

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 232

Introduced by Cavanaugh, J., 9.

Read first time January 10, 2023

Committee: General Affairs

1 A BILL FOR AN ACT relating to the Nebraska County and City Lottery Act;
2 to amend sections 9-601, 9-603, 9-607, 9-646.01, and 9-651, Reissue
3 Revised Statutes of Nebraska; to change provisions relating to the
4 game of keno; to provide for the sale of digital-on-premises
5 tickets; to harmonize provisions; and to repeal the original
6 sections.

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

1 Section 1. Section 9-601, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 9-601 Sections 9-601 to 9-653 and sections 3 and 7 of this act shall
4 be known and may be cited as the Nebraska County and City Lottery Act.

5 Sec. 2. Section 9-603, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 9-603 For purposes of the Nebraska County and City Lottery Act, the
8 definitions found in sections 9-603.02 to 9-618 and section 3 of this act
9 shall be used.

10 Sec. 3. Digital-on-premises ticket means a digital ticket purchased
11 in person on a mobile or other electronic device verified to be present
12 at the location of the lottery operator or an authorized sales outlet
13 location in accordance with subdivision (3)(b) of section 7 of this act.

14 Sec. 4. Section 9-607, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 9-607 (1) Lottery shall mean a gambling scheme in which:

17 (a) The players pay or agree to pay something of value for an
18 opportunity to win;

19 (b) Winning opportunities are represented by tickets;

20 (c) Winners are solely determined by one of the following two
21 methods:

22 (i) By a random drawing of tickets differentiated by sequential
23 enumeration from a receptacle by hand whereby each ticket has an equal
24 chance of being chosen in the drawing; or

25 (ii) By use of a game known as keno in which a player selects up to
26 twenty numbers from a total of eighty numbers on a ~~paper~~ ticket and a
27 computer, other electronic selection device, or electrically operated
28 blower machine which is not player-activated randomly selects up to
29 twenty numbers from the same pool of eighty numbers and the winning
30 players are determined by the correct matching of the numbers on the
31 ~~paper~~ ticket selected by the players with the numbers randomly selected

1 by the computer, other electronic selection device, or electrically
2 operated blower machine, except that (A) no keno game shall permit or
3 require player activation of lottery equipment and (B) the random
4 selection of numbers by the computer, other electronic selection device,
5 or electrically operated blower machine shall not occur within five
6 minutes of the completion of the previous selection of random numbers;
7 and

8 (d) The holders of the winning ~~paper~~ tickets are to receive cash or
9 prizes redeemable for cash. Selection of a winner or winners shall be
10 predicated solely on chance; and -

11 (e) Tickets are issued either (i) on paper or (ii) with the consent
12 of the governing body of the county, city, or village conducting the
13 lottery, digitally to a mobile or other device which, at the time of
14 purchase, is verified to be present at the location of the lottery
15 operator or an authorized sales outlet location as provided in
16 subdivision (3)(b) of section 7 of this act.

17 (2) Lottery shall not include:

18 (a) Any gambling scheme which uses any mechanical gaming device,
19 computer gaming device, electronic gaming device, or video gaming device
20 which has the capability of awarding something of value, free games
21 redeemable for something of value, or tickets or stubs redeemable for
22 something of value;

23 (b) Any activity authorized or regulated under the Nebraska Bingo
24 Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card
25 Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery
26 Act, section 9-701, or Chapter 2, article 12; or

27 (c) Any activity prohibited under Chapter 28, article 11.

28 (3) Notwithstanding the requirement in subdivision (1)(c)(ii) of
29 this section that a player select up to twenty numbers, a player may
30 select more than twenty numbers on a ~~paper~~ ticket when a top or bottom,
31 left or right, edge, or way ticket is played. For a top or bottom ticket,

1 the player shall select all numbers from one through forty or all numbers
2 from forty-one through eighty. For a left or right ticket, the player
3 shall select all numbers ending in one through five or all numbers ending
4 in six through zero. For an edge ticket, the player shall select all of
5 the numbers comprising the outside edge of the ticket. For a way ticket,
6 the player shall select a combination of groups of numbers in multiple
7 ways on a single ticket.

8 (4) A county, city, or village conducting a keno lottery shall
9 designate the method of winning number selection to be used in the
10 lottery and submit such designation in writing to the department prior to
11 conducting a keno lottery. Only those methods of winning number selection
12 described in subdivision (1)(c)(ii) of this section shall be permitted,
13 and the method of winning number selection initially utilized may only be
14 changed once during that business day as set forth in the designation. A
15 county, city, or village shall not change the method or methods of
16 winning number selection filed with the department or allow it to be
17 changed once such initial designation has been made unless (a) otherwise
18 authorized in writing by the department based upon a written request from
19 the county, city, or village or (b) an emergency arises in which case a
20 ball draw method of number selection would be switched to a number
21 selection by a random number generator. An emergency situation shall be
22 reported by the county, city, or village to the department within twenty-
23 four hours of its occurrence.

24 Sec. 5. Section 9-646.01, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 9-646.01 (1) No person or licensee, or any employee or agent
27 thereof, accepting wagers on a lottery conducted pursuant to the Nebraska
28 County and City Lottery Act shall extend credit from the gross proceeds
29 of a lottery to participants in the lottery for the purchase of lottery
30 tickets. No person shall purchase or be allowed to purchase any lottery
31 ticket or make or be allowed to make any wager pursuant to the act unless

1 he or she pays for such ticket or wager with cash, a debit card, the cash
2 balance of a payment application, a transfer from a deposit account at a
3 financial institution, or an account established in the name of the
4 player with the lottery operator and funded as provided in subsection (2)
5 of this section. For purposes of this section, cash shall mean United
6 States currency having the same face value as the price of the ticket or
7 wager. A credit card shall not be accepted for payment for any wager on
8 keno.

9 (2) A lottery operator may allow participants to create an account
10 to be used for lottery play. Such accounts may only be funded with cash,
11 a debit card, the cash balance of a payment application, or a transfer
12 from a deposit account at a financial institution. The lottery operator
13 may also allow a participant to deposit prize money won from the lottery
14 and refunds from the lottery into a lottery play account. Except for
15 prize money and refunds, a participant may not deposit funds into any
16 such account if the balance of the account following the deposit would be
17 more than five hundred dollars, except that the department may adjust
18 such five-hundred-dollar limit upward from time to time based on
19 inflation and other competitive and economic factors.

20 Sec. 6. Section 9-651, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 9-651 Each county, city, or village conducting a lottery shall have
23 its name clearly associated with ~~printed on~~ each ticket used in the
24 lottery. No such ticket shall be sold unless such ~~the~~ name is clearly
25 identified ~~printed thereon~~.

26 Sec. 7. (1) Any purchase of a ticket for a keno game shall be made
27 in person at the location of the lottery operator or an authorized sales
28 outlet location.

29 (2) The lottery operator shall file with the department the address
30 of each location where digital-on-premises tickets are sold. The lottery
31 operator shall use reasonable safeguards approved by the department to

1 ensure that digital-on-premises tickets are only accessible to
2 individuals nineteen years of age or older.

3 (3) The lottery operator shall submit controls, for approval by the
4 department, that include the following at the location of the lottery
5 operator or the locations of its associated authorized sales outlets at
6 which digital-on-premises tickets are sold:

7 (a) Any specific procedure and any technology partner used to
8 fulfill the requirements set forth by the department;

9 (b) Any location detection procedure to reasonably detect and
10 dynamically monitor the location of a player attempting to purchase a
11 digital-on-premises ticket for a keno game. The location procedures shall
12 be designed so that a player outside the permitted boundary is rejected
13 and the player is notified. The permitted boundary shall be established
14 in such a manner that access is not regularly available away from the
15 property on which the licensed premises is situated and such boundary is
16 as closely matching to the actual or legal boundaries of the licensed
17 premises as reasonably possible;

18 (c) Any other specific controls as designated by the department;

19 (d) A process to prominently display and easily impose any
20 limitation parameters relating to the purchase of a digital-on-premises
21 ticket for a keno game; and

22 (e) An easy and obvious method for a player to make a complaint and
23 to enable the player to notify the department if such complaint has not
24 been or cannot be addressed by the lottery operator.

25 (4) The department shall approve or deny the controls within thirty
26 days after submission. If denied, the department shall provide the
27 reasons for denial and allow the lottery operator to resubmit revised
28 controls.

29 (5) The department may adopt and promulgate rules and regulations
30 relating to digital-on-premises tickets. Such rules and regulations shall
31 be adopted and promulgated no later than January 1, 2024.

1 Sec. 8. Original sections 9-601, 9-603, 9-607, 9-646.01, and 9-651,
2 Reissue Revised Statutes of Nebraska, are repealed.