes of the Gambling Winnings Setoff for
22 Outstanding Debt Act, unless the context otherwise requires:

23 (1) Applicable winnings means any casino winnings, parimutuel
24 winnings, sports wagering winnings, or cash device winnings;

25 (2) Cash device winnings means any cash prize won by a player of a
26 cash device as defined in section 77-3001 that requires the operator,
27 distributor, or manufacturer of such cash device to provide the player

1 with an Internal Revenue Service Form 1099;

2 (3) Casino winnings means any winnings that are required to be
3 reported on Internal Revenue Service Form W-2G won by a player from a
4 game of chance at a licensed racetrack enclosure under the jurisdiction
5 of the State Racing and Gaming Commission;

6 (4) Claimant means:

7 (a) The Department of Health and Human Services with respect to
8 collection of a debt owed by a parent in a case involving a recipient of
9 aid to dependent children in which rights to child, spousal, or medical
10 support payments have been assigned to this state;

11 (b) An individual who is not eligible as a public assistance
12 recipient and to whom a debt is owed that the individual is attempting to
13 collect through the Title IV-D child support enforcement program; or

14 (c) Any person or entity entitled to receive child support, spousal
15 support, or medical support as defined in section 43-1712.01 pursuant to
16 an order issued by a court or agency of another state or jurisdiction,
17 including an agency of another state or jurisdiction to which a person
18 has assigned his or her right to receive such support. Such a claimant
19 shall submit certification and documentation to the Department of Health
20 and Human Services sufficient to satisfy the requirements of section
21 43-1730;

22 (5) Collection system means the collection system developed and
23 implemented pursuant to section 4 of this act;

24 (6) Debt means any liquidated amount of arrears that has accrued
25 through assignment, contract, subrogation, court judgment, or operation
26 of law, regardless of whether there is an outstanding judgment for such
27 amount, and that is for the care, support, or maintenance of a child or
28 for medical or spousal support;

29 (7) Net winnings payment means the winnings payment amount minus the
30 debt and outstanding state tax liability balance;

31 (8) Obligor means any individual (a) owing money to or having a

1 delinquent account with any claimant that has not been satisfied by court
2 order, set aside by court order, or discharged in bankruptcy or (b) owing
3 money on an outstanding state tax liability;

4 (9) Operator means an authorized gaming operator as defined in
5 section 9-1103, any corporation or association licensed under section
6 2-1201 to 2-1218 and authorized to conduct parimutuel wagering at a
7 licensed racetrack, and any operator, distributor, or manufacturer of a
8 cash device licensed under the Mechanical Amusement Device Tax Act;

9 (10) Outstanding state tax liability means any liability arising
10 from any tax or fee, including penalties and interest, under any tax
11 program administered by the Tax Commissioner, Department of Labor, or
12 Department of Motor Vehicles;

13 (11) Parimutuel winnings means any winnings that are required to be
14 reported on Internal Revenue Service Form W-2G and have tax withheld by
15 the operator and that are won by a player from a parimutuel wager at a
16 licensed racetrack under the jurisdiction of the State Racing and Gaming
17 Commission;

18 (12) Sports wagering winnings means any winnings that are required
19 to be reported on Internal Revenue Service Form W-2G and have tax
20 withheld by the operator and that are won by a player from sports
21 wagering as defined in section 9-1103 on a sports wager authorized by the
22 State Racing and Gaming Commission;

23 (13) Spousal support has the same meaning as in section 43-1715; and

24 (14) Winnings payment means a payout of casino winnings, parimutuel
25 winnings, sports wagering winnings, or cash device winnings to which an
26 individual is entitled as a result of playing or wagering.

27 Sec. 4. (1)(a) The Department of Revenue, in consultation with the
28 Department of Health and Human Services, shall develop and implement a
29 secure, electronic collection system to carry out the purposes of the
30 Gambling Winnings Setoff for Outstanding Debt Act.

31 (b) The collection system shall include access to the name of an

1 obligor, the social security number of an obligor, and any other
2 information that assists the operator in identifying an obligor. The
3 collection system shall inform the operator of the total amount owed
4 without detailing the source of any of the amounts owed.

5 (2) The Department of Health and Human Services may submit any
6 certified debt of twenty-five dollars or more to the collection system
7 except when the validity of the debt is legitimately in dispute. The
8 submission of debts of past-due support shall be a continuous process
9 that allows the amount of debt to fluctuate up or down depending on the
10 actual amount owed.

11 (3) The Department of Revenue may submit to the collection system
12 any amount of outstanding state tax liability owed by a taxpayer except
13 when the validity of the outstanding state tax liability is legitimately
14 in dispute. The inclusion of outstanding state tax liability in the
15 amount owed shall be a continuous process that allows the amount owed to
16 fluctuate up or down depending on the actual amount of outstanding state
17 tax liability owed.

18 (4) If the name of the obligor is retrieved from the collection
19 system by the operator, the retrieval of such name shall be evidence of a
20 valid lien upon and claim of lien against any applicable winnings of the
21 obligor whose name is electronically retrieved from the collection
22 system. If an obligor's applicable winnings are required to be set off
23 pursuant to the Gambling Winnings Setoff for Outstanding Debt Act, the
24 full amount of the debt and outstanding state tax liability shall be
25 collected from any applicable winnings due the obligor.

26 (5) The information obtained by an operator from the collection
27 system in accordance with this section shall retain its confidentiality
28 and shall only be used by the operator for the purposes of complying with
29 the Gambling Winnings Setoff for Outstanding Debt Act. An employee or
30 prior employee of an operator who unlawfully discloses any such
31 information for any other purpose, except as otherwise specifically

1 authorized by law, shall be subject to the same penalties specified by
2 law for unauthorized disclosure of confidential information by an agent
3 or employee of the operator.

4 (6) The information obtained by the Department of Health and Human
5 Services or the Department of Revenue from the operator in accordance
6 with this section shall retain its confidentiality and shall only be used
7 by either department in the pursuit of such department's debt or
8 outstanding state tax liability collection duties and practices. An
9 employee or prior employee of the Department of Health and Human Services
10 or the Department of Revenue who unlawfully discloses any such
11 information for any other purpose, except as specifically authorized by
12 law, shall be subject to the penalties specified by law for unauthorized
13 disclosure of confidential information by an agent or employee of either
14 such department.

15 (7) The amount of debt and outstanding state tax liability owed
16 shall be prima facie evidence of the validity of the liability.

17 Sec. 5. (1) Beginning on the applicable implementation date
18 designated by the Tax Commissioner pursuant to subsection (1) or (2) of
19 section 12 of this act, prior to making a winnings payment, an operator
20 shall check the collection system to determine if there is a debt or an
21 outstanding state tax liability owed by the winner. An operator shall
22 have access to the collection system to look up winners that are due
23 winnings payments for purposes of complying with the Gambling Winnings
24 Setoff for Outstanding Debt Act. An operator shall not access the system
25 for any other purpose.

26 (2)(a) An operator at a licensed racetrack enclosure or licensed
27 racetrack that fails to check the collection system for a debt or an
28 outstanding state tax liability or fails to collect the amounts owed
29 shall be subject to a fine by the State Racing and Gaming Commission of
30 not more than twenty-five thousand dollars.

31 (b) The State Racing and Gaming Commission shall establish a

1 schedule for fines pursuant to this section that considers both the
2 proportionality of the offense and the number of instances of past
3 offenses.

4 (3) An operator licensed by the Department of Revenue that fails to
5 check the collection system for a debt or an outstanding state tax
6 liability or collect the amounts owed may be considered in violation of
7 such license and subject to any penalties authorized for a violation of
8 the license under the Mechanical Amusement Device Tax Act.

9 Sec. 6. (1) Beginning on the applicable implementation date
10 designated by the Tax Commissioner pursuant to subsection (1) or (2) of
11 section 12 of this act, prior to making a winnings payment and after the
12 operator has checked the collection system as provided in section 5 of
13 this act, the operator shall deduct the amount of debt and outstanding
14 state tax liability identified in the collection system from the winnings
15 payment and shall remit the net winnings payment, if any, to the winner
16 and the amount deducted to the Department of Revenue in a manner
17 prescribed by the department.

18 (2) If an operator determines that an obligor identified using the
19 collection system is entitled to a winnings payment, the operator shall
20 notify the Department of Revenue in a manner prescribed by the department
21 that a balance of debt or outstanding state tax liability owed by the
22 winner is being remitted to the department.

23 (3) The Department of Revenue shall first credit any such winnings
24 payment against any debt of such winner certified by the Department of
25 Health and Human Services until such debt is satisfied and then against
26 any outstanding state tax liability owed by such winner until such
27 liability is satisfied on a pro rata basis.

28 Sec. 7. (1) Within twenty days after a remittance pursuant to
29 section 6 of this act due to an outstanding state tax liability, the
30 Department of Revenue shall notify the winner of the remittance. The
31 notice shall state (a) the basis for the claim to the outstanding state

1 tax liability by the Department of Revenue, (b) the application of the
2 winnings payment against the outstanding state tax liability of the
3 obligor, (c) the obligor's opportunity to give written notice of intent
4 to contest the validity of the claim before the Department of Revenue
5 within thirty days after the date of the mailing of the notice, (d) the
6 mailing address to which the request must be sent, and (e) that a failure
7 to contest the claim in writing within the thirty-day period will be
8 deemed a waiver of the opportunity to contest the claim resulting in a
9 setoff by default.

10 (2)(a) Within twenty days after notification from the Department of
11 Revenue of a remittance pursuant to section 6 of this act due to owing a
12 debt certified by the Department of Health and Human Services, the
13 Department of Health and Human Services shall send written notification
14 to the obligor of an assertion of its rights, or of the rights of an
15 individual not eligible as a public assistance recipient, to all or a
16 portion of the obligor's winnings payment.

17 (b) The written notification shall clearly set forth (i) the basis
18 for the claim to the winnings payment, (ii) the intention to apply the
19 winnings payment against the debt owed to a claimant, (iii) the obligor's
20 opportunity to give written notice of intent to contest the validity of
21 the claim before the Department of Health and Human Services within
22 thirty days after the date of the mailing of the notice, (iv) the mailing
23 address to which the request for a hearing must be sent, and (v) that
24 failure to apply for a hearing in writing within the thirty-day period
25 will be deemed a waiver of the opportunity to contest the claim resulting
26 in a setoff by default.

27 Sec. 8. (1)(a) A written request by a winner pursuant to subsection
28 (1) of section 7 of this act shall be effective upon mailing the request,
29 postage prepaid and properly addressed, to the Department of Revenue.

30 (b) Any appeal or action taken as a result of a decision pursuant to
31 subdivision (1)(a) of this section shall be in accordance with the

1 Administrative Procedure Act.

2 (2)(a) A written request for a hearing by a winner pursuant to
3 subsection (2) of section 7 of this act shall be effective upon mailing
4 the request, postage prepaid and properly addressed, to the Department of
5 Health and Human Services.

6 (b) If the Department of Health and Human Services receives a
7 written request for a hearing contesting a claim, the department shall
8 grant a hearing to the obligor to determine whether the claim is valid.
9 If the amount asserted as due and owing is not correct, an adjustment to
10 the claimed amount shall be made. No issues shall be reconsidered at the
11 hearing which have been previously litigated.

12 (c) Any appeal of an action taken at or as a result of a hearing
13 held pursuant to subdivision (2)(b) of this section shall be in
14 accordance with the Administrative Procedure Act.

15 Sec. 9. The collection remedy authorized by the Gambling Winnings
16 Setoff for Outstanding Debt Act is in addition to and not in substitution
17 for any other remedy available by law.

18 Sec. 10. An operator, acting in good faith, shall not be liable to
19 any person for actions taken pursuant to the Gambling Winnings Setoff for
20 Outstanding Debt Act. Neither the State Racing and Gaming Commission nor
21 the Department of Revenue shall initiate any administrative action or
22 impose penalties on an operator who voluntarily reports to the commission
23 activity described in section 11 of this act.

24 Sec. 11. Any person who knowingly or intentionally attempts to
25 avoid the application of a setoff under the Gambling Winnings Setoff for
26 Outstanding Debt Act by passing any applicable winnings to another person
27 to present for a cash payout or by providing fraudulent identification
28 during a cash payout is guilty of a Class I misdemeanor.

29 Sec. 12. (1) The Tax Commissioner shall designate an implementation
30 date for the required use by operators of the collection system developed
31 pursuant to section 4 of this act prior to making a winnings payment for

1 casino winnings, parimutuel winnings, or sports wagering winnings, which
2 date shall be on or after January 1, 2025, but on or before January 1,
3 2026. The Tax Commissioner shall provide at least ninety days' notice of
4 the implementation date on the Department of Revenue's website before
5 such implementation date goes into effect.

6 (2) The Tax Commissioner shall designate an implementation date for
7 the required use by operators of the collection system developed pursuant
8 to section 4 of this act prior to making a winnings payment for cash
9 device winnings, which date shall be on or after January 1, 2025, and
10 after the establishment of the control server by the Department of
11 Revenue to receive data and accurate revenue and income reporting from
12 cash devices pursuant to the Mechanical Amusement Device Tax Act, but on
13 or before January 1, 2027. The Tax Commissioner shall provide at least
14 ninety days' notice of the implementation date on the Department of
15 Revenue's website before such implementation date goes into effect.

16 Sec. 13. The Department of Health and Human Services, the
17 Department of Revenue, and the State Racing and Gaming Commission may
18 adopt and promulgate rules and regulations to carry out the Gambling
19 Winnings Setoff for Outstanding Debt Act.

20 Sec. 14. Section 2-1207, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 2-1207 (1) Within the enclosure of any racetrack where a race or
23 race meeting licensed and conducted under sections 2-1201 to 2-1218 is
24 held or at a racetrack licensed to simulcast races or conduct interstate
25 simulcasting, the parimutuel method or system of wagering on the results
26 of the respective races may be used and conducted by the licensee. Under
27 such system, the licensee may receive wagers of money from any person
28 present at such race or racetrack receiving the simulcast race or
29 conducting interstate simulcasting on any horse in a race selected by
30 such person to run first in such race, and the person so wagering shall
31 acquire an interest in the total money so wagered on all horses in such

1 race as first winners in proportion to the amount of money wagered by him
2 or her. Such licensee shall issue to each person so wagering a
3 certificate on which shall be shown the number of the race, the amount
4 wagered, and the number or name of the horse selected by such person as
5 first winner. As each race is run, at the option of the licensee, the
6 licensee may deduct from the total sum wagered on all horses as first
7 winners not less than fifteen percent or more than eighteen percent from
8 such total sum, plus the odd cents of the redistribution over the next
9 lower multiple of ten. At the option of the licensee, the licensee may
10 deduct up to and including twenty-five percent from the total sum wagered
11 by exotic wagers as defined in section 2-1208.03. The commission may
12 authorize other levels of deduction on wagers conducted by means of
13 interstate simulcasting. The licensee shall notify the commission in
14 writing of the percentages the licensee intends to deduct during the live
15 race meet conducted by the licensee and shall notify the commission at
16 least one week in advance of any changes to such percentages the licensee
17 intends to make. The licensee shall also deduct from the total sum
18 wagered by exotic wagers, if any, the tax plus the odd cents of the
19 redistribution over the next multiple of ten as provided in subsection
20 (1) of section 2-1208.04. The balance remaining on hand shall be paid out
21 to the holders of certificates on the winning horse in the proportion
22 that the amount wagered by each certificate holder bears to the total
23 amount wagered on all horses in such race to run first. The licensee may
24 likewise receive such wagers on horses selected to run second, third, or
25 both, or in such combinations as the commission may authorize, the
26 method, procedure, and authority and right of the licensee, as well as
27 the deduction allowed to the licensee, to be as specified with respect to
28 wagers upon horses selected to run first.

29 (2) At all race meets held pursuant to this section, the licensee
30 shall deduct from the total sum wagered one-third of the amount over
31 fifteen percent deducted pursuant to subsection (1) of this section on

1 wagers on horses selected to run first, second, or third and one percent
2 of all exotic wagers to be used to promote agriculture and horse breeding
3 in Nebraska and for the support and preservation of horseracing pursuant
4 to section 2-1207.01.

5 (3) No person under twenty-one years of age shall be permitted to
6 make any parimutuel wager, and there shall be no wagering on horseracing
7 except under the parimutuel method outlined in this section. Any person,
8 association, or corporation who knowingly aids or abets a person under
9 twenty-one years of age in making a parimutuel wager shall be guilty of a
10 Class I misdemeanor.

11 (4) Beginning on the implementation date designated by the Tax
12 Commissioner pursuant to subsection (1) of section 12 of this act, prior
13 to the winnings payment of any parimutuel winnings as defined in section
14 3 of this act, an authorized gaming operator or licensee licensed to
15 conduct parimutuel wagering shall check the collection system to
16 determine if the winner has a debt or an outstanding state tax liability
17 as required by the Gambling Winnings Setoff for Outstanding Debt Act. If
18 such authorized gaming operator or licensee determines that the winner is
19 subject to the collection system, the operator shall deduct the amount of
20 debt and outstanding state tax liability identified in the collection
21 system from the winnings payment and shall remit the net winnings payment
22 of parimutuel winnings, if any, to the winner and the amount deducted to
23 the Department of Revenue to be credited against such debt or outstanding
24 state tax liability as provided in section 6 of this act.

25 Sec. 15. Section 9-810, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 9-810 (1) A person under nineteen years of age shall not purchase a
28 lottery ticket. No lottery ticket shall be sold to any person under
29 nineteen years of age. No person shall purchase a lottery ticket for a
30 person under nineteen years of age, and no person shall purchase a
31 lottery ticket for the benefit of a person under nineteen years of age.

1 (2) No lottery ticket shall be sold and no prize shall be awarded to
2 the Tax Commissioner, the director, or any employee of the division or
3 any spouse, child, brother, sister, or parent residing as a member of the
4 same household in the principal place of abode of the Tax Commissioner,
5 the director, or any employee of the division.

6 (3) With respect to a lottery game retailer under contract to sell
7 lottery tickets whose rental payment for premises is contractually
8 computed in whole or in part on the basis of a percentage of retail sales
9 and when the computation of retail sales is not explicitly defined to
10 include the sale of lottery tickets, the amount of retail sales for
11 lottery tickets by the retailer for purposes of such a computation may
12 not exceed the amount of compensation received by the retailer from the
13 division.

14 (4) Once any prize is awarded in conformance with the State Lottery
15 Act and any rules and regulations adopted under the act, the state shall
16 have no further liability with respect to that prize.

17 (5) Prior to the payment of any lottery prize in excess of five
18 hundred dollars for a winning lottery ticket presented for redemption to
19 the division, the division shall check the name and social security
20 number of the winner with a list provided by the Department of Revenue of
21 people identified as having an outstanding state tax liability and a list
22 of people certified by the Department of Health and Human Services as
23 owing a debt as defined in section 77-27,161. The division shall credit
24 any such lottery prize against any outstanding state tax liability owed
25 by such winner and the balance of such prize amount, if any, shall be
26 paid to the winner by the division. The division shall credit any such
27 lottery prize against any certified debt in the manner set forth in
28 sections 77-27,160 to 77-27,173. If the winner has both an outstanding
29 state tax liability and a certified debt, the division shall first credit
30 any such lottery prize against any certified debt in the manner set forth
31 in sections 77-27,160 to 77-27,173 until such debt is satisfied and then

1 ~~against any outstanding state tax liability until such liability is~~
2 ~~satisfied add the liability and the debt together and pay the appropriate~~
3 ~~agency or person a share of the prize in the proportion that the~~
4 ~~liability or debt owed to the agency or person is to the total liability~~
5 ~~and debt.~~

6 Sec. 16. Section 9-1104, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 9-1104 (1) The operation of games of chance at a licensed racetrack
9 enclosure may be conducted by an authorized gaming operator who holds an
10 authorized gaming operator license.

11 (2) No more than one authorized gaming operator license shall be
12 granted for each licensed racetrack enclosure within the state. It shall
13 not be a requirement that the person or entity applying for or to be
14 granted such authorized gaming operator license hold a racing license or
15 be the same person or entity who operates the licensed racetrack
16 enclosure at which such authorized gaming operator license shall be
17 granted.

18 (3) Gaming devices, limited gaming devices, and all other games of
19 chance may be operated by authorized gaming operators at a licensed
20 racetrack enclosure.

21 (4) No person younger than twenty-one years of age shall play or
22 participate in any way in any game of chance or use any gaming device or
23 limited gaming device at a licensed racetrack enclosure.

24 (5) No authorized gaming operator shall permit an individual younger
25 than twenty-one years of age to play or participate in any game of chance
26 or use any gaming device or limited gaming device conducted or operated
27 pursuant to the Nebraska Racetrack Gaming Act.

28 (6) If the licensed racetrack enclosure at which such authorized
29 gaming operator conducts games of chance does not hold the minimum number
30 of live racing meets required under section 2-1205, the authorized gaming
31 operator shall be required to cease operating games of chance at such

1 licensed racetrack enclosure until such time as the commission determines
2 the deficiency has been corrected.

3 (7) Beginning on the implementation date designated by the Tax
4 Commissioner pursuant to subsection (1) of section 12 of this act, prior
5 to the winnings payment of any casino winnings as defined in section 3 of
6 this act, an authorized gaming operator shall check the collection system
7 to determine if the winner has a debt or an outstanding state tax
8 liability as required by the Gambling Winnings Setoff for Outstanding
9 Debt Act. If such authorized gaming operator determines that the winner
10 is subject to the collection system, the operator shall deduct the amount
11 of debt and outstanding state tax liability identified in the collection
12 system from the winnings payment and shall remit the net winnings payment
13 of casino winnings, if any, to the winner and the amount deducted to the
14 Department of Revenue to be credited against such debt or outstanding
15 state tax liability as provided in section 6 of this act.

16 Sec. 17. Section 9-1110, Revised Statutes Supplement, 2023, is
17 amended to read:

18 9-1110 (1) The commission may permit an authorized gaming operator
19 to conduct sports wagering. Any sports wager shall be placed in person or
20 at a wagering kiosk in the designated sports wagering area at the
21 licensed racetrack enclosure. A parimutuel wager in accordance with
22 sections 2-1201 to 2-1218 may be placed in the designated sports wagering
23 area at the licensed racetrack enclosure. An individual employed and
24 authorized to accept a sports wager may also accept a parimutuel wager.

25 (2) A floor plan identifying the designated sports wagering area,
26 including the location of any wagering kiosks, shall be filed with the
27 commission for review and approval. Modification to a previously approved
28 plan must be submitted for approval at least ten days prior to
29 implementation. The area shall not be accessible to persons under twenty-
30 one years of age and shall have a sign posted to restrict access.
31 Exceptions to this subsection must be approved in writing by the

1 commission.

2 (3) The authorized gaming operator shall submit controls for
3 approval by the commission, that include the following for operating the
4 designated sports wagering area:

5 (a) Specific procedures and technology partners to fulfill the
6 requirements set forth by the commission;

7 (b) Other specific controls as designated by the commission;

8 (c) A process to easily and prominently impose limitations or
9 notification for wagering parameters, including, but not limited to,
10 deposits and wagers; and

11 (d) An easy and obvious method for a player to make a complaint and
12 to enable the player to notify the commission if such complaint has not
13 been or cannot be addressed by the sports wagering operator.

14 (4) The commission shall develop policies and procedures to ensure a
15 prohibited participant is unable to place a sports wager or parimutuel
16 wager.

17 (5) Beginning on the implementation date designated by the Tax
18 Commissioner pursuant to subsection (1) of section 12 of this act, prior
19 to the winnings payment of any sports wagering winnings as defined in
20 section 3 of this act, an authorized gaming operator shall check the
21 collection system to determine if the winner has a debt or an outstanding
22 state tax liability as required by the Gambling Winnings Setoff for
23 Outstanding Debt Act. If such authorized gaming operator determines that
24 the winner is subject to the collection system, the operator shall deduct
25 the amount of debt and outstanding state tax liability identified in the
26 collection system from the winnings payment and shall remit the net
27 winnings payment of sports wagering winnings, if any, to the winner and
28 the amount deducted to the Department of Revenue to be credited against
29 such debt or outstanding state tax liability as provided in section 6 of
30 this act.

31 Sec. 18. Section 43-512.12, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 43-512.12 (1) Child support orders in cases in which a party has
3 applied for services under Title IV-D of the federal Social Security Act,
4 as amended, shall be reviewed by the Department of Health and Human
5 Services to determine whether to refer such orders to the county attorney
6 or authorized attorney for filing of an application for modification. An
7 order shall be reviewed by the department upon its own initiative or at
8 the request of either parent when such review is required by Title IV-D
9 of the federal Social Security Act, as amended. After review the
10 department shall refer an order to a county attorney or authorized
11 attorney when the verifiable financial information available to the
12 department indicates:

13 (a) The present child support obligation varies from the Supreme
14 Court child support guidelines pursuant to section 42-364.16 by more than
15 the percentage, amount, or other criteria established by Supreme Court
16 rule, and the variation is due to financial circumstances which have
17 lasted at least three months and can reasonably be expected to last for
18 an additional six months; or

19 (b) Health care coverage meeting the requirements of subsection (2)
20 of section 42-369 is available to either party and the children do not
21 have health care coverage other than the medical assistance program under
22 the Medical Assistance Act.

23 Health care coverage cases may be modified within three years of
24 entry of the order.

25 (2) Orders that are not addressed under subsection (1) of this
26 section shall not be reviewed by the department if it has not been three
27 years since the present child support obligation was ordered unless the
28 requesting party demonstrates a substantial change in circumstances that
29 is expected to last for the applicable time period established by
30 subdivision (1)(a) of this section. Such substantial change in
31 circumstances may include, but is not limited to, change in employment,

1 earning capacity, or income or receipt of an ongoing source of income
2 from a pension, gift, ~~or~~ lottery winnings, casino winnings, parimutuel
3 winnings, sports wagering winnings, or cash device winnings. An order may
4 be reviewed after one year if the department's determination after the
5 previous review was not to refer to the county attorney or authorized
6 attorney for filing of an application for modification because financial
7 circumstances had not lasted or were not expected to last for the time
8 periods established by subdivision (1)(a) of this section.

9 (3) Notwithstanding the time periods set forth in subdivision (1)(a)
10 of this section, within fifteen business days of learning that a
11 noncustodial parent will be incarcerated for more than one hundred eighty
12 calendar days, the department shall send notice by first-class mail to
13 both parents informing them of the right to request the state to review
14 and, if appropriate, adjust the order. Such notice shall be sent to the
15 incarcerated parent at the address of the facility at which the parent is
16 incarcerated.

17 Sec. 19. Section 77-3002, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 77-3002 (1) Any operator shall be required to procure an annual
20 license from the Tax Commissioner permitting him or her to operate
21 machines or devices within the State of Nebraska. The Tax Commissioner,
22 upon the application of any person, may issue a license, except that if
23 the applicant (a) is not of good character and reputation in the
24 community in which he or she resides, (b) has been convicted of or has
25 pleaded guilty to a felony under the laws of the State of Nebraska, any
26 other state, or of the United States, or (c) has been convicted of or has
27 pleaded guilty to being the proprietor of a gambling house, or of any
28 other crime or misdemeanor opposed to decency and morality, no license
29 shall be issued. If the applicant is a corporation whose majority
30 stockholders could not obtain a license, then such corporation shall not
31 be issued a license. If the applicant is an individual, the application

1 shall include the applicant's social security number. Procuring a license
2 shall constitute sufficient contact with this state for the exercise of
3 personal jurisdiction over such person in any action arising out of the
4 operation of machines or devices in this state.

5 (2)(a) For the period beginning July 1, 1998, through December 31,
6 1999, if the applicant operates ten or more machines, the application
7 shall be accompanied by a fee of two hundred fifty dollars, and such
8 license will remain in effect until December 31, 1999. If the applicant
9 operates fewer than ten machines, no fee is due. Any licensee that places
10 additional machines into operation during this period which results in a
11 total of ten or more machines in operation becomes subject to the two-
12 hundred-fifty-dollar fee.

13 (b) Beginning January 1, 2000, the application shall be filed on or
14 before January 1 of each year, and no license fee will be required.

15 (3) Beginning on the implementation date designated by the Tax
16 Commissioner pursuant to subsection (2) of section 12 of this act, prior
17 to the winnings payment of any cash device winnings as defined in section
18 3 of this act, an operator of a cash device shall check the collection
19 system to determine if the winner has a debt or an outstanding state tax
20 liability as required by the Gambling Winnings Setoff for Outstanding
21 Debt Act. If such operator determines that the winner is subject to the
22 collection system, the operator shall deduct the amount of debt and
23 outstanding state tax liability identified in the collection system from
24 the winnings payment and shall remit the net winnings payment of cash
25 device winnings, if any, to the winner and the amount deducted to the
26 Department of Revenue to be credited against such debt or outstanding
27 state tax liability as provided in section 6 of this act.

28 Sec. 20. Section 77-3003, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 77-3003 (1) Any distributor shall be required to procure an annual
31 license from the Tax Commissioner permitting him or her to sell, lease,

1 or deliver possession or custody of a machine or device within the State
2 of Nebraska. The Tax Commissioner, upon the application of any person,
3 may issue a license, subject to the same limitations as an operator's
4 license under section 77-3002. If the applicant is an individual, the
5 application shall include the applicant's social security number. For
6 applications filed for the period beginning July 1, 1998, through
7 December 31, 1999, such application shall be accompanied by a fee of two
8 hundred fifty dollars, and the license shall remain in effect until
9 December 31, 1999. Beginning January 1, 2000, the application shall be
10 filed on or before January 1 of each year, and no license fee will be
11 required.

12 (2) Beginning on the implementation date designated by the Tax
13 Commissioner pursuant to subsection (2) of section 12 of this act, prior
14 to the winnings payment of any cash device winnings as defined in section
15 3 of this act, a distributor of a cash device shall check the collection
16 system to determine if the winner has a debt or an outstanding state tax
17 liability as required by the Gambling Winnings Setoff for Outstanding
18 Debt Act. If such distributor determines that the winner is subject to
19 the collection system, the distributor shall deduct the amount of debt
20 and outstanding state tax liability identified in the collection system
21 from the winnings payment and shall remit the net winnings payment of
22 cash device winnings, if any, to the winner and the amount deducted to
23 the Department of Revenue to be credited against such debt or outstanding
24 state tax liability as provided in section 6 of this act.

25 Sec. 21. Section 77-3011, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 77-3011 Sections 77-3001 to 77-3011 and section 22 of this act shall
28 be known and may be cited as the Mechanical Amusement Device Tax Act.

29 Sec. 22. Beginning on the implementation date designated by the Tax
30 Commissioner pursuant to subsection (2) of section 12 of this act, prior
31 to the winnings payment of any cash device winnings as defined in section

1 3 of this act, a manufacturer of a cash device that makes winnings
2 payments shall check the collection system to determine if the winner has
3 a debt or an outstanding state tax liability as required by the Gambling
4 Winnings Setoff for Outstanding Debt Act. If such manufacturer determines
5 that the winner is subject to the collection system, the manufacturer
6 shall deduct the amount of debt and outstanding state tax liability
7 identified in the collection system from the winnings payment and shall
8 remit the net winnings payment of cash device winnings, if any, to the
9 winner and the amount deducted to the Department of Revenue to be
10 credited against such debt or outstanding state tax liability as provided
11 in section 6 of this act.

12 Sec. 23. Original sections 2-1207, 9-810, 9-1104, 77-3002, and
13 77-3003, Reissue Revised Statutes of Nebraska, sections 43-512.12 and
14 77-3011, Revised Statutes Cumulative Supplement, 2022, and section
15 9-1110, Revised Statutes Supplement, 2023, are repealed.