

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 403

Introduced by Council, 11; Conrad, 46; Cook, 13; Dubas, 34; Haar, 21; Harms, 48; Mello, 5; Nelson, 6; Nordquist, 7; Pirsch, 4; Wallman, 30.

Read first time January 13, 2011

Committee: Education

A BILL

1 FOR AN ACT relating to the State Lottery Act; to amend section 9-812,
2 Revised Statutes Cumulative Supplement, 2010; to change
3 allocation of the Education Innovation Fund as
4 prescribed; to repeal the original section; and to
5 declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 9-812 (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in Nebraska
5 shall be credited to the State Lottery Operation Trust Fund, which
6 fund is hereby created. All payments of the costs of establishing and
7 maintaining the lottery games shall be made from the State Lottery
8 Operation Cash Fund. In accordance with legislative appropriations,
9 money for payments for expenses of the division shall be transferred
10 from the State Lottery Operation Trust Fund to the State Lottery
11 Operation Cash Fund, which fund is hereby created. All money
12 necessary for the payment of lottery prizes shall be transferred from
13 the State Lottery Operation Trust Fund to the State Lottery Prize
14 Trust Fund, which fund is hereby created. The amount used for the
15 payment of lottery prizes shall not be less than forty percent of the
16 dollar amount of the lottery tickets which have been sold.

17 (2) Beginning October 1, 2003, a portion of the dollar
18 amount of the lottery tickets which have been sold on an annualized
19 basis shall be transferred from the State Lottery Operation Trust
20 Fund to the Education Innovation Fund, the Nebraska Opportunity Grant
21 Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair
22 Board, and the Compulsive Gamblers Assistance Fund. The dollar amount
23 transferred pursuant to this subsection shall equal the greater of
24 (a) the dollar amount transferred to the funds in fiscal year 2002-03
25 or (b) any amount which constitutes at least twenty-two percent and

1 no more than twenty-five percent of the dollar amount of the lottery
2 tickets which have been sold on an annualized basis. To the extent
3 that funds are available, the Tax Commissioner and director may
4 authorize a transfer exceeding twenty-five percent of the dollar
5 amount of the lottery tickets sold on an annualized basis.

6 (3) Of the money available to be transferred to the
7 Education Innovation Fund, the Nebraska Opportunity Grant Fund, the
8 Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and
9 the Compulsive Gamblers Assistance Fund:

10 (a) The first five hundred thousand dollars shall be
11 transferred to the Compulsive Gamblers Assistance Fund to be used as
12 provided in section 71-817;

13 (b) Nineteen and three-fourths percent of the money
14 remaining after the payment of prizes and operating expenses and the
15 initial transfer to the Compulsive Gamblers Assistance Fund shall be
16 transferred to the Education Innovation Fund;

17 (c) Twenty-four and three-fourths percent of the money
18 remaining after the payment of prizes and operating expenses and the
19 initial transfer to the Compulsive Gamblers Assistance Fund shall be
20 transferred to the Nebraska Opportunity Grant Fund;

21 (d) Forty-four and one-half percent of the money
22 remaining after the payment of prizes and operating expenses and the
23 initial transfer to the Compulsive Gamblers Assistance Fund shall be
24 transferred to the Nebraska Environmental Trust Fund to be used as
25 provided in the Nebraska Environmental Trust Act;

1 (e) Ten percent of the money remaining after the payment
2 of prizes and operating expenses and the initial transfer to the
3 Compulsive Gamblers Assistance Fund shall be transferred to the
4 Nebraska State Fair Board if the most populous city within the county
5 in which the fair is located provides matching funds equivalent to
6 ten percent of the funds available for transfer. Such matching funds
7 may be obtained from the city and any other private or public entity,
8 except that no portion of such matching funds shall be provided by
9 the state. If the Nebraska State Fair ceases operations, ten percent
10 of the money remaining after the payment of prizes and operating
11 expenses and the initial transfer to the Compulsive Gamblers
12 Assistance Fund shall be transferred to the General Fund; and

13 (f) One percent of the money remaining after the payment
14 of prizes and operating expenses and the initial transfer to the
15 Compulsive Gamblers Assistance Fund shall be transferred to the
16 Compulsive Gamblers Assistance Fund to be used as provided in section
17 71-817.

18 (4)(a) The Education Innovation Fund is created. At least
19 seventy-five percent of the lottery proceeds allocated to the
20 Education Innovation Fund shall be available for disbursement.

21 (b) For fiscal year 2005-06, the Education Innovation
22 Fund shall be allocated as follows: The first one million dollars
23 shall be transferred to the School District Reorganization Fund, and
24 the remaining amount shall be allocated to the General Fund after
25 operating expenses for the Excellence in Education Council are

1 deducted.

2 (c) For fiscal year 2006-07, the Education Innovation
3 Fund shall be allocated as follows: The first two hundred fifty
4 thousand dollars shall be transferred to the Attracting Excellence to
5 Teaching Program Cash Fund to fund the Attracting Excellence to
6 Teaching Program Act, the next one million dollars shall be
7 transferred to the School District Reorganization Fund, and the
8 amount remaining in the Education Innovation Fund shall be allocated,
9 after administrative expenses, for distance education equipment and
10 incentives pursuant to sections 79-1336 and 79-1337.

11 (d) For fiscal year 2007-08, the Education Innovation
12 Fund shall be allocated as follows: The first five hundred thousand
13 dollars shall be transferred to the Attracting Excellence to Teaching
14 Program Cash Fund to fund the Attracting Excellence to Teaching
15 Program Act, and the amount remaining in the Education Innovation
16 Fund shall be allocated, after administrative expenses, for distance
17 education equipment and incentives pursuant to sections 79-1336 and
18 79-1337.

19 (e) For fiscal year 2008-09, the Education Innovation
20 Fund shall be allocated as follows: The first seven hundred fifty
21 thousand dollars shall be transferred to the Attracting Excellence to
22 Teaching Program Cash Fund to fund the Attracting Excellence to
23 Teaching Program Act, and the amount remaining in the Education
24 Innovation Fund shall be allocated, after administrative expenses,
25 for distance education equipment and incentives pursuant to sections

1 79-1336 and 79-1337.

2 (f) For fiscal year 2009-10, the Education Innovation
3 Fund shall be allocated as follows: Any amounts transferred to the
4 Education Innovation Fund from the School District Reorganization
5 Fund shall be returned to the School District Reorganization Fund
6 first, the next one million dollars shall be transferred to the
7 Excellence in Teaching Cash Fund to fund the Excellence in Teaching
8 Act, and the amount remaining in the Education Innovation Fund shall
9 be allocated, after administrative expenses, for distance education
10 equipment and incentives pursuant to sections 79-1336 and 79-1337.

11 (g) For fiscal ~~years 2010-11 through 2015-16, year~~
12 2010-11, the Education Innovation Fund shall be allocated as follows:
13 The first one million dollars shall be transferred to the Excellence
14 in Teaching Cash Fund to fund the Excellence in Teaching Act, and the
15 amount remaining in the Education Innovation Fund shall be allocated,
16 after administrative expenses, for distance education equipment and
17 incentives pursuant to sections 79-1336 and 79-1337.

18 (h) For fiscal years 2011-12 through 2015-16, the
19 Education Innovation Fund shall be allocated as follows: The first
20 one million five hundred thousand dollars shall be transferred to the
21 Excellence in Teaching Cash Fund to fund the Excellence in Teaching
22 Act, and the amount remaining in the Education Innovation Fund shall
23 be allocated, after administrative expenses, for distance education
24 equipment and incentives pursuant to sections 79-1336 and 79-1337.

25 (i) For fiscal year 2016-17 and each fiscal year

1 thereafter, the Education Innovation Fund shall be allocated, after
2 administrative expenses, for education purposes as provided by the
3 Legislature.

4 ~~(i)~~ (j) The State Treasurer shall transfer ten million
5 dollars from the Education Innovation Fund to the University Cash
6 Fund on or before December 31, 2009, as directed by the budget
7 administrator of the budget division of the Department of
8 Administrative Services.

9 (5) Any money in the State Lottery Operation Trust Fund,
10 the State Lottery Operation Cash Fund, the State Lottery Prize Trust
11 Fund, or the Education Innovation Fund available for investment shall
12 be invested by the state investment officer pursuant to the Nebraska
13 Capital Expansion Act and the Nebraska State Funds Investment Act.

14 (6) Unclaimed prize money on a winning lottery ticket
15 shall be retained for a period of time prescribed by rules and
16 regulations. If no claim is made within such period, the prize money
17 shall be used at the discretion of the Tax Commissioner for any of
18 the purposes prescribed in this section.

19 Sec. 2. Original section 9-812, Revised Statutes
20 Cumulative Supplement, 2010, is repealed.

21 Sec. 3. Since an emergency exists, this act takes effect
22 when passed and approved according to law.