

## LEGISLATIVE BILL 724

Approved by the Governor April 04, 2018

Introduced by Wayne, 13.

A BILL FOR AN ACT relating to the Nebraska County and City Lottery Act; to amend section 9-650, Reissue Revised Statutes of Nebraska; to provide for segregation of keno funds, electronic fund transfers, and deposit of gross proceeds by a sales outlet location as prescribed; to provide powers and duties for the Department of Revenue and the Tax Commissioner; and to repeal the original section.

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

Section 1. Section 9-650, Reissue Revised Statutes of Nebraska, is amended to read:

9-650 (1) The gross proceeds of any lottery, less the amount awarded in prizes and any salary, fee, or commission paid to a licensed lottery operator plus any interest on such funds, shall be segregated from any other revenue and placed in a separate account of the lottery operator and the county, city, or village. If a lottery operator is conducting a lottery on behalf of a county, city, or village, such proceeds, including any interest, shall be transferred from the lottery operator's separate account to a separate account of the county, city, or village. Any interest received by a county, city, or village from the proceeds of the lottery shall be used solely for community betterment purposes.

(2) During the hours that keno is conducted at a sales outlet location, cash constituting the starting bank of the lottery operator conducting the keno game and cash receipts from the sale of keno tickets shall be segregated from all other revenue of the sales outlet location. Subject to the adoption and promulgation of rules and regulations by the department setting forth recordkeeping and reporting criteria for lottery operators, counties, cities, and villages that request authorization from the department for the use of electronic transfers from satellite locations, cash receipts from the sale of keno tickets shall remain segregated from all other revenue of the sales outlet location until deposited in the bank account of the sales outlet location, lottery operator, county, city, or village. Such bank account shall be designated by the lottery operator, county, city, or village.

(3) The Tax Commissioner may authorize the electronic transfer of funds from the nonsegregated general business account of a sales outlet location to the bank account of a lottery operator, county, city, or village as long as such funds are transferred no later than five business days following the day the funds were collected. To facilitate the electronic transfer of such funds to a lottery operator, county, city, or village that has met the requirements of the rules and regulations adopted and promulgated pursuant to subsection (2) of this section, a sales outlet location may first deposit such funds into a non-segregated general business account of the sales outlet location.

(4) The gross proceeds of any lottery, less the amount awarded in prizes, which are collected by a sales outlet location shall be deposited into the account of the sales outlet location, lottery operator, county, city, or village no later than five business days following the day such gross proceeds were collected.

(5) Separate records shall be maintained by such licensed county, city, or village. Records required by the Nebraska County and City Lottery Act shall be preserved for at least three years unless otherwise provided by rules and regulations adopted and promulgated by the department. Any law enforcement agency or other agency of government shall have the authority to investigate the records relating to lotteries and gross proceeds from such lottery at any time. Any county, city, or village shall, upon proper written request, deliver all such records to the department or other law enforcement agency for investigation.

Sec. 2. Original section 9-650, Reissue Revised Statutes of Nebraska, is repealed.