

HOLDCROFT: Welcome to the General Affairs Committee. I am Senator Rick Holdcroft, representing Legislative District 36, and I serve as chair of the committee. The committee will take up the bills in the order posted. This public hearing today is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. Please move to the front row to be ready to testify. When it is your turn to come forward, give the testifier sheet to the page. If you do not wish to testify, but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone, tell us your name and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's or the nominee's opening statement followed by any proponents of the bill or nominee, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you will have 1 minute remaining, and the red light indicates your time is finished. Questions from the committee may follow, which do not count against your time. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard, it is just part of the process, as senators may have bills to introduce in other committees. A final few items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please note that thumb drives, CDs, DVDs, oversized documents, books, lists of signatures, and similar items will not be accepted as exhibits for the record. Props, charts, or other visual aids cannot be used simply because they cannot be transcribed. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing, hearing room. Such behavior may be caused for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in

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the official hearing record, but only those testifying in person before the committee will be included in the committee statement. You may submit a position comment for the record or testify in person, but not both. I will now have the committee members with us today introduce themselves, starting on my left.

ANDERSEN: Good afternoon, I'm Bob Andersen from District 49, northwest Sarpy County and Omaha.

DeKAY: Barry DeKay, representing District 40, which consists of Holt, Knox, Cedar, Antelope, northern part of Dixon, northern part of, oh, Pierce County. Got off my rhythm there a little bit.

J. CAVANAUGH: John Cavanaugh, District 9, midtown Omaha.

QUICK: Dan Quick, District 35, Grand Island.

CLOUSE: Good afternoon. Stan Clouse, District 37: Kearney, Shelton, and Gibbon in Buffalo County.

ROUNTREE: Good afternoon. Victor Rountree, that's west Bellevue, east Papillion, and the land in between.

STORM: Good afternoon. Jared Storm, District 23: Saunders, Butler, and Colfax County.

HOLDCROFT: Also Senator John Cavanaugh acts as the vice chair of this committee. Also assisting the committee today to my right is our legal counsel Kevin Langevin, and to my far left is our committee clerk Barb Dorn. Our pages for the committee today are Demet, Demet Gedik.

DEMET GEDIK: Hi, my name is Demet. I'm a student at UNL, and I'm a poli sci student.

HOLDCROFT: And Kyanne Casperson.

KYANNE CASPERSON: Hi, everyone, my name is Kyanne and I'm a fourth-year sociology major at the University of Nebraska-Lincoln.

HOLDCROFT: OK, today's agenda is posted outside the hearing room. With that, we will begin today's hearing with a gubernatorial appointment, Matthew Monheiser.

MATTHEW MONHEISER: Yes.

HOLDCROFT: Welcome. By phone.

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MATTHEW MONHEISER: By phone. Correct.

HOLDCROFT: OK, great. So we'll begin with your opening statement, sir. Go ahead.

MATTHEW MONHEISER: I am applying for renewal of a commissioner on the counseling for-- on the Council [SIC] for Problem Gambling, and I've been on there, I believe, 3 times further or 2 times-- 2, 2 terms of 2 years prior to this. And I believe that this committee does a, a, a good job for our state and for a community as gambling is a huge problem. It's even getting to be a, a bigger problem with the access of online gambling, all the casinos popping up in Nebraska along with all the games of skill. So I believe the-- serving on the committee, committee is something I would like to do.

HOLDCROFT: OK. Is there anyone here to speak in support of this nominee? Anyone here to speak in opposition to this nominee?

J. CAVANAUGH: Can we ask questions?

HOLDCROFT: Oh, yes. Yes. Questions first. Sorry. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thank you, Mr. Monheiser, for your willingness to serve. I just had a couple questions for you. There's some plan, it looks like to move the commission internally and in the Department of Health and Human Services. Are you-- have you heard anything about that?

MATTHEW MONHEISER: Yes, that's correct. I believe they will be possibly, I'm, I'm not for sure the details, but they would possibly be eliminating this committee or this commission.

J. CAVANAUGH: And how would that affect the work that the commission is doing?

MATTHEW MONHEISER: In my opinion, it'd greatly affect it. We have quite a few meetings. We have four to five of them a year. We go over a lot of the budget, how, how to accurately try and get people to come to our website, go to treatment, and I just don't know if Health and Human Services will be able to do that accurately.

J. CAVANAUGH: Thank you.

HOLDCROFT: Any other questions from the committee? Senator Rountree.

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ROUNTREE: Thanks so much, Mr. Chair. Thank you, Mr. Monheiser, for being here telephonically. As you are on this committee, and you said that there has been an increase in the number of problem gamblers since we've had an increase in casinos and online gambling, approximately how many people are in the problem gambling program that you've been associated with?

MATTHEW MONHEISER: I'm, I'm not sure of that, sir. What we do is we-- what we've done in the past is we allocate funds for treatment. And David, the head of the commission, would have all those numbers from him. If you would like, like them, I can get him to give those to you.

ROUNTREE: All right. Thank you so much. I'd like that very much.

MATTHEW MONHEISER: OK.

HOLDCROFT: Any other questions from the committee?

HOLDCROFT: Now, is there anyone who wishes to speak in support of this nominee? Anyone who wishes, wishes to speak against this nominee? Neutral capacity? OK. Seeing none, did you have any closing comments, Mr. Monheiser?

MATTHEW MONHEISER: No, I sure hope that the commission continues as is. I believe we do a lot of good, and falling under the Department of Health and Human Services, I'm not sure if it would have quite the impact as we do, so.

HOLDCROFT: Thank you very much.

MATTHEW MONHEISER: Who was the gentleman I'm supposed to send the email to, I'm sorry, or the numbers to?

ROUNTREE: That's Victor Rountree. It's vroundtree@leg.ne.gov. So Victor Rountree.

MATTHEW MONHEISER: OK. Thank you. I'll have David Geier get those to you.

ROUNTREE: All right. Thank you so much.

MATTHEW MONHEISER: Thank you, sir.

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HOLDCROFT: Do we have comments on these? No. OK, well then that closes the hearing on that appointment. Next up is Susan Lutz for the Commission on Problem Gambling. Welcome.

SUSAN LUTZ: Thank you. My name is Susan Lutz, S-u-s-a-n L-u-t-z, and I am from Norfolk, Nebraska, District 19. I've been on the commission since-- actually, the commission moved from DHHS 13 years ago in-- well, is that-- in 2013. So-- and, and my role on the commission started as-- you know, there's several different places to fill, and mine was to fill financial analysis. I was an accountant for many years in Norfolk. I retired a couple years ago from, I was a CFO at a-- at Bank First. So my role has kind of always stayed the same, kind of just looking at the finances and the budget and trying to help where I can with that. I currently serve as the chair of that committee and have done so probably for 2 years. So I-- I'm a wife and a mother and a grandma, and I've lived in Nebraska my whole life, and it's kind of an important thing to me to protect, to protect what we have here, so.

HOLDCROFT: Thank you. See if there are questions from the committee. Senator Clouse.

CLOUSE: Yes, thank you, Chair. You mentioned 13 years ago, it was moved from DHHS to--

SUSAN LUTZ: In 2013.

CLOUSE: And you were on, on it then?

SUSAN LUTZ: Yeah.

CLOUSE: Can you tell me why it was and your opinion of how that transition's been?

SUSAN LUTZ: My recollection of that is when it was with the DHHS the-- well, I'm going to say it this way, having a commission, a problem gambling commission, would better serve problem gamblers. On the commission, there are two, if not three, people that have been victims of, of gambling, and they bring with them their insight into the commission, and the policies and the messaging that we bring forward to the public, I think that's very helpful. DHHS, it was thought at the time, and this is again my recollection, that the funds set aside through statute perhaps weren't all going to gambling, problem gambling. They were maybe spilling over into substance abuse or filling over into other problem areas in the DHHS system and so that

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was our-- our pointed goal was to make sure that the money set aside for problem gambling was used to help problem gamblers.

CLOUSE: And so what are your thoughts on moving back? The same question asked earlier.

SUSAN LUTZ: I think we lose a lot of transparency. I think we lose a lot of ways to help the problem gambler that we have worked really hard to put into place. We've put into place a lot of messaging. We've worked with marketing firms. We have, again, talked kind of endlessly with problem gamblers to help them get-- reach the goal of, of getting that under control. David Geier has been our Executive Director in the commission for all that time and has just an incredible, incredible grasp on the issues. He has reached out nationally. He has brought in many people to help with this and he himself gets phone calls a lot to say help me with this. Where can I get help with this? Our helpline is being used so much more than it was, that, well, there wasn't-- where there was a helpline, I will not say there wasn't one, but we are able to, to reach the problem gambler.

CLOUSE: OK. I have another--

HOLDCROFT: Go ahead.

CLOUSE: Do you get a lot of complaints about the quality of service or the service that you provide? Too slow, not getting what they need, do you ever see-- from a commissioner, do you ever get calls or experiences on that?

SUSAN LUTZ: No, we're called by-- a lot by family members and we are called some by-- our helpline right now is pretty incredible, actually. We did receive complaints. We had a helpline that was administered by a group out of Louisiana. We immediately took care of that and brought that back in the state. And we have-- that helpline is able to, to connect the gambler with a local, someone close to them service. And I'd say that if we did get complaints, those are-- have gone away now.

CLOUSE: But you did that with-- all with your own money through the commission and the--

SUSAN LUTZ: Oh, absolutely. Yeah.

CLOUSE: No tax dollars? [INAUDIBLE]

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SUSAN LUTZ: Well, by statute we are appropriated-- I think last year was \$3.2 million, and I think our budget was \$2.8 million is what we used, and about \$2.2 million of that goes to two counselor contracts to actual counseling of the gamblers. We're tied to use 350, and I think we use maybe \$400,000 in messaging. So I believe through our-- and I don't know if you've looked at our website, it's pretty incredible, actually, right now, done a lot of work with that, have some, some ability for people to chat in and have tried to, to-- with all the online gambling and all that. The new ways to reach gamblers, we're trying to-- we've, we've kept up with that, so.

CLOUSE: OK. Thank you.

SUSAN LUTZ: Mm-hmm

HOLDCROFT: Other-- yes, Senator Storm.

STORM: Thank you, Chair. Thank you for being here. So you've done this for 13 years?

SUSAN LUTZ: I have.

STORM: So have you noticed problem gambling increasing?

SUSAN LUTZ: Oh, yeah. Well--

STORM: The numbers I should say.

SUSAN LUTZ: Yes, but in 13 years, technology has changed immensely. And so, you know, with that comes all the availability, plus now we're adding casinos to the mix in, in our state. And-- but, really, sports betting, the skill touch machines, and the-- which I think you, as, as, as a group, have been addressing also. There's just so much availability.

STORM: So like the online gambling sports betting, is that-- would you say it's-- is that kind of predatory in your opinion?

SUSAN LUTZ: To-- well, our numbers say yes. Our numbers say to, to young, to young men, especially, yes. I believe Senator Rountree asked about numbers. I think we served over 400 individuals this last year with that. And, honestly, it's about a hundred and-- the, the last meeting we had, this number just sticks out to me, we had 134 new intakes of people. And it's not all young men. It's-- I mean, you've

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got housewives, you have-- it, it is, it's just a, it's just a-- it's a problem.

STORM: OK. Thank you.

HOLDCROFT: Other questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thanks for being here. And thanks for the information. I was just looking-- so I think you said you were appropriated the \$3.2 million, but there's-- in the Nebraska Constitution that legalized games of chance, it says the first \$500,000 has to go to a problem gambling, I think, fund. And then it's 44.5% after that. Is that--

SUSAN LUTZ: It's \$500,000 plus 1% after that is for-- I think that's the lottery.

J. CAVANAUGH: For the lottery. OK.

SUSAN LUTZ: Yeah.

J. CAVANAUGH: But that's your source of revenue?

SUSAN LUTZ: That is our source, then we get tax dollars on the casinos. And I'm trying to think in my memory of where the rest comes from. We have the lottery, the keno, that sort of item, casinos, and, and, of course, you know, you can't-- we don't-- we-- there's, there's no way to tax sports betting because it's not--

J. CAVANAUGH: That was what I was, you know, going to ask you is--

SUSAN LUTZ: Yeah.

J. CAVANAUGH: --and I think Senator Storm was sort of hitting on this. It seems that there's this new thing that is, basically, that is legal, but not regulated or taxed, which is this predictive market settings is what they're called. And do folks call and utilize-- I mean, is-- do people have the same adverse effect as gambling when they play those games?

SUSAN LUTZ: When they play--

J. CAVANAUGH: The predictive markets, the-- I, I-- [INAUDIBLE].

SUSAN LUTZ: The, the, the skill touch or the online?

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J. CAVANAUGH: Well, I've seen the, the ads for, like, FanDuel or something like that, and then they have something called-- I think it's called Cal-- Call Sheet?

SUSAN LUTZ: There's so many.

J. CAVANAUGH: Yeah.

SUSAN LUTZ: I, I-- it's, it's amazing. I-- I'm a, I'm a huge basketball fan, so-- and we always go to the--

J. CAVANAUGH: Yeah.

SUSAN LUTZ: --as much as we can, go to the Big Ten tournaments, and, and my husband and I just noticed, there's just all these young men on their phones--

J. CAVANAUGH: Yeah.

SUSAN LUTZ: --the whole games, you know, betting on whatever, you know.

J. CAVANAUGH: Right.

SUSAN LUTZ: The, the tax dollars that Nebraska gives us can't-- I mean, you-- you're not taxing that--

J. CAVANAUGH: Right.

SUSAN LUTZ: --so you can't pay us for that. But, yeah, we-- I mean, we help gamblers with that. They live in Nebraska. They need help.

J. CAVANAUGH: OK. Thank you.

HOLDCROFT: Senator DeKay.

DeKAY: Thank you. When it comes to the online sports betting stuff that they put guardrails in, say, to the age of 21, does that help? I guess am I mature enough to understand or does it slow it down or does it just expedite the process for 21-year-olds to get into gaming?

SUSAN LUTZ: I suppose it, it depends on the 21-year-old, like anything else. I mean, that's a-- one thing the commission has done, is we have 13 years of some incredible information that we've gathered as far as when to keep-- when, when do you-- when have you started gambling, when blah, blah, blah, blah, blah. A lot of kids gamble at early-- as

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early as age six. So I suppose-- it's, it's hard for me to answer that question. I would hope that that's the case.

DeKAY: You talk about the counseling and stuff. Is all that in-person counseling or any of that on Zoom calls or how does that work?

SUSAN LUTZ: We, we have established telehealth with that, the-- for the outlying towns, and in Omaha and Lincoln we have wonderful counselors and then there's Columbus and Norfolk, they're-- we have a couple of, of really good avenues. Out west we have two or three counselors so-- but if there's somebody in a place that, that needs attention from-- and they don't have a counselor near them, child health is a wonderful way to use it and it's-- each provider will tell you maybe a tiny bit different story. Some providers think it's not as effective, and some think, well, it's, it's a way to get in front of them and it's a way for us to help them.

DeKAY: That's what I was just going to ask if-- is it as effective as person-to-person meetings?

SUSAN LUTZ: Oh, you'll, you'll have varying answers from different counselors on that one.

DeKAY: I bet you're right on that. Just kidding.

HOLDCROFT: Any other questions from the committee? Yes, Senator Rountree.

ROUNTREE: Thank you so much, Chair Holdcroft. And thank you, ma'am, for your long service with the commission. How do you-- what set of metrics do you use to determine the success and effectiveness of the services that you provide? Is it based on when the counselors tell you this person's clean and ready to go?

SUSAN LUTZ: That's also a tricky one. Some-- we've had that discussion on the commission level, actually. There doesn't seem to be a graduation standard for that, some, some people that we help, they can come in and in five sessions feel like they can handle it on their own and some will probably need to come for a very, very long time. We have talked repeatedly about at some point, then should, should there be some skin in the game? Should they start paying a little bit for this? And, and there's varying, varying degrees of yeses and nos from all the counselors. I, I would love to keep exploring that.

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ROUNTREE: OK, well I appreciate the fact that there are three people on the commission that have lived experience and are able to--

SUSAN LUTZ: Yeah, it's pretty amazing, their stories.

ROUNTREE: All right, thank you.

SUSAN LUTZ: You're welcome.

HOLDCROFT: Yes, Senator Storm.

STORM: Yeah, one last question here. So if you have someone that's addicted to gambling, do they-- is it like Alcoholic Anonymous where they can never drink again if you're an alcoholic? If you're addicted to gambling, are they counseled to never gamble ever again in their life? Just to curiosity.

SUSAN LUTZ: Again, that probably depends on the gambler, but I'm going to say, typically, probably yes.

STORM: Never gamble again. OK. Thanks.

HOLDCROFT: Any other questions? Thank you.

SUSAN LUTZ: Thank you.

HOLDCROFT: Are there anyone who is here to speak in favor of this nominee? You can take a seat.

SUSAN LUTZ: Thank you.

HOLDCROFT: Anyone in opposition to this nominee's appointment? Anyone speaking in the neutral? OK, did you want to make a closing statement? Sorry. Sue.

SUSAN LUTZ: No, I have probably talked enough.

HOLDCROFT: OK. Great. Well, then that concludes the appointment nominee of Susan Lutz, Problem Gambling Commission. Next thing up is-- which one is the next one-- LB782. Senator Riepe. Welcome to the General Affairs Committee.

RIEPE: Thank you.

HOLDCROFT: Have you ever been here before?

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RIEPE: I don't think so. Kind of an all-male group, isn't it? Just like our HHS committee, but so be it. Are you ready for me to go?

HOLDCROFT: Yes.

RIEPE: Good afternoon, Chairman Holdcroft. My name is Merv Riepe, that's M--e-r-v R-i-e-p-e, and I represent Legislative District 12, which includes the city of Ralston and Omaha Millard. I introduced LB782 at the request of the city of Ralston and the League of Nebraska Municipalities. This bill would amend Section 9-648 to reduce the tax remitted to the state by municipalities or counties conducting voter-approved keno from 2% to 1% of gross proceeds. Under current law, this tax is paid to the state on a quarterly basis. Municipalities and counties that conduct keno are required to use the remaining proceeds for community betterment projects, as defined in Section 9-604 of the City and County Lottery Act. Community betterment includes a wide range of public purposes, including public services, such as the maintenance of parks and libraries, infrastructure and facility projects like swimming pools and community centers, public health and safety expenditures, supporting police, fire, and emergency services, and community development efforts, including not-profit assisted grants or funds for educational and civic purposes. In Ralston, these funds are used to help in the upkeep of-- and maintenance of the arena. While the statewide keno handle has declined significantly, roughly 5% over the past 2 years, with further decreases to be realized as the casinos become fully operational. Municipalities such as Ralston and La Vista and other communities located near casinos have experienced even sharper reductions in keno proceeds. Testifiers following me today will discuss this revenue loss in greater detail. LB782 would help offset those losses for all municipalities and counties that conduct keno. I understand the fiscal challenges confronting the Legislature this session, and I believe these challenges should be considered alongside the growing financial pressures on our local governments. Representatives from the city of Ralston, the League of Nebraska Municipalities, and the Nebraska Association of County Officials will be testifying in support of this bill. Thank you for your time. I yield to questions. Thank you, sir.

HOLDCROFT: Thank you, Senator Riepe. Are there questions from the committee? Seeing none, will you be here for closing?

RIEPE: Absolutely. Thank you, sir.

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HOLDCROFT: How about a first proponent, first proponent for this bill. Welcome.

DON GROESSER: Thank you. Good afternoon, Chair Holdcroft, and members of the General Affairs Committee. My name is Don Groesser, D-o-n G-r-o-e-s-s-e-r, and, and I am here to testify in favor of LB782. First, I would like to thank Senator Merv Riepe for introducing the bill on behalf of the city of Ralston and the Nebraska League of Municipalities. I am the Mayor of Ralston, Nebraska. The city of first class located in the heart of the metro Omaha area. We have 6,500 residents and proudly proclaim ourselves as an independent city. LB782 is a very simple bill. It reduces the quarterly remittance to the Department of Revenue by counties, cities, and villages, which conduct lotteries known as keno games from 2% to 1%. As you know, the Nebraska County and City Lottery Act allows for the establishment of a keno in Nebraska. The city of Ralston has duly authorized such a lottery with one franchise operated in our city. The proceeds a city, the proceeds a city is allowed to retain from a lottery are used for community betterment. We use most of our proceeds in Ralston to keep the up-- to upkeep and the maintenance of the Liberty First Credit Union Arena. This arena is a centerpiece of our community and is a real source of pride for our residents. It hosts many, many events from broad interest to our citizens from high school graduations, concerts, hockey, indoor football games, craft fairs, and festivals. The Ralston Arena brings in about 225,000 people to our city annually. We have noticed that our keno handle has been declining over the last couple of years. This is in direct correlation to the decline in the opening of the WarHorse Casino in Omaha. WarHorse in Omaha is located at 6303 Q Street in Omaha, and our main keno parlor, Ralston Keno, is located at 5130 South 72nd Street in Ralston. This distance is only nine city blocks from one another. Prior to the WarHorse opening, our annual keno handling was \$32 million, now our Ralston Keno is about \$27 million. It is a decrease of 16% in the wagering in Ralston. La Vista, Nebraska, our neighbor to the south, has experienced a 9.5% decrease in keno wagering. We do not mean to disparage our WarHorse, Omaha by any means. In fact, they are a good, reliable community partner with the city of Ralston and our Ralston Arena. However, Ralston does not share any of the tax proceeds generated at the WarHorse Omaha.

HOLDCROFT: That's your time, Mayor. Let me see if there are any questions from the committee. Yes, Senator Clouse.

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CLOUSE: I, I think you were going to get to this point, Mayor, that, that the casinos in the city of Omaha, so Ralston does not get any of the proceeds from the casino, is that correct?

DON GROESSER: Correct.

CLOUSE: And when we've seen-- and I think you answer it later on in your testimony, I was reading ahead a little bit, that the state increase in casino tax more than offsets what we were losing in, in keno funds.

DON GROESSER: Yep.

CLOUSE: And I think your city is very comparable to my community in that the casino in Grand Island generates a lot of revenue for Hall County and the city of Grand Island, whereas Kearney is very similar to this where we're seeing our keno numbers drop significantly.

DON GROESSER: Right.

CLOUSE: So it's the same song, different, different verse. If you're not in that city or in that county, then, generally, what we'll see across the state is keno funds are, are dropping. And all communities use those keno funds for community betterment, as you said. Is that correct?

DON GROESSER: Yes.

CLOUSE: OK. Thank you.

DON GROESSER: And I think the, the real point is that, you know, it would be-- the, the state would certainly be able to cover their operating costs for keno still, even if it was [INAUDIBLE]-- went from 1%-- 2% to 1%.

CLOUSE: Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none, thank you very much, Mayor, appreciate it.

DON GROESSER: That was a fast 3 minutes--

HOLDCROFT: It was.

DON GROESSER: --or whatever.

HOLDCROFT: Seemed pretty fast. Next proponent.

LYNN REX: Senator Holdcroft, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska municipalities. We're here today in strong support of LB782. We appreciate Senator Riepe introducing this bill. We're all cognizant of the budget deficit facing the state, but we do think that this is a reasonable proposal when you consider the vast amount of money that the state of Nebraska is getting in an increasing amount from WarHorse and other casinos. And, again, we don't mean that in any disparaging way to WarHorse. I'm handing out for you a couple of things I thought might be of interest to you, and for example, this is-- and, by the way, these are from the 2025 Annual Report of the Charitable Gaming Division. They always do a great job and you can look on-- I've just highlighted for you I think pages 3 and 11 because it relates to keno. So just to note that we think that these community betterment projects, the loss that they're experiencing means a loss of revenue that municipalities and counties can actually use for their municipalities and for their counties. There are 185 total counties and municipalities with keno. That's voter approved. When their voters approved it, they typically said this is what we want the money used for and that's what they've been using it for. And of that 185, 166 are municipalities and 19 are counties. I've included that list for your review as well. I've also included an article in today's paper, I heard it was also on yesterday's paper, entitled: Nebraska casinos shatter record in 2025 as push for online sports betting grows. And it went from the previous record of \$145.7 million set in 2024, that record was shattered. Casino revenue totaled just under \$262 million, resulting in \$52.4 million in gaming tax revenue, which has certainly been a benefit for property taxpayers across the state and others. But with that, as Mayor of Ralston indicated, they're not able to get the 12.5%. It's not located within their city. That money on the casino side, and that's, I'm not in any way, again, indicating that it should be something else, except the state of Nebraska is getting so much more money to offset this. Because if it was within the city of Ralston, they'd be getting 12.5% of that. But if it's in the county, they get 12.5%. And if it's in an unincorporated area, then they get all 25%, that the county would get all 25%. So with that, we're just suggesting this is a reasonable proposal, considering just the vast amount of revenue that the state of Nebraska will be receiving with the additional casino gambling. So with that, I'm happy to respond to any questions you might have. We really would appreciate your thoughtful consideration.

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HOLDCROFT: Thank you. Any questions from the committee? Yes, Senator Clouse.

CLOUSE: Thank you, Senator Holdcroft. And thank you for being here. And Senator [INAUDIBLE] and I talked about this about 3 or 4 years ago. [INAUDIBLE], what are we going to do when these casinos come online, how is it going to impact us? And I have no life so I was looking at-- reading this and the Governor's budget on one Saturday night and it's very apparent what's happening--

LYNN REX: Yes.

CLOUSE: --with keno with the casinos going online so I appreciate you providing this.

LYNN REX: I mean, you can see from the handout, as you noted, that the revenues are going down on the keno side.

CLOUSE: Thank you.

HOLDCROFT: Any-- Senator DeKay.

DeKAY: Thank you. Thank you, Ms. Rex, for being here. Outstate Nebraska, up in my area and farther west, do you see a decline in revenue from keno parlors where they don't have close proximity to casinos?

LYNN REX: Actually, we are. And this report-- and I apologize I didn't include this part of it with you, but I'll get it to you. The complete report actually outlines what it was, what it is, that everyone is seeing a decline. Almost everyone.

DeKAY: OK. Thank you.

LYNN REX: But, certainly, those that are most impacted by far are those like the Kearneys and the Ralstons that are close to a casino.

DeKAY: All right. Thank you.

LYNN REX: You're welcome.

HOLDCROFT: Any other questions from the committee? Seeing none, thank you very much.

LYNN REX: Thank you for your consideration.

HOLDCROFT: Next proponent. Welcome to the General Affairs Committee.

JON CANNON: Yeah, thank you. Good afternoon, Chairman Holdcroft, members of the General Affairs Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the Executive Director of the Nebraska Association of County Officials, also styled as NACO, here to testify in support of LB782. I certainly want to extend our appreciation to Senator Riepe for having brought this bill. You know, this is a-- certainly, a thoughtful way of, of addressing an issue that has already been identified both-- by both Senator Riepe and, and Ms. Rex. But one of the things that, that we look at when we're looking at bills, in particular this one, is that-- how does it affect the property tax? And that's, that's-- I mean, I don't want to be a one-trick pony, but that's a lot of what we have-- that the lens that we view a lot of the stuff through. You know, gaming is typically-- gaming of this sort is, is viewed as community betterment, what does it do for community betterment? That's defined to include a number of things. If you look at the definition, one of the things is to alleviate the burdens of government, one of the other things is provide tax relief to the community, and for counties, you know, tax relief is going to be in the form of property tax relief. So anything that goes to the state general funds as a result of a tax being imposed by the Charitable Gaming Division is necessarily going to be diverted from that purpose of property tax relief for relieving the burdens of government from county government. We can appreciate that we want fund-- make sure that the Charitable Gaming Division is funded adequately. As a proud revenue alumnus, I would, I would certainly endorse that, you know, and certainly we would want to have the conversation as to, you know, how, how adequately they're being funded from other sources of revenue that, that are under their purview as well. So with that, I'm happy to take any questions you may have.

HOLDCROFT: Thank you, Mr. Cannon. Questions from the committee? Seeing none, thank you very much.

JON CANNON: Thank you very much.

HOLDCROFT: Next proponent. Proponent for LB782. Any opponents? Any-- oh, opponent? Neutral, of course. Neutral testimony. Welcome.

BRIAN ROCKEY: Thank you. Good afternoon, Chairman Holdcroft and members of the General Affairs Committee. I'm Brian Rockey, B-r-i-a-n R-o-c-k-e-y. I serve as the Director of the Charitable Gaming Division and Nebraska Lottery of the Department of Revenue. I'm here in a

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neutral capacity on LB782. As Ms. Rex noted, there are 190 [SIC] cities, counties, and villages licensed to conduct keno. There are 178 operators and 835 outlet locations statewide. The division conducted 604 keno drawer counts last year and monitored 45 installations, keno installations, last year. I'd like to add some context to some of the numbers in terms of keno dollars. In the fiscal year that ended June 30, keno wagers totaled \$337,697,690. Statute 9-629(2), prizes are set at a minimum of 65%. In 9-629(3), the operator's share is capped at 14%. Last year, operator revenues averaged 13.39% and prizes totaled 76%. Municipalities received 7.96% or \$26.8 million in profit last year. Last year, 59.9% of keno activities was-- activity was recorded by the four largest operators: Omaha, Lincoln, Ralston, and La Vista. The amount collected on the 2% tax last year was down 1.87% to \$6,753,954. Cutting the tax in half would reduce funds available to the division for compliance and enforcement work by \$1.3 million, worth 40% of the \$3.3 million cut, and reduce the General Fund by \$1.9 million, the remaining 60% of the \$3.3 million cut. And I'd be happy to answer any questions you might have.

HOLDCROFT: Thank you, Mr. Rockey. Yes, Senator DeKay.

DeKAY: Thank you. Thank you. In the state of Nebraska with keno parlors, how's it determined-- is there a cap that you have on how many parlors there could be or how-- and how do you determine who can and can't have a keno operator's license?

BRIAN ROCKEY: Thank you, Senator. That's pretty much up to the municipality. So, of course, keno has to be approved by the voters in the county or city, and then the municipality contracts with an operator. And the operator may say to the, to the county or the city, I'd like to have 10 locations, or there might be a half dozen bars and restaurants that would like to be part of it. And so it's really a contractual arrangement. That's the biggest thing. And, typically, it is a location that has a liquor license.

DeKAY: OK. Thank you.

BRIAN ROCKEY: Mm-hmm.

HOLDCROFT: Any other questions from the committee? Yes, Senator Clouse.

CLOUSE: Thank you, Senator Holdcroft. Just-- do they play at the casino-- at the casinos, they play keno?

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BRIAN ROCKEY: Not currently.

CLOUSE: OK, so the only time the keno would be off-site, not on the casino, it would be--

BRIAN ROCKEY: I believe there's a bill that would, would change that.

_____: Yes.

CLOUSE: OK. Thank you.

HOLDCROFT: Any other questions from the committee? Thank you very much, Mr. Rockey.

BRIAN ROCKEY: Thank you.

HOLDCROFT: Appreciate it. Any other test-- testifiers in the neutral capacity? Senator Riepe. And there were no comments on this, correct?

RIEPE: Thank you, Chairman Holdcroft. I would ask the committee to look at the whole picture of gambling and the headline in the Lincoln Star Journal [SIC] recently said Nebraska, and I quote, Nebraska casinos shatter revenue record in 2025 as push for online sports betting grows. In 2024, there was \$145.7 million and the latest was-- reported was for, I believe, 220-- or 2025 was \$262 million, which resulted in \$52.4 million in gaming tax revenue, which makes the casino dealers in these small towns look like small fries. And so I would hope that we could look at the entire revenue piece for casino gambling and that we are able to, then, give a little bit of relief to the smaller casino operators. That's all that I have, sir.

HOLDCROFT: Thank you, Senator Riepe. Any questions from the committee? Seeing none, thank you very much.

RIEPE: Yes, sir. Thank you.

HOLDCROFT: That ends our hearing on LB782. Next up is LB828, and our own Senator DeKay. Welcome, Senator DeKay.

DeKAY: Thank you. My colleagues have left me.

HOLDCROFT: Well, the important people are still here.

DeKAY: Ready?

HOLDCROFT: Go ahead.

DeKAY: Thank you. Good afternoon, Chairman Holdcroft and members of the General Affairs Committee. For the record, my name is Senator Barry DeKay, spelled B-a-r-r-y D-e-K-a-y, and I represent District 40 in northeast Nebraska. I am here today to introduce LB828, which will allow nonprofit organizations to conduct a gift enterprise. In layman's terms, a gift enterprise also commonly referred to as a sweepstakes. It is a typical contest that involves the distribution of gifts based on chance. It operates similar to a lottery where the transfer of gifts is contingent upon luck. However, unlike a lottery, a gift enterprise does not require payment to enter. However, the Department of Revenue does allow, as a condition of participation, evidence of the purchase of a product or service as long as the purchase price charged for such a product or service is not greater than it would have been without a contest. A gift enterprise typically uses-- is used by businesses as a marketing and promotion tool to attract customers. An example of a typical gift enterprise in Nebraska is a local retailer running a month-long promotion, where customers receive a ticket for every purchase. At the end of the month, a drawing is held and one ticket is selected to win a gift card. Under Nebraska Revised Statute, Section 9-701, an operator or a gift enterprise is defined as, as, quote, Any person, firm, corporation, financial institution, association, government entity, or agent or employee thereof, end quote, that can promote, operate, or conduct a gift enterprise. However, this definition goes on to say that a nonprofit organization unless that nonprofit happens to be a credit union chartered under the state or federal law can promote, operate, or conduct a gift enterprise. Credit unions were exempted from the nonprofit prohibition because a state senator brought a bill in 2004 after the legal counsel for the Charitable Gaming Division issued a letter saying credit unions allowing their members to attend an open house and put their name in a hat for a chance to win football tickets constituted a gift enterprise and was, therefore, illegal. All LB828 would do is simply strike the last sentence stating that nonprofits do not fall under the definition of the term "operator." This change would, therefore, allow any nonprofit organization or agent or employee there up to promote, operate, or conduct a gift enterprise legally in Nebraska so long as they conform with the Nebraska Revised Statute, Section 9-701, and the Department of Revenue regulations. Ultimately, this bill just places all nonprofits on the same level playing field as everyone else when it comes to ability to promote, operate, or conduct a gift enterprise. Finally, I do want to add that the amendment I handed out, AM1785, addresses credit unions as a type of financial institution for purposes of this bill. As I mentioned a

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few minutes ago, credit unions received an exemption to conduct a gift enterprise back in 2004, and AM1785 would preserve this exemption and ensure credit unions can continue to conduct gift enterprise in the event LB828 were to pass. This change was recommended to me by the Nebraska Credit Union League to avoid any inadvertent changes to current statute with regard to credit unions. Behind me you will hear from a couple of nonprofits about how the changes proposed by this measure can be beneficial to them and a broader nonprofit, nonprofit community by providing them with another tool to market and promote their organizations and the work that they do. With that, I would be happy to try to answer any questions. Thank you.

HOLDCROFT: Senator DeKay, thank you. Any questions from the committee? Seeing none, thank you very much. Will you be here for closing?

DeKAY: I'll try to be.

HOLDCROFT: First proponent, please. Welcome.

CLAY SMITH: Good afternoon, Chair, members of the committee. My name is Clay Smith, C-l-a-y S-m-i-t-h. I am the owner and CEO of Speedway Motors and Director of the Museum of American Speed here in Lincoln, Nebraska. Thank you for taking the opportunity to hear my testimony in support of LB828. Speedway Motors was founded by my parents in 1952. My brothers and our adult children run the business today and we're a national merchant working from our headquarters in Lincoln, Nebraska, supplying racers and rodders across the country and around the world. The Museum of American Speed had been a long dream of our family to preserve and display objects significant to the American-- America's pursuit of speed and performance. What began as a private collection was donated by our family into a 501(c) nonprofit back in 1994. In 2001, we moved to our current location, which is in west Lincoln. The museum broadly celebrates America's car culture, and continues to grow in size and national reputation. With the recent 90,000-square-foot addition, our museum is over 240,000 square feet. This addition allowed us to merge two museums into our museum, most importantly, the Unser Racing Museum from Albuquerque, New Mexico. In addition, this added space allowed us to attract donors who've donated custom cars as well as race cars into the collection. Importantly, we now have a land speed gallery that features Craig Breedlove's iconic Spirit of America that set the world record and brought it back to the United States. Our national reputation was enhanced this last year by Newsweek magazine when they identified our museum as the number one motor racing museum in America. Similarly, USA Today previously recognized

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our museum as the number one attraction for lovers in America. Quite heady honors by all means. But despite this reputation and recognition and growth, we are at a disadvantage outside the state of Nebraska. Most of our donors come from outside the state of Nebraska, but when we look at other car museums, they are able to use sweepstakes to do their fundraising to support their institutions. There's over 20 car museums currently raising money through sweepstakes where they would offer a new car like a Corvette or a Mustang as the sweepstake's prize. Across the country, nonprofits responsibly use national fundraising sweepstakes to generate unrestricted revenue. Nebraska is one of only two states that do not allow nonprofits to use sweepstakes for fundraising efforts. This is not gambling. They are widely used, highly regulated fundraising tools that include free entry options. They also have clear disclosures and consumer protection. Allowing the Nebraska nonprofits to conduct national fundraising sweepstakes would strengthen Nebraska's nonprofits. Financially strong nonprofits then can be-- can afford to boost local spending by expanding their exhibits and also their programming. In our case, it would boost tourism.

HOLDCROFT: That's your time, Mr. Smith. Let's see if there are any questions from the committee. Yes, Senator Rountree.

ROUNTREE: Thanks so much, Chair Holdcroft. And thanks so much for your testimony thus far. I just wanted to hear the rest of it.

CLAY SMITH: Yeah, I just have about 20 seconds. In our case, it would support tourism. This change would build safer, healthier, and more vibrant communities across Nebraska. LB828 gives Nebraska nonprofits the same tools as our national peers and allows them to compete in today's fundraising environment and, importantly, at no cost to the state. I urge you to support LB828. Thank you for your time and consideration.

HOLDCROFT: Thank you, Mr. Smith. Any other questions from the committee? Seeing none, thank you very much.

CLAY SMITH: Thank you.

HOLDCROFT: Next proponent. Welcome.

KEVIN SANDER: Welcome. Thank you. Good afternoon, Chair and members of the committee. My name is Kevin Sander, K-e-v-i-n S-a-n-d-e-r, and I serve as the Development Director for the Museum of American Speed.

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Thank you for the opportunity to testify today in support of LB828. I have spent more than 30 years working at nonprofit fundraising with organizations such as Wounded Warrior Project, the Arbor Day Foundation, the National Audubon Society, and Keep America Beautiful. During that time, I have seen fundraising landscape change significantly. Traditional methods that once sustained nonprofits are no longer enough. Today's donors engage online across state lines, and nonprofits must adapt to survive and to grow. Across the country, thousands of nonprofits responsibly use national fundraising sweepstakes to generate critical unrestricted revenue, yet, Nebraska is now one of only two states that do not allow nonprofits to use this tool. As a result, Nebraska organizations are at a growing competitive disadvantage compared to our peers. What makes this particularly frustrating is that Nebraskans actively participate in sweepstakes benefiting various causes outside our state, while Nebraska nonprofits are prohibited from raising funds the same way for our own museums, educational institutions, conservation efforts, and community programs. The issue is personal for me as a professional fundraiser. I routinely receive sweepstakes promotions from museums similar to the Museum of American Speed in neighboring states, including the Shelby American Collection in Colorado and the National Sprint Car Hall of Fame and Museum in Iowa. Why can they engage in national audiences and grow their support, and we cannot? Sweepstakes are not gambling, they are widely used, highly regulated fundraising tools that include free entry options, clear disclosures, and consumer protections. Reputable online platforms manage compliance with state and federal laws, ensuring transparency and accountability while keeping administrative costs low. Allowing Nebraska nonprofits to conduct national fundraising sweepstakes would do more than just strengthen individual organizations. It would support stronger museums and education programs, increase tourism and local spending, reduce reliance on state funding, and help build safer, healthier, and more vibrant communities across our great state. LB282 [SIC] is a commonsense modernization that gives Nebraska nonprofits the same tools their peers already have and allows them to compete in today's fundraising environment.

HOLDCROFT: That's your time, Mr. Sander. Let's see if there are any questions from the committee. Seeing none, thank you very much.

KEVIN SANDER: Thank you.

HOLDCROFT: Next proponent. Proponents? Any opponents to LB828? Anyone in the neutral capacity? Welcome.

L. JAMES WRIGHT: Thank you, Senator. I'm going to apologize in advance, I forgot my glasses, so you might see me squinting here. Chairman Holdcroft and members of the General Affairs Committee, my name is L. James Wright, last name spelled W-r-i-g-h-t. I'm here today on behalf of the Nebraska Credit Union League as their Chief Advocacy Officer and registered lobbyist. Our organization represents Nebraska's 50 not-for-profit member-owned credit unions and their 570,000 members. I appear for you today to offer our association's neutral position to LB828 based on an amendment we have worked out with Senator DeKay, his team and other stakeholders. I want to thank Senator DeKay and his staff for working with us on this amendment. As a way of background, in 2011, the Nebraska Legislature passed LB524. The law allows Nebraska credit unions to offer savings promotions raffles for the purpose of incentivizing credit union members to start saving money and establish a habit of saving while receiving entries to win cash prizes for the act of saving their money. Nebraska is the second state to pass enabling legislation. The Save to Win program in Nebraska was launched in January of 2012. I'm going to proceed. The program is structured to help credit union members that have little to no savings to get in the habit of saving. Members deposit money in their savings accounts, earn interest in those savings, and get chances to add to their savings by winning cash prizes. For every \$25 they save in their account, they receive an entry to win cash prizes. Today, with the multistate program, there are 150 winners every month with over \$200,000 awarded throughout the year. Currently in Nebraska, there are 658 accounts active with a total savings of \$1.7 million equaling, equaling \$2,500 in each account. In the last 5 years alone, Nebraska credit union members have won \$15,000 in cash prizes that were added to their savings. Consider a 2003 study conducted by the Financial Health Network revealed that in midwestern states, 16% of people are financially vulnerable, while 54% are financially coping. The Save to Win program aims to help credit union members begin and sustain habits of savings. We greatly appreciate Senator DeKay, his team, and stakeholders on working with us to ensure, ensure that LB828 is amended to protect this important savings program. I respectfully request the committee adopt amendment to LB828 as presented. Thank you for your consideration. I would answer any questions by the committee at this time.

HOLDCROFT: Thank you, Mr. Wright. Any questions from the committee? Seeing none, thank you very much.

L. JAMES WRIGHT: Thank you.

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HOLDCROFT: Next neutral. Welcome back.

BRIAN ROCKEY: Thank you. Chairman Holdcroft and members of the General Affairs Committee, I'm Brian Rockey, B-r-i-a-n R-o-c-k-e-y. I serve as the Director of the Nebraska Lottery and Charitable Gaming Division of the Department of Revenue. I am here in a neutral capacity on LB828. The one item that I would point out, we already know what the bill would do, is it would allow, of course, nonprofits more latitude in their promotional efforts, and, in turn, does not allow for-profit entities to offer the charitable activities reserved to nonprofit organizations. I'd be happy to answer any questions.

HOLDCROFT: Thank you. Any questions from the committee? Seeing none, thank you very much.

BRIAN ROCKEY: Thank you.

HOLDCROFT: Any other neutral testifiers? OK, there were no comments on this. Senator DeKay.

DeKAY: Thank you, again, the most important members of the General Affairs Committee for being here today. An earlier testifier handed out a letter of support from the Team Jack Foundation, so I just wanted to make that clear. And, again, LB828 is fundamentally about putting everyone on the same level playing field when it comes to the ability to promote, operate, or conduct a gift enterprise. If you have a business, you can legally conduct a gift enterprise in the state of Nebraska with no problem whatsoever, so long as all relevant laws and regulations are followed. However, if you own a nonprofit, your organization cannot legally conduct a gift enterprise in this state unless that organization happens to be a chartered credit union. This bill would simply strike the language that stops nonprofits from being able to conduct a gift enterprise. This change would provide nonprofit organizations with another tool to market and promote their organization and the work that they do. With that, again, I will try to answer any questions. Thank you.

HOLDCROFT: Any questions from the committee? Seeing none, thank you very much, Senator DeKay. Next up is LB1001.

J. CAVANAUGH: Welcome, Chair Holdcroft,--

HOLDCROFT: Thank you, Vice Chair.

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J. CAVANAUGH: --to your General Affairs Committee. We're now on LB101 [SIC] and you are welcome to open.

HOLDCROFT: Thank you, Vice Chair Cavanaugh, and members of the General Affairs Committee. My name is Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t, and I represent District 36, west and south Sarpy County. I am introducing LB1001 on behalf of the committee. LB1001 was brought to us by the Racing and Gaming Commission and is intended to make the statutes more understandable and make operations at that agency more efficient and effective. First, the bill proposes to move language that allows the commission to waive race days that had to be canceled due to weather conditions or other natural disasters that made it unsuitable for running horse races. Last year, the commission had to cancel two races at Fonner Park in Grand Island due to blizzard conditions. In 2024, they approved the cancellation of at least one grace day in Columbus due to extremely high temperatures. The language is currently located in Section 2-1228 and can be found in Section 8 of the bill on page 11. The bill proposes to move this language to Section 2- 1205 of the statutes, as this is where the current language that establishes the required number of race days for each track is located. Second, the bill proposes to add clarifying language to Section 2-1207 and 2-1707.01 to help clear up confusion on how many earned from parimutuel wagering is to be spent at the track where the funds were generated by the official breed registrar. There has been a great deal of disagreement about what the current language actually means between horse racing industry stakeholders and this language is being proposed to make the intention of this statute more clear. Third, new language is proposed to assist the different breed organizations with their duties and requires the commission to appoint the official registrars for each breed for the purposes of registration and certification of the eligibility of the Nebraska-bred horses for racing. Fourth, the commission is asking for flexibility in granting a horse track operator license and has asked us to insert up to 3 years. The concern that's-- that generated this change, language change, came from the concern that it might be necessary to make a race track operator subject to additional scrutiny based on any number of factors that could emerge during the review of the application. Fifth, in addition to moving language from Section 2-1228, other language from this section is stricken, outdated, and obsolete since the new number of required race days and races were passed into statute in 2021. And, sixth, new language is proposed to help clear up confusion regarding interstate simulcasting contracts between the tracks in this state who run thoroughbred races and those that run

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quarter horse races. The remaining sections of the bill propose new language to clarify that the lottery game of keno can be played by people 19 and older and is allowed to be played in an area completely separated-- separate from the casino gaming floor where games of chance are played. Fonner Park asked for this amendment as they have, they have been operating games of keno in their clubhouse and other locations around the racetrack for many years before the keno-- I'm sorry, the casino opened there. I have an amendment that proposes to strike Sections 10 through 16. The Racing and Gaming Commission had proposed to bring the Commission on Problem Gambling under the same roof, but due to the proposal in the Governor's budget bill, LB1071, this amendment needs to be adopted so that LB1001 does not interfere with the budget bill. And I'm happy to answer any questions, but we do have the Executive Director of the Racing and Game Committee [SIC] here to testify after me.

J. CAVANAUGH: Thank you, Chairman. We'll see if there are any questions. Senator Clouse.

CLOUSE: Thank you, Vice Chair Cavanaugh. Senator Holdcroft, at, at the first part of that, it talks about the cancellation of days. Does it allow for rescheduling or this just says--

HOLDCROFT: No, it just-- well, I'll let, I'll let Casey answer that. I, I, I think I know the answer, but just in case.

CLOUSE: I'll wait, and I got a couple more questions but I'll wait. Thank you.

J. CAVANAUGH: Any other questions for Chairman Holdcroft? Seeing none, will you stick around to close?

HOLDCROFT: I will be here to close.

J. CAVANAUGH: All right. Thank you, Chairman. And we will now take proponents for LB1001.

CASEY RICKETTS: Good afternoon, Chairman Holdcroft, Vice Chair Cavanaugh, and members of the General Affairs Committee. My name is Casey Ricketts, spelled C-a-s-e-y R-i-c-k-e-t-t-s, and I'm here today in support of LB1001. I want to thank Senator Holdcroft for-- and all of you for carrying this bill for the commission. With LB1001, we're seeking to clean up some of the old language that was very vague and led to differing opinions. We are proposing language that we think will better clarify how money generated at each track must be spent at

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the track where it was generated on purse supplements and breed awards. We're also suggesting some language to give the breed organizations a little more authority to get owners to register their horses with the breeders each year, which is necessary for those Nebraska-bred horses to be eligible to run in the required breed race that must be held each day of live racing. We're also proposing to strike some very confusing language in the statute that used to be the formula for calculating the number of race days that had to be held at each track. Now that we have the language in 2-1205 that was passed in 2021, this formula is outdated and unneeded as we proceed with expanding horse racing in our state. Thank you for your time and I'm happy to answer any questions you have.

J. CAVANAUGH: Thank you, Ms. Ricketts. We'll see if there's any questions from the committee. Senator DeKay.

DeKAY: Thank you. When it comes to horses, thoroughbreds, quarter horses, are most of those horses bred and trained in the state of Nebraska?

CASEY RICKETTS: Are most of the-- for the Nebraska bred or just thoroughbred and quarter horse, in general.

DeKAY: In general.

CASEY RICKETTS: We have a lot that are outside of the state, but I do have numbers from both breeds here that could better answer the actual full numbers for you.

DeKAY: I'm just curious. I thought possibly the thoroughbreds come from out of state and more of the quarter horses come within states so just curious.

CASEY RICKETTS: Yeah, the two breeds could specifically answer their numbers for you.

J. CAVANAUGH: Any other questions? Senator Clouse.

CLOUSE: Thank you, Vice Chair Cavanaugh. The question I was at earlier, so if this allows them by statute to cancel, does it allow for rescheduling--

CASEY RICKETTS: We have.

CLOUSE: --or do you already have that in place?

CASEY RICKETTS: Yeah, we've had that ability in the past, a lot of it depends on when everybody's race schedule is, everybody's kind of on a circuit so depending on when the next group's race days are set to go could impact rescheduling a little bit. But, typically, when we've had to cancel race days, as Senator Holdcroft said, it's been in February, the very beginning we start live racing in February, 14th. And so sometimes due to weather we will have that issue and so sometimes they will make up races within the, the, the season so maybe one day we have eight races scheduled, but they may be able to fit in ten to try to get some of those back up.

CLOUSE: OK. And then another question, we're talking about the, the keno and, specifically, in, in reference to Grand Island. Do you know if the other casinos have keno gambling in them or with them?

CASEY RICKETTS: No, they don't. There's no keno within the, the casino gaming floor, but Fonner Park has always operated keno at Fonner Keno. It's within the license racetrack enclosure, but it's not-- but this proposes they can still do it within the enclosure but not on the gaming floor.

CLOUSE: And so this will allow it to all of them if they want to put keno in there?

CASEY RICKETTS: Yeah.

CLOUSE: OK. Thank you.

J. CAVANAUGH: Any other questions? All right, well, I've got a couple. Can you kind of just go a little bit slower on the breed award portion?

CASEY RICKETTS: Yeah. So in the previous statute, before we made the change-- let me get over here to there. Because essentially before, we just want to clarify where the money is generated from. The breeders get 1% of that money and it's to be used for purse supplements and breed awards. But there's never been any language clarifying how much that they should spend on those. So we're just requesting that they spend-- 80% has to be used towards that. They could hold back 20% for the following year if they would like. But we're trying to give them a set number of what they need to spend.

J. CAVANAUGH: OK. But so it's all still used for breed awards. It's just [INAUDIBLE].

CASEY RICKETTS: Purse supplements and breed awards. Yes. Now it's all used there. It's just we're given you-- we'd like 80% at least to be spent using that. And then if we need 20% set back for next year's, they can do so.

J. CAVANAUGH: OK. And then the, the part that Senator Holdcroft talked about eliminating, which was moving the Commission on Problem Gambling, I, I think you were here when we were talking to the two folks who were being appointed.

CASEY RICKETTS: Yeah.

J. CAVANAUGH: They gave testimony that they thought it would be detrimental to the, the Commission of Problem Gambling to be moved to HHS. What are your thoughts on-- I mean, obviously, I guess you asked to have them move under your purview.

CASEY RICKETTS: We did initially, yes. And just because we felt that collaboration between both of us would be easier under our roof, under one house, I spoke with Department of Revenue where they're currently housed, part of the commission's mission is to also kind of build a responsible gaming program. And we've always had a good relationship with problem gaming and with David Geier, so we just thought let's enhance that and move it under. We were not aware that there was already other bills in the works for that and so we do respect the Governor's decision. And so we're OK with withdrawing, but that doesn't end any collaboration that we are planning on doing with problem gaming. That, that doesn't change.

J. CAVANAUGH: So I'm going to put you on the spot, but I don't-- you don't have to answer it, we'll say. If it were up to you, would you send it to under your purview or would you move it to HHS?

CASEY RICKETTS: If-- you are putting me on the spot. I will, I will say this, that if that other bill was not in effect, I would still very much support it being with us.

J. CAVANAUGH: OK. Thank you. Thank you, thank you for your honesty. Any other questions from the committee? All right. Seeing none, thank you for being here. Thanks for your work.

CASEY RICKETTS: Thank you.

J. CAVANAUGH: Next proponent.

CHRIS KOTULAK: Good afternoon, Senator Holdcroft, thank you for introducing. Senators, staff, thank you for your time to facilitate this bill. My name is Chris Kotulak, C-h-r-i-s K-o-t-u-l-a-k. I was raised in Omaha, 58th Street, just east of Elmwood Park. As a teenager, I would ride my bike to the racetrack at Aksarben to work in the stable area and work with the horses. In 1986, I became the track announcer at Fonner Park. I'm now the CEO at Fonner Park. In 1996, we got Fonner Keno, which was the host facility for keno played in Hall County, Nebraska. The minimum age was 19 years of age. And it remained that until the casino, the three amendments were voted in overwhelmingly by Nebraskans in favor of casino gaming. However, at that time, the Executive Director of the Racing Commission, or at that time, Tom Sage, felt it best that we increase the minimum age for keno at the licensed racetrack enclosure up to 21 as it is for casino gaming. Well, just as a matter of-- as matter of equality, we would ask now that the keno minimum age for playing keno at the licensed racetrack enclosure be advanced from 19, I'm sorry, from 21 down to 19 as it is across the state. It is 19 everywhere in Nebraska except at Fonner Park at the licensed racetrack enclosure. And we're just asking for equality across the state. I do have an answer for Senator DeKay, once I'm finished here, on that number of breed of horses if you care to, but I'm speaking now, specifically, as a proponent to the keno element of this bill.

J. CAVANAUGH: Thank you, Mr. Kotulak. All right, I'll see if there are any questions. Any questions from the committee? Senator DeKay.

DeKAY: Peaked my curiosity again, so maybe you have another answer for me. With more tracks out there, has there been less races or less horses offered at each track in the state of Nebraska because of more tracks availability and the amount of time?

CHRIS KOTULAK: Well, I'd like to say this as far as the breeds, which that was your original question was, in 1985, there were roughly 750 registered Nebraska thoroughbred racehorses. That was in 1985, 750. In 2019, there were approximately three dozen, 36. That's how bad it got for Nebraska horse racing because we had people in the state who knew how to breed, own, raise, and raise horses, but they left the state because all the surrounding states had casino gaming, competition, Iowa, Minnesota, Wyoming with their gaming, Colorado, Oklahoma, Indiana, and so forth. So when the casino gaming was voted in, that next year we had thoroughbreds registered in the 100s, and it got higher the following year. But then it started to tail off because the people that decided, I'm going to breed a Nebraska thoroughbred race

horse because there's money here in the state, well, they got to thinking, where, where is-- where's the money? Fonner Park gives half, half of what we get with our deal that we made with the casino to the horses and horsemen, specifically to purse money or to breeders to use as they so choose, whether for purse money or breeder award. So we are doing our level best to provide a reason for people to breed thoroughbred racehorses. As far as quarter horses, I can't speak specifically on that. You might hear that there are 80,000 quarter horses in Nebraska, probably are. We have a lot of cows and cowboys in Nebraska and people that like disciplines with quarter horse sport. An extremely small portion of those are bred to be racehorses. A lot of kids, when they grow up playing on football field, they might play football for their high school team, college, or pro, and they have that potential, but maybe they don't. Well, these quarter horses, only an extremely small percent would be racehorses. Quarter horse racing is here in Nebraska, it's come back on, and there's belief that there will be a resurgence in quarter horse racing, so they need that for their product to go as well.

DeKAY: On a personal note. When Aksarben shut down the last day of racing, was that a sad day in your life?

CHRIS KOTULAK: Yeah, sure was. Yes, it's a beautiful area of town right now. I can be very proud that that's part of Omaha. I live in Grand Island now. But it, it was certainly a very sad thing to have happen and maybe shouldn't have, but it did. And, and we are-- well, there will never be another Aksarben. Nebraska racing won't be like it was before, but there is a strong opportunity for us to pave the way for year-round racing, close to year-round, we used to, we used to run from mid-February, which we still do at Fonner Park, and go to Thanksgiving. We can still provide a product for thoroughbred racing in Nebraska where horsemen don't have to leave the state, but they need race dates and, and thoroughbred racehorses for that to happen.

DeKAY: Thank you.

J. CAVANAUGH: All right. Any other questions? Senator Clouse.

CLOUSE: Thank you, Vice Chair. OK, I don't mean to be a keno idiot, but how, how did you see your numbers in keno with the casino opening there?

CHRIS KOTULAK: It's a good question. A lot of it depends on-- Omaha and Lincoln are different than Grand Island. I think for the most part

people can say, in general, that is the case, major metropolitan cities as opposed to the city of Grand Island, which is nearly 60,000 people. We actually saw an, an increase in our keno gaming in '25 compared to '24. So it, it fluctuates, certainly, and, of course, casino gaming had an impact on, on keno wagering as well in town-- in, in town as well. Casino gaming had and impact on, on parimutuel racing. We expected that to happen, it did happen. We planned for it to make the best possible deal we can to brace for that. And we're very fortunate that we have casino gaming. Fonner Park would possibly not be-- would have gone the way of Aksarben without it, as would the whole state. So it has been terrific and the casino partner that we have, Elite Casino Resort, embraces our thoroughbred race days because they know people come to town for that with 162-room resort facility. It's an event when it happens here in Grand Island.

CLOUSE: And, and dropping it to 19, I don't have an issue with that, but how do you, how do you control that? Because if there are one part of your building and they go in the other, are you double checking? How-- what's your thoughts on that?

CHRIS KOTULAK: Just as there are trained people who purvey alcohol to look to know when to check, check IDs for age, we have our keno personnel to do that as well. And, again, it's important to emphasize, there will be no keno gaming on the casino gaming floor. The closest the keno is to the casino gaming floor is probably a furlong. That's 660 feet, or 220 yards, 2 football fields.

CLOUSE: Kearney didn't want casinos or gambling, so, or horse racing, so I don't know what that is.

J. CAVANAUGH: Other questions? Senator Quick.

QUICK: I don't have a question, but I want to thank you for being here today, and I know you do a great job at Fonner Park and we really appreciate you coming down here, so thank you.

CHRIS KOTULAK: Thank you. And we've seen some of you senators at senators' day. We'll have another one here again this season. Thank you

J. CAVANAUGH: Other questions? All right. Well, I just have one. Well, first, I'm going to ask you off the record when we get out of here, which house because, you know, that's my neighborhood--

CHRIS KOTULAK: Yes.

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J. CAVANAUGH: --that you grew up in. And I, I am a fan. It's a great neighborhood, so I appreciate that. Just to kind of go off of Senator Clouse's question, so is there a controlled entrance to the casino floor or how do you do that?

CHRIS KOTULAK: For the casino floor, yes, there is. They have a security guard at the casino gaming floor. But that no longer is operating in our grandstand facility. It's an entirely different building located adjacent to us. So the casino has their own policies, Nebraska Racing and Gaming Commission. But they have a security guard that is there to observe who comes and goes off the casino floor.

J. CAVANAUGH: And do they check IDs to make sure everybody that goes on there is 21?

CHRIS KOTULAK: It's not mandatory any longer, but if they-- again, if they see somebody who they think is, you know, I believe if they look younger than 30, you're going to get carded.

J. CAVANAUGH: Yeah.

CHRIS KOTULAK: Mm-hmm.

J. CAVANAUGH: And, then, so the keno, as you said, is a furlong--

CHRIS KOTULAK: Yes. Yes.

J. CAVANAUGH: --which is a way that-- so there's no risk of somebody being-- playing keno and then somebody assuming they're 21 then?

CHRIS KOTULAK: There, there would be a risk other than in, in order for someone to play keno, the keno writer, if they look like they are underage, they would card them or ask them to show their identification and not take their wager if they were or not.

J. CAVANAUGH: Well-- but my question is if we shift it to 19, then there's a different age for the casino and the keno.

CHRIS KOTULAK: Exactly. Right.

J. CAVANAUGH: So they're going to have to independently verify their age for--

CHRIS KOTULAK: Correct.

J. CAVANAUGH: --the casino.

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CHRIS KOTULAK: Yes, my apology. I didn't-- yeah, that, that's the case.

J. CAVANAUGH: OK. Just want to make sure. All right. Well, I appreciate you being here. Oop, Senator DeKay, another question.

CHRIS KOTULAK: Mayberry where it hits 58th Street, so between Leavenworth and Pacific.

J. CAVANAUGH: We'll talk afterwards.

DeKAY: That's what's frustrating to me, though, because when I go in a casino, they still think I'm younger than 21, but when I go into a keno parlor, they think I'm older than 19, so.

J. CAVANAUGH: And the question was?

DeKAY: There's no question.

J. CAVANAUGH: Thanks for being here.

CHRIS KOTULAK: Thank you.

J. CAVANAUGH: Next proponent.

ZACH MADER: Good afternoon, Vice Chair Cavanaugh and the members of the General Affairs Committee. My name is Zach Mader, Z-a-c-h M-a-d-e-r. I'm appearing on behalf of the Nebraska Thoroughbred Breeders Association in support of LB1001. The Breeders Association was founded in 1964 to promote breeding marketing and the use of thoroughbred horses in the state of Nebraska. We maintain a registration system for thoroughbred horses in Nebraska which is annually updated. Our organization represents the agricultural side of racing. Our members reside in the state and add value to our local businesses and communities, from veterinarian, farrier services, to hay and feed. Our top priority is to support the breeding and racing industry across the state. We want to thank Director Ricketts and this committee for the thoughtful changes outlined in LB1001 and look forward to a continued partnership to grow and promote agriculture and thoroughbred racing in Nebraska.

J. CAVANAUGH: Thank you. And I will see if there are any questions. Senator DeKay.

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DeKAY: Yeah, thank you. When it comes to thoroughbred horse breeding, typical size of a breeding operation, how many mares and do you use studs or AI or how does that work?

ZACH MADER: Yeah. So right now, presently, there's 15 or 16 studs in the state. A couple of you senators got to come to Judy Pryor's last year. She may have upwards of 20 or 30 mares at times on her farm. Beautiful place, almost smack dab in the north central part of Omaha. Now-- so we're talking from very small, one mare to maybe, maybe 30 would be the most in the state.

DeKAY: OK. Thank you.

J. CAVANAUGH: Any other questions? Senator Quick.

QUICK: Thank you for being here today, and I know I've had the opportunity to come out and, and talk to the horse breeders in, in Grand Island and out at Fonner Park, but, you know, I know there's been a struggle to promote horse breeding in the state, with the casinos coming in, do you see that, I mean, increasing and the numbers increasing for, for that?

ZACH MADER: You know, so going back to Chris's point of 700-and-some foals in 1985, when this casino bill passed in 2020, immediately our mare registration went to almost 200. That doesn't always mean that they're going to foal, but it's intent, basically. And for a couple years, we had a slow grind down, now we're taking a few more steps backwards. The, the breed program is not, is not funded well, we're hopeful.

QUICK: OK. Thank you.

J. CAVANAUGH: Other questions? Well, I, I got one for you, Mr. Mader. Thank you for being here. And sort of what Senator Quick was getting at, so that we've had the casinos for about 4 years, I think now, maybe 5 or 6, but is this, is it having the, the desired effect that we all hoped that it would actually expand the, the number of horses?

ZACH MADER: I think we're getting there. Locally, I think there's a lot of work to do. I mean locally as in the state of Nebraska, I think there's a lot of work to do.

J. CAVANAUGH: And is this bill-- I mean, obviously we passed a bill originally, my first year I remember was we passed the implementation bill and every year we've made some kind of changes to it. I assume

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that the suggestions in here are the, are the things that would address those concerns that you're talking about?

ZACH MADER: Yeah, I would think so, except for there's not actually a funding mechanism for like the breed program in this bill, that's something hopefully we'll maybe see in 2027 about.

J. CAVANAUGH: OK. Thank you. Always looking for things to fix. Any other questions? All right, thank you, Mr. Mader. Next proponent. Proponents? Oop, here we go.

ED ZIEMBA: Good afternoon.

J. CAVANAUGH: Good afternoon.

ED ZIEMBA: My name is Ed Ziemba, E-d, last name Z-i-e-m-b-a. I'm here on behalf of the Nebraska Quarter Horse Racing Association. We take care of the registration process, much like Zach alluded to as it relates to thoroughbreds. Senator Holdcroft and his staff were kind enough to allow us to provide input or at least our perspective on the proposed changes in LB1001, and I've also discussed things with the Racing Commission office and they were kind enough to take into consideration the things that we were talking about there. What I'm here for today is to ask the committee to consider a change, not to any of the legislation suggestions that are in LB1001, but an additional change as it relates to Nebraska-bred horses. OK? Right now, every racetrack that runs a race day is required to run a Nebraska-bred race. There are three requirements for-- to be a Nebraska bred: One, the horse has to be foaled in Nebraska; two, the mare that foals out, she needs to be registered with one of the registrars, either the Quarter Horse Association or the Thoroughbred Breeders Association; and then that mare must be resident in the state at least 90 days prior to foaling out. OK? There is an exception to that 90-day rule. And that says if that mare and foal is purchased at a nationally recognized sale, they're good to be here a minimum of 30 days ahead of time. What recently occurred and I've been asked to come forward to ask for your consideration of this is as it relates to the 30 days to waive that requirement if they're purchased at nationally recognized sales. For example, in Oklahoma, a week, 10 days ago, there was a sale of 1,000 head of quarter horses. People who wanted to purchase an animal there could not feel comfortable that they would meet that 30-day limitation, and they'd like that 30 day to be waived. So I'm here if you have any questions about what I'm talking about.

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J. CAVANAUGH: Thank you, Mr. Ziemba. We'll see if there are any questions. Senator DeKay.

DeKAY: Thank you. Right now, if they foal inside that 30-day window and they, as law is now, they can't be registered as a thoroughbred in the state of Nebraska?

ED ZIEMBA: So [INAUDIBLE] quarter horse. That's correct if they're purchased at a nationally recognized sale--

DeKAY: OK.

ED ZIEMBA: --and they foal out within that 30-day period. The mare comes into the state and she foals out in 15 days rather than, you know, sometimes that's a little unpredictable, weather comes into play, things like that. That foal would not be eligible and as an association and the breeders that came forward and asked, hey, can we change this?

DeKAY: Has that, has that happened before?

ED ZIEMBA: Sure.

DeKAY: And what happens to those foals? Do they stay registered in the state they were purchased from?

ED ZIEMBA: Well, they're, they're a little sour because of what happened, because they made a good faith effort, and that's all I'm saying.

DeKAY: All right. Thank you.

J. CAVANAUGH: Any other questions? Senator Rountree.

ROUNTREE: Yes, thank you so much, Vice Chair. And so with that 30 days, if they follow with 15 days and they're a little sour, does that mean that that foal would never be able to run here because it's not bred here?

ED ZIEMBA: No, it could run here, it just couldn't be registered, certified--

ROUNTREE: OK.

ED ZIEMBA: --let me rephrase that. The mare and the stallion are registered. You certify a foal that has met all those requirements,

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etcetera, etcetera. It just could not be certified as a Nebraska bred.
It could still run,--

ROUNTREE: OK.

ED ZIEMBA: --but, but there's races that are restricted to just Nebraska bred, and that's a specific advantage.

ROUNTREE: So it would be kind of like a transplant but not homegrown?

ED ZIEMBA: If you will, yes.

ROUNTREE: OK. Thank you.

ED ZIEMBA: It's the kind of bad luck that I might have. Thank you.
Good question.

J. CAVANAUGH: Other questions? I've got one. So in terms of this, would it still require that the, the mare be registered in Nebraska before the foal is, or what foaling, is that the word, foaling?

ED ZIEMBA: Mare is pregnant.

J. CAVANAUGH: Yeah. So to be a Nebraska certified bred, would the mare have to at least be, be registered in Nebraska before the foaling?

ED ZIEMBA: The mare has to be registered and the foal has to drop in Nebraska. Yes, that's an absolute requirement. So this is only about that, that situation of a nationally recognized sale purchase. The rest of them would still be 90 days.

J. CAVANAUGH: 90 days. And for those of us who are not veterinarians, what is the gestational period for--

ED ZIEMBA: 11 months.

J. CAVANAUGH: So in these instances, you're talking about one-offs or whatever. Is it that people don't have an idea of how close they are to foaling?

ED ZIEMBA: Well, not necessarily. I mean, they may have an idea, but some of these, some of the breeding goes on what they call live cover, maybe pasture bred, if you will, a stallion in, in there with a bunch of mares. But even still, to any of us who have children, know sometimes they come when they decide they're going to come rather than--

J. CAVANAUGH: Right.

ED ZIEMBA: --so. Those, those time frames, time frames could be shortened a little bit, or they could be lengthened a little bit. But, you know, a 30-day window is not much. All we're, all we're doing is saying, hey, as long as that mare would come into the state and be registered prior to and that baby is dropped here in the state, we think that that ought to be an option that's available to us.

J. CAVANAUGH: OK. And in terms of the broader goal of creating an industry of breeding and, and raising here, do you think it would have an adverse effect on that, that folks would then be looking more to buy at these big national sales as opposed to breeding in the state?

ED ZIEMBA: No, it's just an option. Sometimes maybe you want to upgrade your herd a little bit. You're looking for a new bloodline to bring in, something like that. That's why we have those sales. And, you know, there was-- this verbiage in the, in the legislation that exists today has been in place for a long time, way back when this parimutuel wagering passed. Things have changed. There's sales going on all the time. Thoroughbred and quarter horse. Thoroughbreds just had a big sale down in Kentucky within the past month. Things-- you know, there's options that are available. You don't have to be at an auction to buy anything. You can do it over your phone as long as you're registered. So there's--things have changed, that's all I'm saying.

J. CAVANAUGH: OK.

ED ZIEMBA: Yes.

J. CAVANAUGH: And as far as the growth in the industry here, I'll ask you the same question we've asked the other folks, are we seeing success in terms of growing the Nebraska herd?

ED ZIEMBA: On, on the quarter horse side of things, there was a point in time, and, and, and Senator DeKay was asking about, in the state there's, there's 85,000-plus quarter horses, and, and Chris Kotulak is absolutely right, not all of those are, are race bred. But the national average is 10% of them are race bred or have race breed. There's cutting horses, there's barrel racing, those, those kinds of things. But because the Quarter Horse Association and the quarter horse entities were eliminated from participating in what we call the small track fund, track distribution fund, the three race tracks that

were running in the state, boom, one went, two went, and finally the third went. It couldn't afford to run, it wasn't ensuring those revenues. So we're coming, we're coming back from ground zero. For the past 25 years, there's basically been one race every year to maintain a license so we can do this. It's starting to move forward. The best thing that happened to us was the race meet that we had this year in Ogallala, just four, four races, two races, three races. And all of a sudden, it's like, OK, we don't have to just take Ed Ziemba's word for it anymore. There is a new racetrack here. It's been built. There's horses running down the track and they're quarter horses, we might be interested. So, yes, there's been an increased interest. We're now-- at a, at a point in time, back in the '80s, we had 800, 900 stallions and mares in the state. That's a big industry, the ag base, that's what we're talking about. We're now, with the increases that we've had, we're up just about to 90.

J. CAVANAUGH: OK.

ED ZIEMBA: So it's coming, it's going to take a little while.

J. CAVANAUGH: Thank you.

ED ZIEMBA: Well, thank you.

J. CAVANAUGH: We'll see if any other questions from the committee? Seeing none, thank you Mr. Ziemba.

ED ZIEMBA: Thank you.

J. CAVANAUGH: Other proponents? No other proponents. So now we'll take opponents to LB1001. Any opponents? Wow. All right. Anybody in the neutral capacity on LB1001? Welcome to the General Affairs Committee.

JOHN HASSETT: Senator Holdcroft, members of the General Affairs Committee, I'm John Hassett, J-o-h-n H-a-s-s-e-t-t. And I thought I'd follow up with Ed because that was the exact point that I came down here to testify about. I'm a licensed horse owner in Nebraska. I've got thoroughbred and quarter horse mares. I'm part owner on 22 horses. 19 of them are either certified Nebraska bred or mares registered to foal in Nebraska. I was here in a neutral capacity, but hoping you would consider a change to the bill. And I was going to ask you to change the 30-day requirement for mares purchased at a nationally recognized sale to 1 day. So they have to be here in the, in the state. The-- both, both breeds need more mares and, and more Nebraska-bred foals. The, the 30-day restriction, it prevents a couple

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buyers every year. We don't even generally attend the January and February sales just, just because of the-- the projected foaling dates, the mares don't always foal when they're scheduled. I mean, they don't know what the date is. And I know this year out at Dave Anderson's farm, they had a foal come 30 days early. And had you brought that-- bought that mare out of a, a sale and brought her to the state, she wouldn't-- you wouldn't have been able to certify her as a Nebraska bred. So it, it does happen. I, I think the other point about you're going off the breeding dates in the catalog, and I've, I've sold a couple mares, and they don't even check the breeding date. They just ask me what it was, and I send it to them. I'm saying they're not always as reliable as, as you would think. So it's a minor change, but I know it, it, it would help both breeds, and we'd go down and look for mares in the January and February sales. So appreciate your time, if you have any questions.

J. CAVANAUGH: Thank you, Mr. Hassett. We'll see if any questions from the committee. Senator DeKay.

DeKAY: Thank you. I'm sure they are, but are all the horses, are they all DNA tested when they foal and mares and studs, both?

JOHN HASSETT: Could you repeat that, please?

DeKAY: Are they, are the foals all, are they all DNA tested?

JOHN HASSETT: Yes, yeah. Yeah, when you register.

DeKAY: Thank you.

JOHN HASSETT: Yep.

J. CAVANAUGH: Any other questions? Seeing none, I've got one for you, Mr. Hassett. Thanks for being here. Otherwise, you support the bill?

JOHN HASSETT: I, I do, and, and I appreciate-- Casey and Laurie have done a great job with the commission since they've, since they've been there. I go to all the meetings. It's much more organized, seems to be functioning very well, so. If they asked for some things, I, I, I hope you would support it. Yeah.

J. CAVANAUGH: All right. Well, thanks for being here.

JOHN HASSETT: Yeah.

J. CAVANAUGH: Anyone else in the neutral capacity?

LYNNE McNALLY: Good afternoon, Vice Chair and members of the committee. My name is Lynne McNally, L-y-n-n-e, M-c-N-a-l-l-y, representing the Nebraska Horsemen or the Nebraska HBPA, as we are formally known. Just want to say that we don't have any objections to the, to the cleanup bill that they're offering. As Mr. Kotulak said, there were 38 foals at the lowest point of breeding. And we're hoping with some clarification that we can start building that back up. Our casino revenue for WarHorse, in which Nebraska Horsemen are a partner, have been in business now for 2.5 years and a year and a half. So we're just starting to get revenue going and we had to build a complete back side on the, on the Lincoln track, in particular. There was no infrastructure whatsoever. We're laying water pipes and that kind of thing right now. So we've been putting a tremendous amount of resources financially into that project. After that happens, then we'll be able to transfer more of the money to purse payments, which is the priority. We don't have any direct interest in the keno changes. However, Fonner Park, that was a significant portion of their revenue before casinos existed. They are the hub for Hall County. So anything that could help them we appreciate because that's the main place that we run. They provide 31 days of live racing for us so anything that helps them financially would be very beneficial for the Horsemen as well. So if you have any questions, I'm happy to answer.

J. CAVANAUGH: Thank you, Ms. McNally. We'll see if the committee has any questions. Can I ask you a question, I guess?

LYNNE McNALLY: Sure.

J. CAVANAUGH: Which is, it sounds like you support the bill, how come you didn't come in proponent?

LYNNE McNALLY: None of it directly affected us so I felt it was better to just come-- I actually was not going to testify at all, but you had questions about thoroughbred breeding. So I thought in case you had questions, I'd testify.

J. CAVANAUGH: Well, Senator DeKay, any further questions about thoroughbred breeding?

DeKAY: I'm, I'm doing pretty well right now.

LYNNE McNALLY: Thank you.

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J. CAVANAUGH: Thanks for being here. Any other in the neutral capacity? Seeing none, Senator Holdcroft, is it-- welcome to close. And there were zero online comments.

HOLDCROFT: Thank you, Vice Chair Cavanaugh. Yeah, I, I just, you know, first of all, I did go out to Pryor Ranch, headed by June [SIC] Pryor. I think Senator Rountree was there and Senator Quick. So it was an excellent tour. She's very-- she's up there in age, but she's very vibrant, very enthusiastic about advancing thoroughbred breeding in Nebraska. And, in particular, she plans to donate her operation to the University of Nebraska. And so that brings us back to I think the whole idea behind tying casinos to horse racing was to try to bring back the thoroughbred or the horse breeding in Nebraska. It takes-- my understanding, and don't hold me to these numbers, but it takes-- it's going to take about 700 horses to do the circuit. So, you know, I think it's 15 days of at least 8, 8 races. You start in Fonner Park. You move across the state to Lincoln and then Omaha and up to Columbus. And to be able to do that, you're using the same horses. And only about 70 of them, or only about 10% of them, are actually being bred in the state of Nebraska. So we, we have some work to do here to try and promote that. I've had people tell us that we could be another Kentucky as far as being able to red-- to, to raise or breed thoroughbreds in Nebraska. We have the right climate. We have the right agriculture base and so I think we should do everything we can to promote that. So with that, I will answer any questions you might have.

J. CAVANAUGH: Thank you, Chairman. See if there's any questions from the committee. Senator DeKay.

DeKAY: The ranch that you visited, is that located in one of the 80,000 agriculture acres in Sarpy County or not?

HOLDCROFT: I'm moving it down to my district. No, it's, it's in north Omaha.

DeKAY: All right.

HOLDCROFT: But not a far drive.

DeKAY: For you.

J. CAVANAUGH: Any other questions? Senator Quick.

QUICK: It might not really be a question. I, I can remember them talking to us also about the veterinary services and promoting that and trying to help with the horses.

HOLDCROFT: Absolutely. I mean, it doesn't have a, a significant economic impact on the state. And so, yeah, while we were there, they had a vet out who was doing a sonogram on a, on a foal and looking for a heartbeat. And they didn't detect one yet, but they were, they were OK with that. But it was-- then we saw a ferrier-- what's it called, a ferrier? Yeah. I mean it's, it's got-- it has lots of entrail, or it has a lot of veins into the, into the community as far as expanding economic development or economic impact.

J. CAVANAUGH: Any other questions? Oh, Senator Rountree.

ROUNTREE: Thank you so much, Vice Chair. It's just a comment versus a question, but, you know, during the course of that visit we talked so much about bringing in a lot of our younger people and just getting the breeding process and the environment revitalized again. So it was [INAUDIBLE].

HOLDCROFT: Yeah, there were two young ladies that she hired specifically because they were, they were learning the trade, almost interns. The, the horses were very calm around them, they were very, very good. And I think the idea of bringing the University of Nebraska into it also will also increase the young people's participation.

J. CAVANAUGH: Any other questions? Seeing none, that will close the hearing on LB1001. And we will be moving on to LB1047, which is the bill I'm sure everyone's been waiting for today.

HOLDCROFT: Oh, yeah. Yeah, bingo.

J. CAVANAUGH: I'm very curious. Go ahead, Senator Holdcroft, you are welcome to open on LB1047.

HOLDCROFT: Thank you. Good afternoon, Vice Chairman Cavanaugh and members of the General Affairs Committee. For the record, my name is Senator Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t, and I represent Legislative District 36, which includes west and South Sarpy County. LB1047 intends to update to the, intends to update to the Nebraska Bingo Act. This update would do two things: First, it would provide relevant updates to the act, to the act to authorize music bingo as a charitable form of bingo. Second, it would increase the amounts that can be charged for a bingo card and the amounts awarded

as prizes. Currently, music bingo does not meet the strict definition of bingo under the act. Bingo is defined as a game played with randomly drawn numbers, which a player marks off on their card. With music bingo, instead of calling out random numbers, music bingo is conducted by randomly playing song titles, song genres, or musical artists. Players then identify the songs, genres, or artists, and like regular bingo mark them off on their card. Music bingo is otherwise played like regular bingo in terms of filling your card with enough marked, marked spaces to win. Because music bingo does not meet the strict, numbered-based definition of bingo in the Nebraska Bingo Act, it falls into the definition of a gift enterprise. Gift enterprises are defined under Chapter 9, Section 701, as a contest, game of chance, savings, promotion raffle, or game promotion. Gift enterprises are restricted to for-profit corporations. Nonprofit entities are categorically prohibited from offering such gift enterprise activities. LB1047 remedies this definitional problem by defining bingo under the Nebraska Bingo Act to include music bingo and, thereby, allowing nonprofit organizations to utilize it as a form of charitable gaming. Related to this first set of changes to authorize music bingo under the Nebraska Bingo Act, after some conversations with the Department of Revenue Charitable Gaming Division, I will be working on an amendment to more narrowly focus this legislation. Right now, LB1047 is written in a way that allows Class I and Class II licenses for music bingo. However, I do not think that is currently necessary. Instead, I will limit music bingo to special event licenses, but in doing so I will seek to increase the number of times bingo can be offered under a special event license to four, to four times a year. This should give our nonprofit organizations a mechanism for offering this entertaining and unique form of bingo, but without requiring us to create a whole new regulatory framework around music bingo through Class I and Class II licenses or potentially infringe on those entities offering traditional bingo under these licenses. The second set of changes in LB1047 raises the limits on how much can be charged per bingo card and how much can be awarded in prizes. Currently, for the purposes of special event bingo, a nonprofit can only charge 25 cents per card. Additionally, they are limited to prizes not to exceed \$25 for any bingo game. These limits date back to 1984 and have not been changed since then. LB1047 raises that limit up to \$1 per card and no more than \$50 for a prize awarded for any bingo game. This should make charitable bingo nights more financially impactful for nonprofits and more attractive to those wishing to participate and hoping to win. To conclude, LB1047 is a straightforward, narrowly tailored, and noncontroversial change to our

Transcript Prepared by Clerk of the Legislature Transcribers Office
General Affairs Committee January 26, 2026
Rough Draft

state law. It amends the Nebraska Bingo Act to ensure nonprofit organizations can conduct one popular form of bingo and assist them with raising money for charitable purposes in an entertaining and attractive manner. Vice Chair Cavanaugh-- Vice Chairman Cavanaugh and members of the General Affairs Committee, thank you for your time and consideration. I would be happy to take any questions. I can feel, otherwise, there will be some folks behind me who can answer more technical and practical questions about music bingo.

J. CAVANAUGH: Thank you, Chairman Holdcroft, and thank you for bringing this interesting and unusual topic before the committee. Always excited--

HOLDCROFT: My pleasure.

J. CAVANAUGH: --to learn new things. We'll see if there are questions. Oop, Senator Andersen.

ANDERSEN: Thank you, Vice Chair. Thank you, Senator Holdcroft. Just out of curiosity, why four times a year? What's that arbitrary number?

HOLDCROFT: That's it, pretty arbitrary. I think that's about what we're talking here for these nonprofits.

ANDERSEN: Thank you.

J. CAVANAUGH: Other questions? Senator Quick.

QUICK: Thank you. I don't know if you mentioned it or if you know, but is there a limit to how much, like, a certain amount-- dollar amount per night that they could give away in prizes?

HOLDCROFT: I do not know the answer to that question, but I can find out.

QUICK: OK. All right. Thanks.

J. CAVANAUGH: Any other questions? Seeing none, will you stick around to close?

HOLDCROFT: Yes, I'll be here.

J. CAVANAUGH: Thank you, Chairman. And we will now take proponents for LB1047. Welcome to the General Affairs Committee.

ELLIOTT PIPER: Thank you. Good afternoon, Chairman and committee. My name is Elliott Piper, E-l-l-i-o-t-t P-i-p-e-r, and I own a company called the Music Bingo People and this is perhaps going to be a little hard to believe but music bingo has been my full-time job for about 7 years. I have a staff of five, six now, but we do roughly 1,100 games a year. But you will find, at the top of our website and our Facebook page, and it has been there since 2017, people over profit. I would like to, one, answer questions about how the game works, if you have any, but, two, to tell you what we get to do for our local communities using music bingo. My staff do music bingo at bars and taverns at night, but my full-time day job is senior center music bingo. Those are low-cost games, the city of Lincoln being one of the clients. We do all of the aging partners' locations including the VA on a rotating basis and the city pays \$75 per game, whereas the normal price for bars is \$200, and for private parties, you know, more than that. But that is my full-time job. It makes up about 40% of our business. And before the rules, I guess, were clarified that prevented nonprofits and fundraisers from using bingo in a certain manner, we also did a ton of fundraisers for Habitat for Humanity and Good Samaritan and CASA, which is one of my favorite charities. We used to do a lot of events for them. I don't know the economics of gift enterprise and things like that. I am an entertainer through and through. Love this job more than anything else and if this bill were to go through, we would have the opportunity again to raise money for, for especially the nonprofits that handle local and Nebraska-based nonprofits. That is all that I have.

J. CAVANAUGH: Thank you, Mr. Piper. We'll see if there are any questions from the committee. Any questions? Senator Rountree.

ROUNTREE: Thank you so much, Vice Chair. And thank you so much for your testimony and explaining about the music bingo. So tell me a little bit about when you go into a VA, you usually do--

ELLIOTT PIPER: Yeah, of course.

ROUNTREE: --tell me about a normal process.

ELLIOTT PIPER: They-- I, I, I didn't think to bring my cards, even though I was told to and I apologize, but they get large bingo cards with 25, well 24 songs on them because the middle square is a free square. The game in senior centers is designed so that really everybody competes for the number of bingos they can get. You're pretty much guaranteed just by probability that by the end of the game

you'll get one or two, but some folks get seven or eight, and basically fun size candy is the-- and I go-- I have a candy supplier that has Choward's Peppermints and root beer barrels and even candy, candy cigarettes, classic candies that sometimes bring back memories. But the songs are all from, depending on where I'm going, I get an age range, but those songs could be '30s, '40s, and '50s or '50s, '60s, and '70s depending on what type of facility it is. So a lot of rehab places will be higher up because we've got younger folks in there. But, yeah, that's about how it works. I play the songs for about 30, 40 seconds at a time and we also talk about the year that they came out. Between every song, I tell them about who the artist is, where the song comes from, who wrote it, things like that.

ROUNTREE: Sounds like a lot of fun. OK. Thank you.

ELLIOTT PIPER: Thank you very much.

J. CAVANAUGH: Other questions? Senator Quick.

QUICK: Yeah. And I don't know if you heard what I asked Senator Holdcroft, and I know it's like a \$50-- the bill's proposing like a \$50 limit on the prize.

ELLIOTT PIPER: Yes.

QUICK: Is there a total number or can you give as much away as you want for that evening?

ELLIOTT PIPER: I, I think-- I understand that the cap on cash prizes is probably determined or at least motivated by, by other laws that we have that I'm not familiar with. Most of the time, local businesses will donate a prize. I don't personally see a ton of cash prizes going out for music bingo, even during our fundraising. Most of the time, those prizes are physical items that are donated, or gift cards, things like that, that are donated by other local businesses. I very rarely see cash prizes, and I'm not sure I would agree with a large cash prize in a fundraiser anyways. I think prizes should be collected by donations as much as possible.

QUICK: Thank you.

ELLIOTT PIPER: Yes.

J. CAVANAUGH: Other questions? I've got a question. OK, so--

ELLIOTT PIPER: Yeah.

J. CAVANAUGH: --you, you don't have to actually know the name of the song?

ELLIOTT PIPER: Not in the senior centers. That, that is called out like regular bingo. In my opinion, even for young folks and everybody of all ages, knowing all the words to a song is easy. I do not believe the same reliability is in your brain with song titles. Unless it's right there in the chorus, it can easily be lost. In the bars and taverns, we do allow folks to use their phones, or at least we don't enforce a rule that doesn't let them. One, because you couldn't, and it-- just people not using their phones would immediately be a disadvantage for anybody. You can have Shazam on your watch now. So I don't even need to see their phones, they can use it on their watch. And the second is that the songs, even in the bar and taverns, range from the '50s to today. You might find Fats Domino next to Lady Gaga on our playlist. That can sometimes happen, so. I don't enforce a rule that prevents people from using their phones, and that's more just for the fun of it. I, I think we would have games where nobody wins if we didn't allow people to use their phones. Just too much of a range of music.

J. CAVANAUGH: And that 1,100 games a year, that's in Nebraska?

ELLIOTT PIPER: Almost all of it, yeah. I do go up to, for the senior part, I do up to South Dakota and Iowa, and then we are often hired, you'll find us most times at the Younes Center in Kearney, but we also do a lot of things in Kansas City, just south.

J. CAVANAUGH: All right. Any other questions from the committee?
Seeing--

DeKAY: No, no, I'll wait.

J. CAVANAUGH: Seeing none, thank you, Mr. Piper.

ELLIOTT PIPER: Thank you for your time.

J. CAVANAUGH: Any other proponents for LB1047?

ANGELA GROTE: Good afternoon. I'm so happy to be here today. My name is Angela Grote and I am the Vice President of Advancement at VJ and Angela Skutt Catholic High School in Omaha. Skutt Catholic is a

National Blue Ribbon School recipient in 2012 and 2022. Our current enrollment is 721--

J. CAVANAUGH: Ms. Grote, could you speak a little bit louder?

ANGELA GROTE: Oh, certainly. I'm sorry. Our current enrollment is 721 students who represent 48 zip codes. I'm here today to speak on behalf of our SkyHawk community and the broader nonprofit sector regarding the vital need to modernize our fundraising toolkit. My testimony will focus on the legalization of music bingo, directly strengthening the financial health and community reach of Nebraska's charitable organizations and private educational institutions. Skutt Catholic has reached out to Nebraska's Gaming Commission proactively in the past regarding other fundraising initiatives we have hosted to assure the school has been in compliance with laws and regulations. Representatives from the commission have been very helpful in answering our questions and providing counsel. At Skutt Catholic, our mission is to form Christian leaders, and a key part of that is ensuring a Catholic education remains accessible through tuition assistance. However, traditional fundraising events have become increasingly expensive to host, often requiring massive overhead for catering and venues. Music bingo, by contrast, is a low overhead, high-margin event, allowing us to charge a modest entry fee just as the law permits for traditional bingo. This bill provides a scalable way to turn a small investment into thousands of dollars of direct program fundraising. These funds that go straight towards student financial assistance that keep a Skutt Catholic education accessible to families of all backgrounds. In the world of advancement, we are constantly looking for ways to engage our younger alumni and school families. Traditional bingo often appeals to one demographic, while high-end silent auctions appeal to others. Music bingo is generation blind and allows us to bring together grandparents, parents, and young alumni in an interactive, high-energy environment. For Skutt Catholic, this isn't just about a single night of revenue. It's about donor acquisition, building a pipeline of lifelong supporters who feel connected to our mission through a shared, joyful experience. And music bingo is uniquely designed for community partnership. Under LB1047, we could partner with local Omaha businesses to sponsor or host a round of music. These partnerships provide local small businesses with valuable exposure while helping us to cover prize costs. It fosters a buy local, give local ecosystem that is currently stifled by the strict letters and numbers' restriction of the 1970s Bingo Act. And, lastly, we must consider the burden on our volunteers. Large-scale galas often lead to volunteer burnout due to the sheer

complexity of planning. Music bingo is simple to organize and requires a smaller, more focused team of volunteers. By giving us access to modern, efficient tools like this, you ensure that we can continue to fund our mission without exhausting the parents and community members who are the lifeblood of our school. By passing LB1047, you are removing a barrier to self-sufficiency for Nebraska's nonprofits. You are giving schools like Skutt Catholic the ability to innovate and fund our own mission more effectively. I urge you to please support this bill to help every organization working to make Nebraska and our students' futures brighter. Thank you for your time and consideration. Sorry to be long.

J. CAVANAUGH: That's all right. Thanks for being here, Ms. Grote. Let me see if anybody has any questions for you. Senator DeKay.

DeKAY: Thank you. When you're talking about a modest entry fee, is that a fee to-- for admission into the facility or is that based on the amount of bingo cards that you purchased to play at that, that night?

ANGELA GROTE: It would be like a, a, a fee to come to the event. If, if we are hosting an event for adults, and we may also be interested in hosting a music bingo event as a recruitment tool that would be free for middle school students to attend. So there would be no fee in that case. But otherwise, yes, it would be like an admission to, to the event, and then the money raised would go to support Skutt Catholic's financial assistance program.

DeKAY: And then the, and then the bingo card would be a small extra fee on top of that?

ANGELA GROTE: Yes.

DeKAY: [INAUDIBLE] how many cards you-- do you limit the amount of cards they are able to play?

ANGELA GROTE: Yes, that the school would then purchase through a, a licensed vendor.

DeKAY: Thank you.

J. CAVANAUGH: Any other questions from the committee? Seeing none, thanks for being here.

ANGELA GROTE: Thank you very much.

J. CAVANAUGH: Any other proponent testimony? Welcome.

TOM VENZOR: Hello, Vice Chairman Cavanaugh, members of the General Affairs Committee. My name is Tom Venzor, T-o-m V-e-n-z-o-r. I'm the Executive Director of the Nebraska Catholic Conference. I've been doing my job for 10 years now, and I don't think I've ever been in front of General Affairs Committee, so it's nice to be in front of all of you, so. My predecessor, Jim Cunningham, who had been in my role for almost 40 years, he always told me, you know, beware, look out for legislation related to bingo, it might affect our parishes and schools and it's been 10 years, and this is my first bill so nice to be in front of you all. But, basically, yeah, I think what we're here for is we have 112 Catholic schools across the state, there's over 250, I think, nonpublic schools total across the state. We've got 400 churches across the state and as we looked into this and as this problem was brought up to us, it-- basically, music bingo is not an authorized form of gaming. It's sort of a little bit in the gap between, it's not under definitionally, as you heard from Senator Holdcroft, it's not definitionally defined as bingo. So, therefore, it falls under as a gift enterprise, but we can't do gift enterprises. So this is just basically a small fix to allow for music bingo to be done by nonprofits. And, as Senator Holdcroft said, I, I think-- you know, we're not looking to, you know, start having music bingo halls everywhere and getting, getting into the Class I and Class II licenses that are under the Music Bingo Act. It's more just the ability to have these special event bingo licenses to have the events occasionally and use them as a fund-- as an opportunity for fundraising for any number of things whether that's tuition assistance or just helping things out at the general level to operate a school, or a parish, or what have you, or, again, just another thing just to bring people together for community. From just some of the people I've been talking to that have played music bingo and other settings, you know, they just talk about how exciting and entertaining the night really is. And, and, as you heard from Angela, just bringing together just multigenerational groups of people to just really have a great form of entertainment. So we're here in support of the bill and, and in hope that it can advance easily. And it'd be nice to see a unanimous vote on this. I don't have a lot of bills where it's unanimous votes. So I'd really appreciate that. But if you have any questions, happy to answer them.

J. CAVANAUGH: Thank you, Mr. Venzor. Any questions from the committee? Seeing no questions, I've got one for you.

TOM VENZOR: Sure.

J. CAVANAUGH: How about meat wheels?

TOM VENZOR: How about what?

J. CAVANAUGH: Meat wheels.

TOM VENZOR: Meat wheels.

J. CAVANAUGH: Do you not know meat wheels?

TOM VENZOR: I do not. I have to be educated on this. Yeah.

J. CAVANAUGH: Wow, yeah, I should have asked you about the meat wheels. Well, this, this-- that is something that the Catholics of Omaha could bring to the Catholics of Lincoln, I suppose.

TOM VENZOR: Yes, we didn't have that in Schuyler when I was in the archdiocese of Omaha, so. But, yes, I'm happy to entertain those.

J. CAVANAUGH: Thank you for being here.

TOM VENZOR: All right. Thank you very much for your time.

J. CAVANAUGH: Any other proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Come on up.

BRIAN ROCKEY: Good afternoon, Vice Chairman Cavanaugh and members of the General Affairs Committee. I'm Brian Rockey, B-r-i-a-n R-o-c-k-e-y. I serve as the Director of the Nebraska Lottery and Charitable Gaming Division by the Department of Revenue and I'm here in a neutral capacity on LB1047. The main question is whether music bingo should be included as a type of bingo or as a part of the special event bingo classification. Including music bingo in the special event category in Section 9-230.01 and increasing the number of allowed events to four per year would likely accomplish the intent and avoid potential unintended consequences which would result from necessary statute and regulations changes needed to reconcile the existing act with the new inclusion. And that's two per Senator Andersen's question about the number of events. Typically, the current number is two, so that's how you go to four. I'll skip over the discussion about Class I and Class II that you'll see in my testimony because Senator Holdcroft mentioned the amendment to address that. Section 4 amends 9-230. Currently, no entity other than licensed organization or qualifying nonprofit may conduct a game of bingo in which the player is charged to play. Section 4 does not change this

aspect. The only entities that may charge or play bingo are licensed organizations and qualifying nonprofits. The other limitation, though, currently says that no person other than a licensed organization can award a prize in excess of \$25 for any single bingo game. This bill would increase that prize amount to \$50. Together this means that licensed organizations and qualifying nonprofits can charge to play and award prizes greater than \$50. Another practical effect is that-- of this bill is that an entity other than licensed organizations or qualifying nonprofit could operate bingo free of charge, but the prize for any single game must be \$50 or less. I'd be happy to answer any questions.

J. CAVANAUGH: Thank you, Mr. Rockey. We'll see if there are any questions from the committee. Senator Quick.

QUICK: On that-- I don't know if you heard my question earlier, but is there a limit on like-- or could you-- like if 100 people win \$50, you can give away, or is there a limit of how much can be given away on one given night?

BRIAN ROCKEY: I think the only limit that applies is just the, the size of the price itself.

QUICK: The size. OK.

BRIAN ROCKEY: I think that the economics of the, of the offering probably affects the limit more than anything.

QUICK: Yeah. OK. All right. Thank you.

J. CAVANAUGH: Any other questions? I've got one for you about the, the increase of 25 cents to \$1. Can you just speak to that? I don't think you commented on that.

BRIAN ROCKEY: The-- but there is a cost associated with producing the, the materials or procuring the materials. And so our, our thinking is that the increase would allow the, the organizations to recoup their costs.

J. CAVANAUGH: So that's a reasonable increase, what you're saying?

BRIAN ROCKEY: Mm-hmm.

J. CAVANAUGH: OK. And any other questions? Nope. All right. Thank you, Mr. Rockey.

BRIAN ROCKEY: Thank you.

J. CAVANAUGH: Anyone else in the neutral capacity? Seeing none, Senator-- Chair Holdcroft, you're invited to close on your bill. And there is one online comment and it's a proponent.

HOLDCROFT: Proponent. So, yeah, I think, we-- I, I still have an amendment to bring to clarify that, you know, an event, it's going to be an event so that we don't encroach in on the Class I, Class II licenses. So not quite ready to go exec on this, but I think it's a great thing. I, I think it's fun. I think it's great for our nonprofits to put these on and, and, and make it a little bit of a fundraiser, limited. And, and so I appreciate when we get a chance to, to get it out, out 8-0, so. With that, I'll answer any questions.

J. CAVANAUGH: Thank you, Chair Holdcroft. Are there any questions from the committee? Seeing none, got off easy. Thank you, Chair. That concludes the hearing on LB1047.

HOLDCROFT: I'd like to hold just a real quick exec, please.