**For Release Wednesday, October 21, 2020**

**Capitol View**

**By J.L. Schmidt**

**Statehouse Correspondent**

**The Nebraska Press Association**

**Casino Gambling, Regulation and Distribution of Funds on Ballot**

Three ballot issues from the initiative petition process cover casino gambling at licensed Nebraska horserace tracks, the regulation and taxation of that activity and the distribution of the proceeds. They are: **[Initiative Measure 429](https://ballotpedia.org/Nebraska_Initiative_429%2C_Authorize_Laws_for_Gambling_at_Racetracks_Amendment_%282020%29%22%20%5Ct%20%22_blank)**, a proposed constitutional measure allowing casino gambling at licensed horse race tracks; **[Initiative 430](https://ballotpedia.org/Nebraska_Initiative_430%2C_Authorizing_Gambling_at_Racetracks_Initiative_%282020%29%22%20%5Ct%20%22_blank)**, a proposed law setting up a regulatory framework for the casinos; and **[Initiative Measure 431](https://ballotpedia.org/Nebraska_Initiative_431%2C_Tax_on_Gambling_at_Racetracks_Initiative_%282020%29%22%20%5Ct%20%22_blank)**, a proposed law to tax the casinos and direct most of the tax revenues to property tax credits.

It took a ruling from the Nebraska Supreme Court to clear the measures for the ballot. It’ll take a minute to grasp the domino effect of the three-part proposal. Initiative 429 would allow for the enactment of [Initiative 430](https://ballotpedia.org/Nebraska_Initiative_430%2C_Authorizing_Gambling_at_Racetracks_Initiative_%282020%29), which would authorize and regulate gambling at licensed racetracks, and [Initiative 431](https://ballotpedia.org/Nebraska_Initiative_431%2C_Tax_on_Gambling_at_Racetracks_Initiative_%282020%29), which would impose an annual tax of 20% on gross gambling revenue of licensed gaming operators. Without the approval of Initiative 429, Initiatives 430 and 431 would not take effect.

Together, Initiatives 429, 430, and 431 would allow, authorize and regulate, and tax gambling at licensed racetracks.

**Nebraska Initiative 429** would add a new Section 24 to Article III of the state constitution to exempt laws authorizing gambling at licensed racetracks from the state's constitutional prohibition on gambling. Currently, the [Nebraska Constitution](https://ballotpedia.org/Nebraska_Constitution) prohibits gambling, except for the state lottery, which was authorized in 1992, and authorized raffles intended to raise proceeds for charitable causes.

**For Release Wednesday, October 21, 2020 – Page 2**

Revenue raised from the lottery is allocated to the Compulsive Gamblers Assistance Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and the legislature to fund education.

Gambling in some form is legal in 48 of the 50 states, with Utah and Hawaii completely banning it. Twenty-five states have legalized commercial gaming and 30 states have authorized tribal casinos.

Three states will be voting on measures concerning gambling. [Colorado](https://ballotpedia.org/Colorado_Amendment_77%2C_Allow_Voters_in_Central%2C_Black_Hawk%2C_and_Cripple_Creek_Cities_to_Expand_Authorized_Games_and_Increase_Maximum_Bets_Initiative_%282020%29) would allow local jurisdictions where gambling is legal to approve a maximum single bet limit of any amount and expand allowable game types in addition to slot machines, blackjack, poker, roulette, and craps. A second [Colorado Amendment](https://ballotpedia.org/Colorado_Amendment_C%2C_Charitable_Bingo_and_Raffles_Amendment_%282020%29) would lower the number of years an organization must have existed before obtaining a charitable gaming license from five years to three years.

[Maryland](https://ballotpedia.org/Maryland_Question_2%2C_Sports_Betting_Measure_%282020%29) would authorize sports and events wagering at certain licensed facilities with state revenue intended to fund public education. A [South Dakota constitutional amendment](https://ballotpedia.org/South_Dakota_Constitutional_Amendment_B%2C_Deadwood_Sports_Betting_Legalization_Amendment_%282020%29) would authorize the South Dakota State Legislature to legalize sports betting within the city limits of Deadwood.

A “yes” vote supports amending the Nebraska Constitution to allow laws to authorize, regulate, and tax gambling at licensed racetrack facilities in the state.

A “no” vote opposes amending the Nebraska Constitution to do those things and would maintain the state’s prohibition against gambling at racetracks.

**Nebraska Initiative 430** would authorize gambling at licensed racetracks with licensed gaming operators. It would establish the Nebraska Gaming Commission to enact rules to license gaming operators and regulate the gambling industry. The measure would prohibit anyone under the age of 21 from playing on gambling devices or participating in gambling at the racetrack. Currently, Nebraska outlaws gambling, except with respect to the state lottery, licensed raffles, and bingo.

**For Release Wednesday, October 21, 2020 – Page 3**

A ”yes” vote supports enacting a law that authorizes gambling operations within licensed racetracks and establishes the Nebraska Gaming Commission to regulate gambling operations.

A “no” vote opposes enacting a law that authorizes gambling operations within licensed racetracks and establish the Nebraska Gaming Commission to regulate gambling operations.

**Nebraska Initiative 431** would authorize the Nebraska Gaming Commission to collect a 20% tax on all gross gaming revenue generated within licensed racetracks. Gross gaming revenue is defined as the amount of money players gamble minus the amount won, federal taxes, and any promotion gaming credits received from the operator and redeemed by the player.

The revenue from the tax would be allocated as follows:

* 2.5% to the Compulsive Gamblers Assistance Fund,
* 2.5% to the General Fund,
* 70% to the Property Tax Credit Cash Fund, and
* 25% to local jurisdictions where licensed racetracks operate.

The Nebraska Gaming Commission would be authorized to develop rules for reporting revenue from the tax, and gaming operators that do not comply would receive a maximum penalty of a Class IV misdemeanor.

A “yes” vote supports imposing the tax and distribution as outlined. A “no” vote opposes the tax on gross gambling revenue of licensed gaming operations.

 *J.L. Schmidt has been covering Nebraska government and politics since 1979. He has been a registered Independent for 20 years.*

 --30--