

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 828

Introduced by DeKay, 40; Clouse, 37; Hardin, 48; Holdcroft, 36.

Read first time January 07, 2026

Committee: General Affairs

- 1 A BILL FOR AN ACT relating to gift enterprises; to amend section 9-701,
- 2 Reissue Revised Statutes of Nebraska; to redefine a term; and to
- 3 repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 9-701, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 9-701 (1) For purposes of this section:

4 (a) Financial institution means a bank, savings bank, building and
5 loan association, or savings and loan association, whether chartered by
6 the United States, the Department of Banking and Finance, or a foreign
7 state agency as defined in section 8-101.03; or any other similar
8 organization which is covered by federal deposit insurance;

9 (b) Gift enterprise means a contest, game of chance, savings
10 promotion raffle, or game promotion which is conducted within the state
11 or throughout the state and other states in connection with the sale of
12 consumer or trade products or services solely as business promotions and
13 in which the elements of chance and prize are present. Gift enterprise
14 does not include any scheme using the game of bingo or keno; any non-
15 telecommunication-related, player-activated electronic or
16 electromechanical facsimile of any game of chance; or any slot machine of
17 any kind. A gift enterprise shall not utilize pickle cards as defined in
18 section 9-315. Promotional game tickets may be utilized subject to the
19 following:

20 (i) The tickets utilized shall be manufactured or imprinted with the
21 name of the operator on each ticket;

22 (ii) The tickets utilized shall not be manufactured with a cost per
23 play printed on them; and

24 (iii) The tickets utilized shall not be substantially similar to any
25 type of pickle card approved by the Department of Revenue pursuant to
26 section 9-332.01;

27 (c) Operator means any person, firm, corporation, financial
28 institution, association, governmental entity, or agent or employee
29 thereof who promotes, operates, or conducts a gift enterprise ~~Operator~~
30 ~~does not include any nonprofit organization or any agent or employee~~
31 ~~thereof, except that operator includes any credit union chartered under~~

1 ~~state or federal law or any agent or employee thereof who promotes,~~
2 ~~operates, or conducts a gift enterprise; and~~

3 (d) Savings promotion raffle means a contest conducted by a
4 financial institution or credit union chartered under state or federal
5 law or any agent or employee thereof in which a chance of winning a
6 designated prize is obtained by the deposit of a specified amount of
7 money in a savings account or other savings program if each entry has an
8 equal chance of winning.

9 (2) Any operator may conduct a gift enterprise within this state in
10 accordance with this section.

11 (3) An operator shall not:

12 (a) Design, engage in, promote, or conduct a gift enterprise in
13 connection with the promotion or sale of consumer products or services in
14 which the winner may be unfairly predetermined or the game may be
15 manipulated or rigged;

16 (b) Arbitrarily remove, disqualify, disallow, or reject any entry;

17 (c) Fail to award prizes offered;

18 (d) Print, publish, or circulate literature or advertising material
19 used in connection with such gift enterprise which is false, deceptive,
20 or misleading; or

21 (e) Require an entry fee, a payment or promise of payment of any
22 valuable consideration, or any other consideration as a condition of
23 entering a gift enterprise or winning a prize from the gift enterprise,
24 except that a contest, game of chance, or business promotion may require,
25 as a condition of participation, evidence of the purchase of a product or
26 service as long as the purchase price charged for such product or service
27 is not greater than it would have been without the contest, game of
28 chance, or business promotion. For purposes of this section,
29 consideration shall not include (i) filling out an entry blank, (ii)
30 entering by mail with the purchase of postage at a cost no greater than
31 the cost of postage for a first-class letter weighing one ounce or less,

1 (iii) entering by a telephone call to the operator of or for the gift
2 enterprise at a cost no greater than the cost of postage for a first-
3 class letter weighing one ounce or less. When the only method of entry is
4 by telephone, the cost to the entrant of the telephone call shall not
5 exceed the cost of postage for a first-class letter weighing one ounce or
6 less for any reason, including (A) whether any communication occurred
7 during the call which was not related to the gift enterprise or (B) the
8 fact that the cost of the call to the operator was greater than the cost
9 to the entrant allowed under this section, or (iv) the deposit of money
10 in a savings account or other savings program, regardless of the interest
11 rate earned by such account or program.

12 (4) An operator shall disclose to participants all terms and
13 conditions of a gift enterprise.

14 (5)(a) The Department of Revenue may adopt and promulgate rules and
15 regulations necessary to carry out the operation of gift enterprises.

16 (b) Whenever the department has reason to believe that a gift
17 enterprise is being operated in violation of this section or the
18 department's rules and regulations, it may bring an action in the
19 district court of Lancaster County in the name of and on behalf of the
20 people of the State of Nebraska against the operator of the gift
21 enterprise to enjoin the continued operation of such gift enterprise
22 anywhere in the state.

23 (6)(a) Any person, firm, corporation, association, or agent or
24 employee thereof who engages in any unlawful acts or practices pursuant
25 to this section or violates any of the rules and regulations promulgated
26 pursuant to this section is guilty of a Class II misdemeanor.

27 (b) Any person, firm, corporation, association, or agent or employee
28 thereof who violates any provision of this section or any of the rules
29 and regulations promulgated pursuant to this section shall be liable to
30 pay a civil penalty of not more than one thousand dollars imposed by the
31 district court of Lancaster County for each such violation which shall be

1 remitted to the State Treasurer for distribution in accordance with
2 Article VII, section 5, of the Constitution of Nebraska. Each day of
3 continued violation shall constitute a separate offense or violation for
4 purposes of this section.

5 (7) A financial institution or credit union may limit the number of
6 chances that a participant in a savings promotion raffle may obtain for
7 making the required deposits but shall not limit the number of deposits.

8 (8) In all proceedings initiated in any court or otherwise under
9 this section, the Attorney General or appropriate county attorney shall
10 prosecute and defend all such proceedings.

11 (9) This section shall not apply to any activity authorized and
12 regulated under the Nebraska Bingo Act, the Nebraska County and City
13 Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle
14 Card Lottery Act, the Nebraska Small Lottery and Raffle Act, or the State
15 Lottery Act.

16 **Sec. 2.** Original section 9-701, Reissue Revised Statutes of
17 Nebraska, is repealed.