



Ninety-Ninth Legislature - Second Session - 2006
Committee Statement
LB 1039

Hearing Date: February 13, 2006
Committee On: General Affairs

Introducer(s): (McDonald, Wehrbein)

Title: Provide for and establish limits on expenditure of state lottery revenue

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

6	Yes	Senators Cornett, Erdman, Fischer, Friend, Landis, Wehrbein
2	No	Senators Connealy, Janssen
0	Present, not voting	
0	Absent	

Proponents:

Senator Vicki McDonald
Walter Radcliffe
Mark Halverson
Jerry Bauerkemper
Harlan Vogel
Janet Johnson
Gina Fricke
Dawna Preitauer

Representing:

District # 41
Intralot, Inc./Nebraska Broadcasters Association
Nebraska Broadcasters Association
Nebraska Council on Compulsive Gambling
Heartland Family Service
Choices Treatment Center
Heartland Family Service
First Step

Opponents:

Representing:

Neutral:

Mary Jane Egr Edson

Representing:

Department of Revenue

Summary of purpose and/or changes:

LB 1039 caps the State Lottery advertising budget at 3 ½ % of a fiscal year's ticket sale revenue and requires that at least 10% of the advertising budget be used for advertising on problem gambling prevention, education and awareness.

The State Lottery's current advertising budget is 3% of sales. It also has a promotions budget of 1% of sales. The promotions budget is used to add value to games through promotions and contests. There is currently no requirement that any of the advertising budget be used for problem gambling advertising.

Details

Section 1 amends §9-801, which cites the State Lottery Act, by making a reference to the new sections.

Section 2 amends §9-803, relating to the purposes of the State Lottery Act, by creating a new subsection stating that the definition of "expenses" is to include all costs relating to the operation and administration of the state lottery and from all contracts the Lottery enters into for goods or services.

Section 3 creates new language stating that no more than 3 ½ percent of the lottery ticket sales revenue, from the previous fiscal year, may be spent on "advertising, promotions, incentives, public relations, marketing, or contracts . . ."

Section 4 creates new language stating that the Lottery Division is to spend no less than 10% of its advertising budget on problem gambling prevention, education and awareness messages. Provides procedures for this advertising and provides a description of what is to be included in the Lottery's advertising budget.

Section 5 repeals the original sections.

Explanation of amendments, if any:

The committee amendment deletes sections 2 and 3 of the original bill. This eliminates the 3½ % cap on advertising, promotions, incentives, public relations, marketing and contracts, and eliminates the proposed new definition of "expenses."

The committee amendment also reduces the percentage amount, from 10 to 5, of the advertising budget that the lottery division must spend on problem gambling prevention, education and awareness messages.

Senator Ray Janssen, Chairperson