

**ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB541**

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**Hearing Date:** Monday February 06, 2017  
**Committee On:** General Affairs  
**Introducer:** Quick  
**One Liner:** Change provisions of the Nebraska Lottery and Raffle Act relating to gross proceeds restrictions, special permits, and prize percentages

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Blood, Harr, Krist, Larson, Quick, Riepe, Wayne  
**Nay:** 1 Senator Brasch  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**  
Senator Quick  
Scott Smathers  
Jerry McDonald  
Steve Wilson

**Representing:**  
Introducer  
Nebraska Sports Men's Foundation  
Pheasants Forever  
Ducks Unlimited

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

Under current 9-402(1), the stated purpose of the Nebraska Lottery and Raffle Act is to protect the health and welfare of the public, to protect the economic welfare and interest in certain lotteries with gross proceeds greater than \$1,000 and certain raffles with gross proceeds greater than \$5,000, to insure that the profits derived from the operation of any such lottery or raffle are accurately reported in order that their revenue-raising potential be fully exposed, to insure that the profits are used for legitimate purposes, and to prevent the purposes for which the profits of any such lottery or raffle are to be used from being subverted by improper elements.

Section 1(1), Section 1(3), Section 2, Section 5

LB 541 increases the gross proceeds threshold for lotteries from \$1,000 to \$2,500 and raffles from \$5,000 to \$20,000.

Section 3(1)

LB 541 increases the cost of a special permit from \$10 to \$50.

Section 3(2)

Provides the department the discretion to approve a special permit for either 90 days or 180 days, instead of the

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currently mandated three calendar months. No licensed organization may obtain more than two 90-day special permits or more than one 180-day special permit instead of the current one, three calendar month special permit.

Section 4(2), Section 4(3)

Decreases the threshold for prizes for lotteries and raffles from 65% of the gross proceeds to 45%.The sections of the bill that remain will allow an organization to apply for two 90-day permits or one 180-day permit (current law allows for only one 90-day permit) and will allow an organization to use 45% or more of the proceeds from the lottery/raffle for the prize (current law requires 65% or more of the proceeds to be used as the prize).

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**Explanation of amendments:**

Committee Amendment

The committee amendment removes the sections that change the gross proceeds required before a nonprofit group must get a license from the Dept of Revenue and pay the 2% tax.

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Tyson Larson, Chairperson