

## LEGISLATIVE BILL 252

Approved by the Governor May 01, 2019

Introduced by Geist, 25; Arch, 14; Briese, 41; Lowe, 37; Pansing Brooks, 28; Walz, 15; Hunt, 8; Kolterman, 24; Vargas, 7.

A BILL FOR AN ACT relating to the State Lottery Act; to amend section 9-823, Reissue Revised Statutes of Nebraska; to provide a condition relating to advertisements; and to repeal the original section.

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

Section 1. Section 9-823, Reissue Revised Statutes of Nebraska, is amended to read:

9-823 The Tax Commissioner shall adopt and promulgate rules and regulations necessary to carry out the State Lottery Act. The rules and regulations shall include provisions relating to the following:

- (1) The lottery games to be conducted subject to the following conditions:
  - (a) No lottery game shall use the theme of dog racing or horseracing;
  - (b) In any lottery game utilizing tickets, each ticket in such game shall bear a unique number distinguishing it from every other ticket in such lottery game;
  - (c) No name of an elected official shall appear on the tickets of any lottery game; and
  - (d) In any instant-win game, the overall estimated odds of winning some prize shall be printed on each ticket and shall also be available at the office of the division at the time such lottery game is offered for sale to the public;
- (2) The retail sales price for lottery tickets;
- (3) The types and manner of payment of prizes to be awarded for winning tickets in lottery games;
- (4) The method for determining winners, the frequency of drawings, if any, or other selection of winning tickets subject to the following conditions:
  - (a) No lottery game shall be based on the results of a dog race, horserace, or other sports event;
  - (b) If the lottery game utilizes the drawing of winning numbers, a drawing among entries, or a drawing among finalists (i) the drawings shall be witnessed by an independent certified public accountant, (ii) any equipment used in the drawings shall be inspected by the independent certified public accountant and an employee of the division or designated agent both before and after the drawing, and (iii) the drawing shall be recorded on videotape with an audio track; and
  - (c) Drawings in an instant-win game, other than grand prize drawings or other runoff drawings, shall not be held more often than weekly. Drawings or selections in an online game shall not be held more often than daily;
- (5) The validation and manner of payment of prizes to the holders of winning tickets subject to the following conditions:
  - (a) The prize shall be given to the person who presents a winning ticket, except that for awards in excess of five hundred dollars, the winner shall also provide his or her social security number or tax identification number;
  - (b) A prize may be given to only one person per winning ticket, except that a prize shall be divided between the holders of winning tickets if there is more than one winning ticket per prize;
  - (c) For the convenience of the public, the director may authorize lottery game retailers to pay winners of up to five hundred dollars after performing validation procedures on their premises appropriate to the lottery game involved;
  - (d) No prize shall be paid to any person under nineteen years of age, and any prize resulting from a lottery ticket held by a person under nineteen years of age shall be awarded to the parent or guardian or custodian of the person under the Nebraska Uniform Transfers to Minors Act;
  - (e) No prize shall be paid for tickets that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received or not recorded by the division by acceptable deadlines, lacking in captions that confirm and agree with the lottery play symbols as appropriate to the lottery game involved, or not in compliance with additional specific rules and regulations and public or confidential validation and security tests appropriate to the particular lottery game involved;
  - (f) No particular prize in any lottery game shall be paid more than once. In the event of a binding determination by the director that more than one claimant is entitled to a particular prize, the sole right of such claimants shall be the award to each of them of an equal share in the prize; and
  - (g) After the expiration of the claim period for prizes for each lottery game, the director shall make available a detailed tabulation of the total number of tickets actually sold in the lottery game and the total number of prizes of each prize denomination that were actually claimed and paid;
- (6) Requirements for eligibility for participation in grand prize drawings or other runoff drawings, including requirements for submission of evidence of eligibility;

(7) The locations at which tickets may be sold except that no ticket may be sold at a retail liquor establishment holding a license for the sale of alcoholic liquor at retail for consumption on the licensed premises unless the establishment holds a Class C liquor license with a sampling designation as provided in subsection (6) of section 53-124;

(8) The method to be used in selling tickets;

(9) The contracting with persons as lottery game retailers to sell tickets and the manner and amount of compensation to be paid to such retailers;

~~(10)(a) (10)~~ The form and type of marketing of informational and educational material. ;

(b) Beginning on the effective date of this act, all lottery advertisements shall disclose the odds of winning the prize with the largest value for any lottery game in a clear and conspicuous manner. Such disclosure shall be in a font size of not less than thirty-five percent of the largest font used in the advertisement, except that for any online advertisement, such disclosure shall be in a font size of at least ten points. This subdivision (b) shall not apply to advertisements printed, distributed, broadcast, or otherwise disseminated or conducted prior to the effective date of this act;

(11) Any arrangements or methods to be used in providing proper security in the storage and distribution of tickets or lottery games; and

(12) All other matters necessary or desirable for the efficient and economical operation and administration of lottery games and for the convenience of the purchasers of tickets and the holders of winning tickets.

Sec. 2. Original section 9-823, Reissue Revised Statutes of Nebraska, is repealed.