



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 733

Hearing Date: January 31, 2005
Committee On: General Affairs

Introducer(s): (Bourne)
Title: Provide for electronic pickle card devices

Roll Call Vote – Final Committee Action:

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

Vote Results:

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

Proponents:

Senator Pat Bourne
Jeremy Damgaard
Ray Basili
Jim Bourne
Jim Moylan

Representing:

Introducer, District #8
Precision Distributing
Downtown Bosing Club Inc.
Sowers Club of Lincoln
Nebraska Licensed Beverage Association

Opponents:

Al Riskowski
Lyle Japp
Pat Loontjer

Representing:

Nebraska Family Council
Gambling with the Good Life
Gambling with the Good Life

Neutral:

Representing:

Summary of purpose and/or changes:

LB 733

LB 733 would authorize the use of electronic pickle card devices under the Pickle Card Lottery Act.

Section 1 creates new language authorizing the use of a coin-operated or currency-operated electronic pickle card device. Describes the type of electronic devices that may be used; prohibits device from dispensing coins, currency or tokens, accumulating credits; does not authorize chance or random generation, a light on top of the device, a handle on the side, or spinning reels. Limits licensed organizations to no more than 2 electronic pickle card devices per pickle card lottery location, and limits number of devices per location to 2. Provides that the devices are to be purchased and owned by a licensed organization. Allows the Department of Revenue to promulgate rules and regulations.

Section 2 defines an electronic pickle card device as a device authorized under section 1.

Section 3 amends §9-301, which cites the Nebraska Pickle Card Lottery Act, by adding a reference to sections 1 and 2.

Section 4 amends §9-303, containing definitions, by adding a reference to section 2.

Section 5 amends §9-304, relating to allowable expenses under the act, by adding the repair or maintenance of a pickle card dispensing or electronic device to the list of allowed expenses.

Section 6 amends §9-307, which defines “distributor”, by adding references to electronic pickle card devices.

Section 7 amends §9-313, which defines “manufacturer”, by adding reference to electronic pickle card devices.

Section 8 amends §9-315, which defines “pickle card”, by adding that the definition includes electronically dispensed pickle cards that are opened by use of the device by moving a finger over the face of the displayed pickle card; deletes reference to *disposable* cards, and renumbers sections.

Section 9 amends §9-317, which defines pickle card unit, by adding a reference to electronic pickle card units and adds that the described unit is *purchased or otherwise obtained* in addition to being sold by a distributor.

Section 10 amends §9-322, relating to Department of Revenue powers, functions and duties, by adding electronic pickle card devices to the list of devices of which the Department may require annual registration compliance. Adds electronic pickle card devices to the list of what may be confiscated, seized, or sealed by the Department.

Section 11 amends §9-329.02, relating to pickle card operator licenses, by adding that an electronic pickle card device may not be purchased by an operator who sells individual cards by an electronic device, and that such devices are to be obtained from a licensed organization and rented or leased for at least \$75 per month per device.

States that the department may require verification of an electronic pickle card device purchase and of its lease or rental.

Section 12 amends §9-331, relating to distribution, by adding reference to electronic pickle card devices; clarifies that licensed organizations shall not accept anything of value from a distributor in exchange for a commitment or agreement to exclusively sell the distributor's electronic pickle card devices; includes language clean-up.

Section 13 amends §9-332, relating to manufacturers licenses, by adding reference to electronic pickle card devices and clarifies that nothing in the act prohibits a manufacturer from marketing or selling pickle cards or pickle card units *or* electronic pickle card devices to federally recognized Indian tribes for use in *Class II or Class III* gaming authorized by the Indian Gaming Regulatory Act.

Section 14 amends §9-332.01, relating to pre-selling activities by manufacturers, by adding references to electronic pickle card devices.

Section 15 amends §9-333, relating to manufacturers' records, by adding reference to pickle card units dispensed through electronic pickle card devices.

Section 16 amends §9-334, relating to nonresident manufacturers, by deleting reference to the sale of only pickle cards and pickle card units.

Section 17 amends §9-336, relating to pickle card serial numbers, by deleting reference to pickle cards or pickle card units only.

Section 18 amends §9-337, relating to pickle card construction standards, by requiring electronic displays, allows the Department to authorize use of pickle cards from electronic pickle card devices or which are encrypted with a bar code and are to be sold and played through an electronic pickle card device, includes other clarifying language.

Section 19 amends §9-338, relating to restrictions on manufacturers, by adding reference to electronic pickle card devices, allows manufacturers to encrypt a pickle card with a bar code so it can be sold and played through an electronic pickle card device, includes other clarifying language.

Section 20 amends §9-340, relating to the sale of pickle cards and pickle card units, by adding reference to electronic pickle card devices, adds reference to Class III gaming, requires Department approval for the sale of electronic pickle card devices anyone other than entities authorized under the Act or to a federally recognized Indian tribe. Requires Department approval of electronic pickle card devices to be sold. Further allows the Department to require payment by manufacturer for costs incurred in examining or testing the electronic pickle card device.

Section 21 amends §9-340.02, relating to pickle card units, by adding reference to electronic pickle card devices. Requires an organization to pay for an electronic pickle

card device by check drawn on their checking account. Allows a manufacturer to use a distributor for sales to licensed organizations.

Section 22 amends §9-342, relating to licensed organizations, by adding reference to electronic pickle card devices.

Section 23 amends §9-343, relating to distributor records, by requiring the maintenance of certain records of the sale, lease, or rental of the electronic pickle card device.

Section 24 amends §9-345.01, relating to conduct of lottery, by clarifying that a licensed organization may conduct a lottery using electronic pickle card devices, but only at its designated premises, its regularly scheduled bingo occasions, and its limited period bingo conducted under the Bingo Act, and at the premises of one or more pickle card operators.

Section 25 amends §9-345.02, relating to flare card posting, by requiring flare cards for each pickle card unit to be conspicuously displayed.

Section 26 amends §9-345.03, relating to device registration, by adding reference to electronic pickle card devices.

Section 27 amends §9-346, relating to determination of winners, by adding reference to electronic pickle card devices, and adding that if a conflict exists between the prize displayed by an electronic device and the actual ticket issued by the device, the actual ticket prevails.

Sections 28 through 34 amending §9-347, relating to use of proceeds; §9-348, relating to definite profit; §9-349, relating to reporting, §9-350, relating to tax commissioner powers; §9-351, relating to unauthorized sale or possession of pickle cards; §9-352, relating to penalties; and §28-1101, relating to gambling offenses, by adding reference to electronic pickle card devices.

Section 35 amends §77-3001, relating to the Mechanical Amusement Device Tax Act, by clarifying that the electronic pickle card device is not a mechanical amusement device under the Mechanical Amusement Device Tax Act.

Section 36 contains a severability clause.

Section 37 repeals the original sections.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson