

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 724

FINAL READING

Introduced by Wayne, 13.

Read first time January 03, 2018

Committee: General Affairs

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

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

3 9-650 (1) The gross proceeds of any lottery, less the amount
4 awarded in prizes and any salary, fee, or commission paid to a licensed
5 lottery operator plus any interest on such funds, shall be segregated
6 from any other revenue and placed in a separate account of the lottery
7 operator and the county, city, or village. If a lottery operator is
8 conducting a lottery on behalf of a county, city, or village, such
9 proceeds, including any interest, shall be transferred from the lottery
10 operator's separate account to a separate account of the county, city, or
11 village. Any interest received by a county, city, or village from the
12 proceeds of the lottery shall be used solely for community betterment
13 purposes.

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

27 (3) The Tax Commissioner may authorize the electronic transfer of
28 funds from the nonsegregated general business account of a sales outlet
29 location to the bank account of a lottery operator, county, city, or
30 village as long as such funds are transferred no later than five business
31 days following the day the funds were collected. To facilitate the

1 electronic transfer of such funds to a lottery operator, county, city, or
2 village that has met the requirements of the rules and regulations
3 adopted and promulgated pursuant to subsection (2) of this section, a
4 sales outlet location may first deposit such funds into a non-segregated
5 general business account of the sales outlet location.

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

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

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