

# Charitable Gaming Regulations – Keno - FINAL

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## REG-35-600 DEFINITIONS, SCOPE, AND ESTABLISHMENT BY COUNTIES, CITIES, AND VILLAGES

600.01 **General Authorization.** Bingo, Lottery, Raffle, and Lottery by Pickle Card Regulations 35-600 through 35-622 are adopted to carry out the provisions of the Nebraska County and City Lottery Act.

600.02 **Definitions.** The following definitions ~~shall~~ apply for purposes of Regulations 35-600 through 35-622:

600.02A Agent ~~shall~~ means a person authorized by the applicant or licensee to act for or in place of ~~such an~~ applicant or licensee as a business representative to modify, affect, accept performance of, or transact business.

600.02B Authorized representative ~~shall~~ means any individual(~~s~~) designated by the county, city, or village, or a joint entity created by the county, city, or village by entering into an agreement pursuant to the Interlocal Cooperation Act, to examine, approve, and sign a lottery worker license application for submission to the Department.

600.02C Business day ~~shall~~ means any day except Saturday, Sunday, or a legal holiday.

600.02D Cash ~~shall~~ means United States currency and does not mean checks, personal or otherwise, debit cards, or credit cards.

600.02E Compliance procedures for keno ~~shall~~ means the analysis required by Reg-35-616 to determine whether the regulations are being followed during the operation of the keno game.

600.02F Conditioning, as it applies to keno, ~~shall~~ means a restatement of how many numbers or combinations of numbers are being selected by the players, the way in which they are wagered, and the corresponding dollar amounts wagered.

600.02G Debt holder of a corporation, partnership, or limited liability company ~~shall~~ means a person that holds any mortgages, notes, bonds, convertible debentures, or other obligations, whether written or oral, issued by the corporation, partnership, or limited liability company.

600.02H Department ~~shall~~ means the Nebraska Department of Revenue.

600.02I Draw ticket ~~shall~~ means the ticket prepared by a licensed lottery worker to record the winning numbers of each keno game if winning number selection is by manual ball draw method.

600.02J Equity holder of a corporation, partnership, or limited liability company ~~shall~~ means an individual or person that holds any capital stock, whether common or preferred,

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or any ownership interest or share issued by the corporation, partnership, or limited liability company.

600.02K Free play keno coupon ~~shall~~ means a certificate which entitles the holder thereof to wager an amount corresponding to the face value of the coupon without charge.

600.02L Governing board ~~shall~~ means, in the case of a city, the city council; in the case of a village, the village board; or, in the case of a county, the county board.

600.02M Governing official ~~shall~~ means the chief executive officer of the county, city, or village, or any other elected or appointed official, including a governing board member, who has any decision-making responsibility regarding the conduct and operation of the lottery activity.

600.02N ~~Imprest shall mean the initial cash bank in a keno writer's drawer.~~

~~600.02O~~ Independent game location ~~shall~~ means a location where keno wagers are placed and winning number selection is performed. An independent game location is not electronically linked to another location for purposes of transmitting or receiving winning number selection.

600.02PQ Inside ticket ~~shall~~ means keno paper with 80 preprinted numbers on which the player marks ~~the number or~~ numbers to be wagered on and the type of wager.

600.02QP Keno manager ~~shall~~ means the shift manager, supervisor, or individual in charge of the daily operation of a keno game at a location, an individual licensed as a sales outlet officer or owner, or an individual licensed as a lottery operator, officer, or owner.

~~600.02R Keno runner shall mean a licensed lottery worker, other than a keno writer on duty, who accepts an inside ticket and payment of wager from a player, transports such ticket and wager to a keno writer station to place the wager, and returns to the player the resulting outside ticket.~~

600.02SQ Keno system ~~shall~~ means an integrated system of computer hardware and software that generates outside tickets, records game outcomes, verifies winning tickets, produces management reports, and performs other functions and internal audit controls ~~of~~ for the keno operation.

~~600.02T Keno writer shall mean a licensed lottery worker who accepts inside tickets or other requests for wagers and payments of wagers from players or from keno runners, issues outside tickets, voids tickets, and redeems winning tickets.~~

600.02R Keno writer means an individual whose primary responsibilities include accepting inside tickets or other requests for wagers and payments of wagers from players, issuing outside tickets, voiding tickets, and redeeming tickets. A keno writer

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does not include a keno manager, a lottery operator, or any person who is directly in charge of the manual selection of winning numbers.

600.02~~US~~ Licensed racetrack enclosure ~~shall~~ means an enclosure licensed to conduct live thoroughbred horse racing for parimutuel wagering purposes pursuant to Neb. Rev. Stat. §§ 2-1201, et seq.

600.02~~VT~~ Licensee ~~shall~~ means a person holding a license issued by the Department pursuant to the Nebraska County and City Lottery Act.

600.02~~WU~~ Lottery equipment ~~shall~~ means: (a) all proprietary devices, machines, and parts used in and which are an integral part of conducting the lottery; and (b) equipment used in the manufacture or maintenance of maintaining the equipment which is used in and is an integral part of the conduct of the lottery described in (a). Such

600.02U(1) Lottery equipment is equipment that directly affects the outcome of the lottery or monitors the operation of the lottery and includes, but is not limited to, the following: keno balls; keno ball selection devices, including electrically-operated blower machines, automated ball draw systems, and other electronic selection devices; random number generators; and keno systems.

600.02~~W(1)~~ U(2) Lottery equipment does not include any Any equipment that does not directly affect the outcome of the lottery or is not an integral part of any system that monitors the operation of the lottery is not considered lottery equipment. For example, lottery equipment does not include video or digital recording equipment required for ball draw games, security cameras and systems, display devices, recording media, or other supply items used with the lottery equipment that do not directly affect the outcome of the game.

600.02~~XV~~ Lottery operator ~~shall~~ means any individual, sole proprietorship, partnership, limited liability company, or corporation which is licensed by the Department and responsible for conducting a lottery on behalf of a county, city, or village as provided by the a written contract between the county, city, or village and the lottery operator, which. This contract may include responsibility and liability for all operational aspects of the lottery, including such as the following: daily gaming operations; purchase, repair, replacement, and maintenance of lottery equipment; purchase and maintenance of lottery supplies; compensation, staffing, and training of all employees and agents; processing and handling of lottery gross proceeds; preparation of preparing all reports required of a county, city, village, or lottery operator by the Department or any governmental entity or agency; advertising; development of developing official rules and procedures for play; and collection of collecting prizes and progressive game prizes; oversight of overseeing the lottery operation; record keeping; and all other lottery functions.

600.02~~YW~~ Lottery operator location ~~shall~~ means the main location of the lottery operator where keno wagers are placed.

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600.02~~ZX~~ Lottery supplies ~~shall~~ means all tickets, cards, boards, sheets, or other supplies which are used in and are an integral part of ~~the conduct of~~ conducting any lottery activity.

600.02~~ZX~~(1) Lottery supplies do not include any item that does not directly affect the outcome of the lottery.

600.02~~X~~(2) For example, lottery supplies do not include keno paper, crayons and markers, and other supplies that do not directly affect the outcome of the game.

600.02~~AY~~ Lottery worker ~~shall~~ means any individual, other than a keno writer, who performs any work directly related to ~~the conduct of~~ conducting a county/city lottery including, but not limited to: ~~ticket writing~~; winning number selection; winning number verification; ~~prize payment to winners~~; record keeping; shift checkout; review of keno writer banks; and security, ~~and working as a keno runner~~.

600.02~~BBZ~~ Main location ~~shall~~ means a location where keno wagers may be placed, and winning numbers are ~~selection is performed and from which the selected numbers are and~~ electronically transmitted to satellite locations.

600.02~~CAA~~ Manufacturer-distributor ~~shall~~ means any individual, sole proprietorship, partnership, limited liability company, or corporation which assembles, produces, makes, prints, or supplies lottery equipment or supplies for sale, use, or distribution in this state.

600.02~~DDBB~~ Multirace ticket ~~shall~~ means a single ticket which allows a player to make the same keno wager on consecutive games. A player must wait until the last game wagered on has been called ~~in order~~ to collect any accumulated winnings. ~~A player may be allowed to play fewer consecutive games than originally indicated, provided, unless~~ approval has been obtained from the keno manager or from the keno writer on duty ~~if the county, city, or village and the lottery operator have approved the delegation of such approvals to the keno writer and such~~ all voided wagers are properly documented in the transaction log.

600.02~~DD~~(1) ~~Quitrace ticket shall mean a ticket, generated by the keno system, that records a player's termination of a multirace ticket before the completion of all of the games originally included on the multirace ticket. The quitrace ticket documents the payment of any accumulated winnings on the terminated multirace ticket and the refund of any unused portion of the original wager on the multirace ticket being terminated.~~

600.02~~ECC~~ Outside ticket ~~shall~~ means the official paper ticket, generated by the keno system, that shows the player's wager.

600.02~~FFDD~~ Owner ~~shall~~ means a person with a right to share in the profits, losses, or liabilities of a license applicant or licensee. The term includes loan guarantors who make actual debt payments for, or contribute capital to, a license applicant or licensee with a

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contingent right to share in the profits, losses, or liabilities of the operation. The term ownership interest ~~is synonymous with~~ has the same meaning as owner.

~~600.02GG Participate in a keno lottery shall mean performing any duty that would require the individual to be licensed as a lottery worker.~~

~~600.02HHEE~~ Person ~~shall~~ means any individual or organization, including any sole proprietorship, partnership, limited liability company, or corporation.

~~600.02HFF~~ Play in a keno lottery ~~shall~~ means placing ~~the~~ a wager, cashing ~~the~~ a winning ticket, ~~and/or~~ collecting any winnings.

~~600.02JGG~~ Premises ~~shall~~ means any building, or any distinct portion of a building, where the lottery is conducted or played, ~~and~~ Premises may include the main location, an independent game location, a sales outlet location, or a satellite location. Premises does not include any areas outside the building.

~~600.02KHH~~ Quick Pick ticket ~~shall~~ means a keno ticket for which the player selects numbers by requesting that the keno system generate them at random on an outside ticket.

~~600.02LLI~~ Random number generator ~~shall~~ means ~~a~~ hardware, software, or a combination hardware and software device for generating number values that exhibit characteristics of randomness.

~~600.02MMJ~~ Regrade ~~shall~~ means to manually recalculate the prize payout of a winning keno ticket according to the printed pay schedule.

~~600.02NNK~~ Replay ~~shall~~ means playing the identical keno wager as a prior wager with no change to selected numbers, conditioning, or amount of wager.

~~600.02OLL~~ ROM ~~or~~ (read only memory) ~~shall~~ means the electronic component used for ~~storage of~~ storing nonvolatile information in lottery equipment that provides instructions needed by the computer to begin its operations each time it is turned on. ~~The term~~ This includes ~~Programmable~~ programmable ROM (PROM) and ~~Erasable Programmable~~ erasable programmable ROM (EPROM).

~~600.02PPM~~ Sales outlet location ~~shall~~ means a location other than the lottery operator location where keno wagers are placed.

~~600.02QQN~~ Satellite location ~~shall~~ means a location where keno wagers are placed and ~~such location is electronically linked to a~~ where the winning numbers are electronically received from the main location. Winning number selection ~~is~~ cannot be performed at the ~~main~~ a satellite location.

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600.02~~RR~~OO Substantial interest or connected with, interested in, or otherwise concerned directly or indirectly ~~shall mean~~ holding having a significant responsibility for, or otherwise benefitting or having rights from, a license issued by the Department.

600.02~~RR~~OO(1) ~~With respect to~~ For a sole proprietorship, ~~for example, the involvement of this includes, but is not limited to,~~ an individual or his or her spouse ~~may include, but is not limited to,~~ owning, operating, managing, or conducting, directly or indirectly, a part of the sole proprietorship.

600.02~~RR~~OO(2) ~~With respect to~~ For a partnership, ~~for example, the involvement of this includes, but is not limited to,~~ an individual, his or her spouse, or a partnership, limited liability company, or corporation ~~may include, but is not limited to,~~ owning, operating, managing, or conducting, directly or indirectly, a part of the partnership activity, or sharing in any of the profits or potential profits of the partnership activity.

600.02~~RR~~OO(3) ~~With respect to~~ For a limited liability company, this includes, but is not limited to, ~~for example, the involvement of an individual, his or her spouse, or a partnership, limited liability company, or corporation may include, but is not limited to,~~ owning, operating, managing, or conducting, directly or indirectly, a part of the limited liability company activity; or sharing in any of the profits or potential profits of the limited liability company activity.

600.02~~RR~~OO(4) ~~With respect to~~ For a corporation, this includes, but is not limited to, ~~for example, the involvement of an individual, his or her spouse, or a partnership, limited liability company, or corporation may include, but is not limited to,~~ owning, operating, managing, or conducting, directly or indirectly, a part of the corporation activity, or ~~is being~~ an officer or director of the corporation, or ~~is being~~ a holder, directly or indirectly, of 10% ~~percent~~ or more of any class of stock in the corporation or debt representing 10% ~~percent~~ or more of the total assets of the corporation.

600.02~~RR~~OO(5) ~~With respect to~~ For a nonprofit corporation or nonprofit organization, this includes, but is not limited to, ~~for example, the involvement of an individual or his or her spouse may include, but is not limited to,~~ being an officer, ~~or~~ director ~~of,~~ or managing the business affairs of the nonprofit corporation or nonprofit organization.

600.02~~SS~~PP Transaction log means a record of all transactions entered on the keno system. The transaction log ~~shall include,~~ but is not be limited to, all outside ticket information, ticket processing, voided tickets, game closing time, game results, payout, and all other information required by ~~the~~ these regulations to be entered on the transaction log.

600.02~~TT~~QQ Way ticket ~~shall mean~~ a single outside ticket which allows a player to wager on ~~the~~ a combination of groups of numbers in various ways.

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600.03 **Election Required.** Any county or city, or any village as defined in Neb. Rev. Stat. §§ 17-201, et seq., desiring to establish and conduct a lottery ~~within the boundaries of such county, city, or village, or within a licensed racetrack enclosure which abuts the corporate limits thereof or which is within the zoning jurisdiction of a city,~~ must first hold an election, and a majority of the registered voters of ~~such the~~ county, city, or village casting ballots on the issue must approve the establishment of ~~such the~~ lottery. The term county ~~shall also refer to~~ includes a municipal county as provided in Neb. Rev. Stat. §§ 13-2801, et seq.

600.03A The issue may be decided at a regular election or at a special election called by the governing board of the county, city, or village for ~~such the~~ purpose of voting on establishing a lottery.

600.03B If an initiative petition signed by at least 20% ~~percent~~ of the number of individuals voting in the city or village ~~at in~~ the last preceding general election is submitted to the governing board of a the city or village, the question of whether ~~the a~~ lottery ~~shall will~~ be approved ~~shall must~~ be submitted to the voters as provided in Neb. Rev. Stat. §§ 18-2501, et seq. ~~A city operating under a home rule charter is required to provide, by charter provision or ordinance, for the exercise of the powers of initiative. Nebraska statutes do not reserve the power of initiative to electors on a county wide basis.~~

600.04 License Required. ~~Upon~~ After voter approval, the county, city, or village ~~shall not must~~ obtain a license from the Department to conduct a lottery ~~without having first been issued a license by the Department. A county, city, or village is not considered licensed until such time it has physical possession of the license issued by the Department.~~

600.0304A An applicant for ~~such a~~ license ~~shall must~~ submit to the Department a Nebraska Application for County/City Lottery, Form 50G, to the Department. Each application ~~shall must~~ include:

600.0304A(1) The name and address of the applicant;

600.0304A(2) A certified copy of the election results ~~at which~~ showing that the lottery was approved by a majority of the registered voters of the county, city, or village that cast ballots in the election;

600.0304A(3) ~~Any~~ The approval by ordinance or resolution adopted by a the governing board of a county, city, or village ~~sanctioning~~ authorizing the conduct of a lottery;

600.0304A(4) The names, addresses, and dates of birth of each individual employed by the county, city, or village to conduct the lottery;

600.0304A(5) The name and address of the authorized representative(s) designated by the county, city, or village or by a joint entity created by the county, city, or village by entering into an agreement pursuant to the Interlocal

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Cooperation Act, to examine, sign, and approve a lottery worker license application for submission to the Department;

600.0304A(6) The name and address of at least one individual employed by the county, city, or village who ~~shall represent~~ represents the county, city, or village in all matters with the Department regarding the conduct of the lottery;

600.0304A(7) A written statement describing the type of lottery to be conducted by the county, city, or village;

600.0304A(8) If the county, city, or village ~~enters~~ has entered into a written agreement with a lottery operator;

600.0304A(8)(a) A copy of the proposal submitted to the county, city, or village by the individual, sole proprietorship, partnership, or corporation selected to operate the lottery; and

600.0304A(8)(b) A copy of the proposed contract or written agreement between the county, city, or village and the ~~chosen~~ selected lottery operator.

~~600.03A(8)(b)(i) A copy of the signed and dated contract or written agreement between the county, city, or village and the chosen lottery operator is to be provided prior to starting the lottery.~~

600.0304A(9) A The biennial license fee for the county, city, or village of \$100.00;

600.0304A(10) The method of winning number selection to be used in a the keno lottery activity and, if both a ball draw and a random number generator are used, a separate schedule showing the days and times each will be used; and

600.0304A(11) Any other information which the Department deems necessary.

~~600.0304A(12) B~~ A county, city, or village ~~shall~~ must notify the Department within 30 days of any changes in the information originally submitted in its application ~~form~~. Changes can be reported by filing an amended application and identifying only the information to be changed. All requests for change ~~shall~~ must be signed by a member of the governing board, ~~or~~ a governing official, or other individual authorized by a Power of Attorney filed with the Department.

~~600.03B~~ 04C A county, city, or village is not considered licensed until ~~such time~~ it has physical possession of the printed license issued by the Department.

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600.04D A copy of the signed and dated final contract or written agreement between the county, city, or village and the selected lottery operator must be provided to the Department prior to starting the lottery.

~~600.03C~~04E A license obtained by a county, city, or village to conduct such a lottery must be renewed with the Department ~~on a biennial basis~~ biennially if the county, city, or village intends to continue its lottery activity. The biennial license ~~expiration date shall be expires~~ May 31 of every even-numbered year.

~~600.03C~~04E(1) License fees are due with the renewal application.

~~600.03C~~04E(2) Applications for renewal of a county, city, or village license ~~shall~~ must be submitted to the Department ~~on the prescribed form~~ a Nebraska Application for County/City Lottery, Form 50G, at least 60 days prior to the expiration date of the current license.

~~600.03D~~04F A county, city, or village electing to conduct a lottery may only conduct one ~~scheme or~~ type of lottery at any one time. ~~600.03D(1)~~ If a county, city, or village conducting a lottery wishes to change the ~~scheme or~~ type of lottery that it conducts, it must notify the Department in writing of the change at least 30 days before the change ~~in type or scheme of lottery~~ takes effect.

600.0405 Sales Outlet Qualifications. Prior to a county, city, village, or lottery operator conducting a lottery at a sales outlet location, the county, city, or village ~~shall~~ must establish ~~by ordinance or resolution~~ sales outlet location qualification standards by ordinance or resolution.

600.0405A The established qualification standards ~~shall~~ must be met by any person seeking to have its location qualify as an authorized sales outlet location.

600.0405B The qualification standards ~~shall be~~ are the sole basis on which the county, city, or village approves or disapproves each person that desires to conduct the lottery at its location.

600.0405C The county, city, or village ~~shall~~ must file a copy of the ordinance or resolution ~~setting forth~~ establishing the qualification standards with the Department within 30 days ~~of~~ after its adoption.

600.05D The county, city, or village ~~shall~~ must notify the Department of all approved sales outlet locations within 30 days of approval.

600.0506 Participation Restrictions. Participation restrictions for playing or working with the county/city lottery include:

600.0506A No individual under the age of 19 ~~shall~~ can play or participate in any way in any lottery.

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600.0506B No owner or officer of a lottery operator with whom the county, city, or village contracts to conduct its lottery ~~shall~~ can play any lottery conducted by ~~such~~ the county, city, or village at any time.

600.0506C No employee or agent of a county, city, village, lottery operator, or sales outlet location ~~shall~~ can play the lottery of the county, city, or village for which he or she performs work during ~~such~~ the time as he or she is actually working at ~~such~~ the lottery or while on duty with the lottery. This also prohibits an individual from purchasing a multirace ticket for which some or all of the games will be called while the individual is on duty with the lottery.

600.0506D A county, city, or village which authorizes the conduct of a lottery ~~shall~~ must establish by ordinance or resolution, the additional limitations, if any, on the playing of any lottery conducted by that county, city, or village by any member of the governing board, a governing official, or the immediate family of ~~such~~ the member or official.

600.0506D(1) For purposes of this regulation, immediate family ~~shall~~ means spouse, children, grandchildren, siblings, or parents, including those individuals with the same relationship to the spouse, residing in the same household under the control and support of the head of such household.

600.0506E Nothing ~~contained herein shall prevent~~ in this regulation prevents a county, city, village, lottery operator, or sales outlet location from adopting more restrictive player participation rules.

600.0506E(1) The county, city, or village may adopt any restrictions by ordinance or resolution or by virtue of contractual agreements reached between the county, city, or village and the lottery operator.

600.0506E(2) The lottery operator or sales outlet location may adopt any restrictions by internal policies formulated by either party.

600.0607 **Physical Limits of a Lottery.** A county, city, or village electing to conduct a lottery may only do so within the boundaries of the county, city, or village, or within a licensed racetrack enclosure which abuts the corporate limits ~~thereof~~ of a city or village, or which is within the zoning jurisdiction of a city.

600.0607A A county, city, or village electing to conduct a lottery may enter an agreement pursuant to the Interlocal Cooperation Act, ~~Neb. Rev. Stat. § 13-801, et seq.~~, to conduct a joint lottery with another county, city, or village ~~which~~ if each county, city, or village that is included within the agreement has established authorized a lottery in accordance with the Nebraska County and City Lottery Act.

600.0607B All parties to ~~such~~ an agreement under the Interlocal Cooperation Act must hold a valid license to conduct a lottery issued by the Department if currently conducting a county/city lottery.

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~~600.0607C~~ ~~Such a~~ A joint lottery may only be conducted within the boundaries of the counties, cities, or villages, or within a licensed racetrack enclosure which abuts the corporate limits of ~~a city~~ or which is within the zoning jurisdiction of ~~a city~~, the cities or villages which are conducting the joint lottery.

~~600.0708~~ **Expiration.** A lottery to be conducted by a county, city, or village which was authorized by an election held on or after October 1, 1989, and which is inactive for more than ~~the any 10~~ consecutive years ~~mandated by section 9-625 of the Nebraska Revised Statutes, as amended, shall~~ is no longer be authorized.

~~600.07A~~ A lottery which was authorized by an election held on or after October 1, 1989, and which was inactive more than four years as of July 19, 2002, shall no longer be authorized.

~~600.07B~~ If a lottery which was authorized by an election held on or after October 1, 1989, and which had not expired as of July 19, 2002, is inactive for more than ten years, it shall no longer be authorized.

~~600.07B(1)~~ For a lottery authorized as of or after July 20, 2002, if the lottery does not actually begin operation within ten years of the date that the results of the election authorizing it are certified, the lottery shall no longer be authorized.

~~600.0809~~ **Right to Vote on Continuation.** The registered voters of any county, city, or village shall have the right to vote on the question of whether or not an existing lottery should be continued.

~~600.0809A~~ If an initiative petition on continuing an existing lottery, signed by at least 20% ~~percent~~ of the number of individuals voting in the county, city, or village at the last preceding general election, is presented to the governing board of the county, city, or village conducting the lottery, the question of whether or not the lottery shall will continue shall must be submitted to the voters.

~~600.0809B~~ If the governing board of a county, city, or village decides to submit the issue to the registered voters of the county, city, or village at a regular or special election, the question of whether or not the lottery shall will continue shall must be submitted to the voters.

~~600.0809C~~ If a majority of the voters voting on the issue shall ~~determine~~ vote to discontinue the lottery, the county, city, or village shall must discontinue the lottery within 60 days ~~of~~ after the certification of the election results.

~~600.0809D~~ If the voters decide to discontinue the lottery, the county, city, or village must notify the Department within 30 days of the certification of the election results. ~~Such~~ The notification shall consist of a copy of a certification of the results of the election prepared by the county, city, or village election commissioner or other official with the authority to certify the results of an election.

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600.0809E An election authorized under Reg-35-600.089B ~~shall not~~ cannot be held within two years ~~of an~~ after the election authorizing the lottery, and not more than once every two years.

600.0809F If an election results in ~~the discontinuation of~~ discontinuing a lottery, a subsequent election to authorize another lottery ~~shall not~~ cannot be held within two years ~~of~~ after the election resulting in ~~the discontinuation of~~ discontinuing the previously-authorized lottery.

600.0809G Any contract entered into by a county, city, or village relating to ~~the conduct of~~ conducting a lottery ~~shall~~ must include a provision permitting the county, city, or village to terminate the contract by giving 30 days' notice to the other party if ~~such the~~ the lottery has been discontinued by an election authorized under Neb. Rev. Stat. §§ 9-626 or 9-627.

600.0910 **Local Restrictions.** Any county, city, or village may, ~~by resolution or ordinance,~~ tax, regulate, control, or prohibit any lottery conducted pursuant to the Nebraska County and City Lottery Act within the boundaries of ~~such the~~ the county, city, or village by resolution or ordinance, except that no county may impose a tax or otherwise regulate, control, or prohibit any lottery within the corporate limits of a city or village.

600.0910A If a city or village which has exercised its authority to prohibit lotteries of a county within its boundaries annexes any area in which a lottery is being lawfully conducted by a county, the county may continue the lottery for a period not to exceed the shorter of: (1) the remainder of the term of the county's agreement with the lottery operator; or (2) two years.

600.4011 **Municipal Counties.** If any county, city, or village is conducting a lottery at the time it is consolidated into a municipal county ~~and such county, city, or village is abolished as of the date of creation of the municipal county,~~ the municipal county ~~shall be~~ is subject to the same rights and obligations with respect to ~~such the~~ the lottery ~~or lotteries~~ as the ~~counties, cities, and villages~~ county, city, or village which ~~were~~ was abolished.

600.4011A Any rights or obligations under existing lottery contracts of counties, cities, and villages which were abolished continue in effect.

600.4011B ~~Such~~ The lottery ~~shall~~ will continue to be subject to all other provisions of the Nebraska County and City Lottery Act, except that ~~such lottery shall not~~ it cannot be expanded to any new location in any area of the municipal county where ~~such the~~ the lottery was not previously authorized before the consolidation, unless ~~such the~~ the expansion has been approved by ~~the~~ a majority of the registered voters of ~~such the~~ the municipal county voting at a regular election or special election called by the governing board of the municipal county for ~~such~~ this purpose.

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(Neb. Rev. Stat. §§ 9-1,104, 9-601, 9-602, 9-603, 9-603.01, 9-603.02, 9-603.03, 9-604.01, 9-605, 9-605.01, 9-606, 9-606.01, 9-606.02, 9-607, 9-613, 9-614, 9-615, 9-615.01, 9-619, 9-620, 9-625, 9-626, 9-627, 9-630, 9-631, 9-634, 9-635, 9-643, and 9-644. ~~November 13, 2005~~\_\_\_\_.)

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## REG-35-613 CONDUCT OF THE GAME - KENO

613.01 ~~No individual~~ **Age Restrictions.** Individuals under the age of 19 shall cannot play or participate in any way in any the game of keno lottery.

613.01A Any ticket purchased by an individual under the age of 19 years of age or by the agent of ~~such~~ the individual is void.

~~613.01B~~ A winning ticket presented by an individual under the age of 19 years of age or by the agent of ~~such~~ the individual is will not to be paid ~~since the wager was contrary to law.~~

613.02 **Equipment and Wagering Restrictions.** ~~The following restrictions apply to the conduct of keno games. Only computerized keno games may be conducted. Brush or non-computerized games are prohibited. The following restrictions also apply.~~

613.02A ~~No keno game shall permit or require player access or activation of any lottery equipment~~ A player cannot close a keno game or initiate the selection of winning numbers.

613.02B No person or licensee, or any employee or agent of a licensee thereof, ~~which~~ who accepts keno wagers ~~shall~~ may extend credit from the keno gross proceeds to players ~~for the to purchase of keno tickets.~~

613.02C ~~No person shall purchase or be~~ Except as provided below, no person is allowed to purchase any outside ticket or place any wager pursuant to the Nebraska County and City Lottery Act (Act) unless he or she pays for such the ticket or wager with cash.

613.02C(1) A lottery operator or sales outlet location may cash a check for a player from the lottery operator's or sales outlet location's personal account; ~~i.e. (for example, the bar account or business account). A check cannot be cashed from the keno account, i.e., the keno cash drawer or other keno related funds.~~ The player must ~~be provided~~ receive an equivalent amount of cash, less any applicable check cashing fees, from non-keno funds, and cash ~~shall~~ must be given to the keno writer at the time the wager is made. ~~In addition, it~~ It is not permissible to hold a check and await the outcome of the game ~~in lieu of accepting a cash wager.~~

~~613.02C(1)(a)~~ 613.02C(2) A lottery operator, sales outlet location, or county, city, or village cannot cash a check from the keno account, the keno cash drawer, or other keno funds unless ~~may cash a check from keno funds~~ provided the check was issued to the player by the lottery operator, sales outlet location, or county, city, or village for keno winnings.

~~613.02C(2)~~ Notwithstanding the restriction in Reg 35-613.02B that all wagers be made in cash, the 613.02C(3) Players may use of gift certificates redeemable for keno play, free play keno coupons, or similar promotional items is permissible;

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~~provided~~ if the dollar amount of keno wagers represented by the promotional items is included in the gross proceeds of the lottery.

613.02C(3)(a) The retail value of free keno play is considered a promotional expense of operating the lottery and is subject to the 14 ~~percent~~% limitation on expenses if reimbursed by the county, city, or village.

~~613.02C(2)(a)~~ 613.02C(3)(b) A gift certificate ~~shall~~ must identify the name of the county, city, village, lottery operator, or sales outlet location issuing the certificate; and indicate that it is redeemable only for keno play. The issuer of the gift certificate ~~shall be~~ is responsible for including cash in the keno bank account deposit for the day it is redeemed equivalent to the face value of the certificate. ~~A gift certificate which remains unredeemed for more than three years after issuance shall be presumed abandoned pursuant to the Uniform Disposition of Unclaimed Property Act, Neb. Rev. Stat. § 69-1329, et seq.~~

613.02D ~~No~~ Except as provided in Reg-35-613.02D(1), a keno game ~~shall~~ cannot be conducted between the hours of 1:00 a.m. and 6:00 a.m.

613.02D(1) If alcoholic liquor is allowed to be sold later than 1:00 a.m. pursuant to a vote under Neb. Rev. Stat. § 53-179(1)(b), a keno game may be conducted within the area affected by the vote until the hour established by the vote.

613.02D(2) Conducting a keno game includes ~~including~~, but is not limited to, selling tickets, paying tickets, voiding tickets, closing the game, or winning number selection.

### **613.03 Placing and Accepting Wagers.**

613.03A Permissible and Impermissible Wagers. ~~Players shall mark~~ may place a wager by marking a paper keno ticket constructed with 80 blocks containing the printed numbers 1 through 80, with their number selections. ~~Such~~ The marked ticket ~~shall be~~ is known as an inside ticket, and must be presented to a keno writer.

613.03A(1) The inside ticket must contain an area known as the “bet block” which indicates the dollar amount of the wager. Inside tickets may also contain advertising if approved by the sponsoring county, city, or village. Inside tickets are not required to identify the name of the sponsoring county, city, or village.  
~~Oral~~

613.03A(2) A player may also present an outside ticket for replay, place an oral wager ~~bets, or bets conveyed~~ place a wager by some other medium in order to accommodate the player and comply with ~~Public Law 101-336, the federal Americans with Disabilities Act of 1990,~~ made at the location of the keno lottery,

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~~whether a main location or satellite location, and outside tickets presented for replay are also permissible. No person or licensee, or any employee or agent thereof, shall allow or accept wagers.~~

613.03A(3) Quick pick wagers, where numbers are randomly selected by the keno computer system for the player, are permissible if the player has the option to reject the computer number selection.

613.03A(4) Wagers from a player not present at a licensed location of the keno lottery are not allowed. No person or licensee, or any employee or agent thereof, shall allow or accept wagers

613.03A(5) Wagers by telephone or any other means of electronic transmission are not allowed unless specifically authorized by the Nebraska County and City Lottery Act or these regulations. “Quick pick tickets,” where number selection is randomly made for the player by the keno system, are permissible provided the player has an opportunity to reject the computer number selection.

~~613.03A Inside tickets shall contain an area known as the “bet block” which indicates the dollar amount of the wager. Inside tickets may also contain advertising if approved by the sponsoring county, city, or village. Inside tickets are not required to identify the name of the sponsoring county, city, or village.~~

613.03B Documenting the Wager. The keno writer ~~shall enter~~ must enter each number selected by the player along with the amount wagered, the number of games to be played, and any other ticket conditioning aspects of the wager.

613.03B(1) The If an inside ticket shall is used to place a wager, it must be retained by the keno writer at the writer station for such period deemed necessary by as long as the county, city, village, or lottery operator requires.

613.03B(2) An After a player has placed a wager, an outside keno ticket must be generated by the keno system and presented to the player. The information on the ticket required by Reg-35-613.03L must be recorded on the keno system transaction log.

~~613.03B(1) A statement advising players to check their tickets for accuracy, and stating the consequence of a ticket being generated in error and not corrected before the start of a game, shall be legibly posted at each location where keno is played or printed on the outside ticket or the schedule of prize payouts. Such statement shall include the requirement that all winnings are computed and paid according to the outside ticket.~~

613.03B(2)(3) Preprogrammed keno tickets, default wager amounts, and the use of using optical character readers and other technologies approved by the Department for entering players’ wagers are permissible.

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~~613.03C Concurrently with the generation of the outside ticket, the information on the ticket must be recorded on the keno system transaction log. Advisory Statement. A statement advising players to check their tickets for accuracy, and stating the consequence of a ticket being generated in error and not corrected before the start of a game, must be legibly posted at each location where keno is played, printed on the outside ticket, or printed on the schedule of prize payouts. The statement must include the requirement that all winnings are computed and paid according to the outside ticket.~~

613.03D Void Tickets. If an outside ticket is voided, the ~~void~~ information pertaining to the voided wager must be entered ~~in~~ by the keno writer into the keno system, and the system must document the ~~appropriate information pertaining to the voided wager~~ on the transaction log. A void ticket must then be issued, ~~which must be retained~~ and attached to the outside ticket to ~~serve as documentation of~~ document the transaction.

613.03D(1) Void tickets which have not been issued and recorded by the keno system (manual voids) are not permissible, unless written procedures have been established by the county, city, village, or lottery operator regarding the circumstances under which a manual void ticket is permitted.

613.03D(2) The required record keeping for manual void tickets includes:

613.03D(2)(a) ~~The outside ticket, if printed,~~ 613.03D(2)(a)(i) ~~If the outside ticket is available, it is to~~ must have the word “VOID” written on it;

613.03D(2)(b) ~~The lottery worker’s~~ keno writer’s signature ~~and keno manager’s initials authorizing the manual void;~~

613.03D(2)(c) Documentation of the refund of any wager; and

613.03D(2)(d) Documentation of the circumstances which required a manual void.

613.03E Unexpected Game Delays. ~~In the event~~ If any of the lottery equipment breaks down prior to ~~the selection of~~ selecting the winning numbers and completion of the game will be delayed until the next business day, players ~~shall~~ will be refunded the amount wagered on any games not completed ~~upon presenting~~ at the time they present their outside tickets.

613.03F Closing the Game. Once the ~~keno manager is satisfied that all tickets for a game have been issued~~ required time interval has elapsed, the game ~~is~~ can be closed. A “close game” command must be entered on the keno system and the corresponding message displayed on all keno display boards, writer stations, and video display monitors. No outside tickets may be written or voided after a game has been closed and the winning number selection process has begun, except for tickets voided in accordance with Reg-35-613.03D(4). Outside tickets may be written or voided for future games after the current game has been closed.

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613.03F(1) Controls must exist to prevent ~~the writing and or voiding of~~ outside tickets for a game which has been closed. These controls must be identical for all satellite locations.

613.03F(2) ~~The controls in effect for writing and voiding outside tickets at satellite locations must be identical to those in effect at the main keno location.~~

~~613.03F(3)~~ Keno display boards or video display monitors used at satellite locations ~~shall incorporate~~ must have a countdown timer to warn players of the amount of time remaining before a game is closed.

613.03G Five-Minute Rule. At least five minutes must elapse between the random selection of winning numbers for each keno game. ~~For purposes of determining compliance with this regulation, the~~ The five-minute interval shall be is measured from game closing to game closing as recorded on the transaction log.

613.03H Prize Schedule. The potential payout for each different type of wager ~~shall~~ must be made known to the players prior to ~~their~~ selecting numbers. This may be done ~~through~~ by posting the potential payouts in a manner clearly visible to the players or through ~~some type of a~~ printed schedule that is available at each location ~~in which~~ where keno is played. The requirements for progressive keno games are ~~discussed~~ provided in Reg-35-613.09.

613.03I Wagering Limits. No outside ticket, including a “way-ticket,” may be purchased representing a wager of over \$100.00. A “multirace ticket,” however, may be purchased for an amount over \$100.00 ~~provided if~~ provided if the wager for each game included in the ticket does not exceed \$100.00.

613.03J Time Limit for Redemption. A statement indicating any time restriction for redeeming a winning outside ticket must be visibly posted at each location where keno is played or printed on the outside ticket or on the schedule of prize payouts.

~~613.03J(1)~~ 613.03K Invalid Wins. Any outside ticket ~~which was~~ identified as a winning ticket by the keno system, which is subsequently determined by the county, city, village, or lottery operator to be a losing ticket or a winning ticket of a lesser amount, is not a valid claim in the original amount against the county, city, village, or lottery operator. If the outside ticket is actually a losing ticket, the claim is invalid. If the outside ticket is ~~not~~ as large a winner as a win of a lesser amount than originally identified, the claim for the larger win is not valid, but the claim is valid for the ~~lesser amount as verified~~ winning amount. All ~~such~~ these instances ~~shall~~ must be reported to the Department by the end of the next business day following the date of the determination.

~~613.03K~~ 613.03L Information Required on Each Ticket. Each outside ticket ~~shall~~ must contain the following information:

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~~613.03K(1) 613.03L(1) The name of the sponsoring county, city, or village; and the current day's date and time;~~

613.03L(2) The current day's date and time;

~~613.03K(2) Dollar amount of wager;~~

~~613.03K(3) Numbers~~ 613.03L(3) The numbers chosen by the player;

~~613.03K(4) 613.03L(4) The Ticket~~ ticket serial number;

~~613.03K(5) Conditioning~~ 613.03L(5) The dollar amount and conditioning of the wager;

613.03K(6) ~~L(6) For~~ When a location has multiple stations ~~locations~~, the station number where the outside ticket was generated;

613.03K(7) ~~L(7) A reference to the applicable pay tables where multiple pay tables are offered; The number(s) of the pay table(s) or such other designation representing the pay table(s) applicable to the wager when multiple pay tables are offered to the players;~~

613.03K(8) ~~L(8) For a Quick Pick~~ quick pick ticket, a designation ~~on the outside ticket~~ that it is a Quick Pick quick pick ticket, for example, QP;

613.03K(9) ~~L(9) Game~~ The game number. For a multirace ticket, the first game number and last game number; and

613.03K(10) ~~L(10)~~ For a replay ticket, the serial number of the ticket replayed; and

~~613.03K(11) The name of the sponsoring county, city, or village.~~

613.03K(12) ~~L(11) In addition, an~~ An outside ticket may contain additional information regarding game rules or instructions which a county, city, or village and the lottery operator have agreed upon. ~~Such~~ This information ~~shall not~~ cannot contradict any provision of the Nebraska County and City Lottery Act or any regulation adopted pursuant to the Act.

613.03L M Draw Ticket. ~~A~~ If the number selection is made by a manual ball draw method using an electrically-operated blower device, a "draw ticket" must be prepared for each game by a licensed lottery worker ~~other than who is not the licensed lottery worker calling the game numbers if number selection is by manual ball draw method using an electrically-operated blower device.~~ Regardless of the method of selecting the winning numbers ~~selection, a draw ticket must be capable of being printed from the keno system~~ must be capable of printing a draw ticket.

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~~613.03M Payment of any N Winnings of \$1,500 or More. Any ticket, whether a single race or a multirace ticket, with net winnings of \$1,500.00 or more shall must be made to the player paid by check and not in cash, ~~made payable to the order of the player.~~~~

~~613.03M(1) 613.03N(1) If multiple players are involved on the same winning ticket and the net winnings are \$1,500.00 or more, the prize payment shall also net winnings must be issued to a single payee by check and not in cash.~~

~~613.03M(2) 613.03N(2) If requested by the player requests, not more than a portion not exceeding 10% ~~percent~~ of the winnings may be paid in cash for replay purposes.~~

**613.04 Manual Ball Draw Procedures.** When numbers are selected by a manual ball draw method using an electrically-operated blower device, selecting and verifying the winning numbers must ~~Winning number selection and verification shall~~ be conducted in the following manner ~~when numbers are selected by a manual ball draw method using an electrically operated blower device:~~

613.04A The keno balls must be randomly selected by ~~the~~ a licensed lottery worker, designated as the “caller,” who operates the keno ball blower and rabbit ears. The caller, or another licensed lottery worker, ~~shall~~ must enter the numbers of the keno balls randomly selected into the keno system which ~~shall~~ simultaneously displays the corresponding numbers on the keno display board(s) and video display monitors as ~~results of the game~~ results. The keno system must document and record the following on the transaction log: the date; the game number; the time the game was opened, ~~the time the game was~~ and closed; the numbers which were drawn in chronological sequence; and the method of selecting the winning numbers selection.

613.04B In addition to the licensed lottery worker who calls the keno ball numbers, ~~another~~ a different licensed lottery worker designated as the “marker” ~~shall indicate~~ must manually record the keno ball numbers, as they are drawn, on a draw ticket.

613.04B(1) The number of the game being drawn must be recorded on the draw ticket. ~~The draw ticket shall be~~ and given to the keno manager, ~~who.~~ The keno manager must compare the winning numbers selected by the electrically-operated blower device with the numbers entered into the keno system. ~~The keno manager shall~~ and initial or sign the draw ticket as evidence of his or her review.

613.04B(2) ~~When~~ After the keno manager ~~is satisfied~~ confirms that the winning numbers were entered correctly into the keno system, the keno manager ~~shall~~ must enter the appropriate command into the system to confirm the validity of the winning numbers selected and compute the game results.

613.04B(2)(a) Game results ~~will~~ must then be displayed as “official” or “results” on all keno display boards and video display monitors ~~once the keno manager has confirmed the winning numbers selected.~~

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613.04B(2)(a)(b) If the keno manager determines an error ~~has been made~~ occurred in entering the winning numbers into the keno system after the game results have been displayed as “official” or “results,” the keno manager ~~shall~~ must edit the ball draw: as described below:

613.04B(2)(b)(i) Each winning number entered in error ~~shall be~~ crossed out on the keno display boards or video display monitors;

613.04B(2)(b)(ii) The corrected winning numbers ~~shall~~ must then be highlighted on the keno display boards or video display monitors; and

613.04B(2)(b)(iii) All edited ball draws ~~shall~~ must be recorded on an exception log of the keno system, ~~and indicate~~ identifying the ~~user identification number of the~~ keno manager who edited the ball draw and made the corresponding change(s) ~~made~~.

613.04B(3) ~~It is not permissible for only one individual to perform the ball draw procedures for a manual ball draw method of winning number selection.~~ A minimum of three licensed lottery workers, one of ~~which~~ whom is the keno manager, ~~is~~ are required to perform the manual ball draw procedures.

613.04B(4) The Department may authorize alternative procedures for ~~the verification of~~ verifying a manual ball draw ~~method of winning number selection~~ provided that a minimum of three licensed lottery workers ~~is still required to~~ perform the procedures. A county, city, village, or lottery operator ~~shall~~ desiring to deviate from the prescribed procedures must submit a written request to the Department ~~to obtain~~ seeking authorization to deviate from the prescribed procedures ~~prescribed in this regulation.~~ Such The request ~~shall~~ must include a description of the alternative procedures proposed. The Department will review the request and issue its written determination to the county, city, village, or lottery operator.

613.04B(5) Each lottery operator ~~using a manual ball draw method of winning number selection shall~~ is required to establish a written policy regarding the procedures to be followed when a keno ball breaks or cracks during the ball draw, or when a keno ball is inadvertently left in the throat or rabbit ears from the previous game.

613.04B(5)(a) The policy ~~shall have the concurrence of~~ must be approved by the sponsoring county, city, or village and be posted conspicuously for the players or printed on the schedule of prize payouts. ~~When~~

613.04B(5)(b) The policy must include a requirement that when a ball draw irregularity is detected, it ~~shall~~ must be verbally announced at the

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main location ~~to the players~~ and refunds must be offered to any player for amounts wagered on the game ~~affected by the irregularity~~.

613.04B(5)(c) A copy of the approved ~~procedures shall~~ policy must be filed with the Department prior to ~~their~~ its use.

613.04C Video Recording Requirements. A camera must be used to videotape or digitally record (recording) all of the following prior to, during, and subsequent to the calling of a game, respectively:

613.04C(1) Empty rabbit ears or receptacle;

613.04C(2) Date, and time, and game number;

613.04C(3) ~~Game number;~~

613.04C(4) Throat of the rabbit ears and receptacle; and

613.04C(5) (4) Full rabbit ears or receptacle ~~which holds~~ holding the ~~numbers~~ keno balls selected with the date, time, and game number indicated. The picture of the rabbit ears or receptacle on the ~~videotape or the digital~~ recording must provide a legible identification of the numbers on the keno balls drawn. If a split image screen is used in order to accomplish the required views, each track must be capable of being independently played in a full-screen format. ~~Equipment incorporating a split image screen in use on the effective date of this regulation which does not allow each track to be independently played in a full screen format may continue to be used.~~

613.04D The game number as referred to in Reg-35-613.04(C)~~(3)~~(2) is not required to be ~~videotaped or digitally~~ recorded if it can be determined by comparing the date and time display on the ~~videotape or the digital~~ recording to the date and time of the game recorded on the keno system transaction log.

613.04E ~~Videotapes~~ Recordings must be retained for three ~~(3)~~ months or until ~~such~~ the time the keno compliance procedure relating to the review of ~~videotapes~~ the recordings is completed, whichever is later. ~~Videotapes~~ Recording media may be reused once the keno compliance procedure has been completed.

613.04F The keno manager ~~shall~~ is required to inspect new and used keno balls prior to use at the beginning of each day. The keno balls ~~shall~~ must be cleaned regularly to insure proper operation of the ball draw equipment.

613.04F(1) Back-up keno ball inventories ~~shall~~ must be maintained in a locked storage cabinet to prevent unauthorized access.

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613.04F(2) A county, city, village, or lottery operator ~~shall~~ must establish written procedures for ~~the~~ changing of keno ball sets and replacing damaged keno balls to ~~insure~~ ensure that all 80 numbered keno balls are in the receptacle and available for random selection. ~~In the event~~ If games are conducted with less than the required 80 numbered keno balls or with duplicate keno balls in the receptacle, players ~~shall be afforded the opportunity to obtain~~ must be offered a refund of the amount wagered for each ~~such~~ affected game played upon presentation of ~~their~~ the outside ticket.

613.05 **Random Number Generator Selection Device Procedures**. A All random number generators ~~shall~~ must reside on a PROM or EPROM secured in the logic board of the computer, or otherwise digitally stored in a verifiable manner in the ~~computer~~ keno system. The numbers selected by the random number generator for each game must be stored in the ~~computer's~~ keno system's memory and be capable of being printed on a draw ticket with no manual input of the numbers required.

613.05A The use of a “black box” random number generator as a peripheral device to the keno system is permissible. ~~Such device~~ A black box random number generator is subject to all regulatory requirements for a random number generator which resides in the keno system.

613.05B A camera system is not required if a random number generator approved by the Department is used for selecting winning numbers ~~selection~~.

613.06 **Verifying Winning Tickets**. Winning outside tickets ~~shall~~ must be verified prior to the payout and paid in the following manner:

613.06A Procedures ~~shall~~ must be established to preclude ~~payment of an~~ paying outside tickets ~~previously presented for payment paid~~, unclaimed winning tickets (~~sleepers~~) after a specified period of time, voided tickets, and tickets which have not been issued.

613.06B The serial number, or a number indexed to the serial number, of an outside ticket presented for payment ~~shall~~ must be entered into the keno system by the keno writer and the payment amount generated by the system ~~shall be~~ given to the player. ~~The use of~~ Using an electronic bar code scanner to scan a bar code printed on ~~the~~ an outside ticket which includes the serial number of the ticket is a permissible method of entering the ticket serial number ~~of the ticket~~ into the keno system.

613.06C All payments ~~of winnings~~ shall must be supported by the outside ticket and a pay ticket generated by the keno system, unless the Department has authorized the county, city, village, or sales outlet location to eliminate pay tickets.

613.06C(1) ~~Notwithstanding the requirements of 613.06B~~, The Department may authorize the payment of winnings without ~~the~~ an outside ticket when circumstances exist to warrant ~~such~~ payment. A ~~written~~ request for payment ~~shall~~ without an outside ticket must be submitted by the keno lottery operator in writing

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to the Department for approval. No ~~such~~ payment ~~shall~~ will be authorized without the ~~concurrence~~ approval of the sponsoring county, city, or village.

613.06D ~~A~~ Unless the Department has authorized the county, city, village, lottery operator, or sales outlet location to eliminate pay tickets, a manual report or exception log shall must be maintained documenting to document any winnings paid on outside tickets which were not authorized by the keno system and are not supported by a pay ticket generated by the system.

613.06E ~~Winning outside tickets of \$500.00 and over \$1,500 to \$2,999.99 require the approval of the lottery operator or keno manager to approve the payout by entering the appropriate authorization into the keno system. 613.06E(1) In conjunction with the required keno system approval, wins of \$500.00 to \$2,999.99 require the signature of the keno manager on the pay ticket. Evidence of this approval includes the keno manager's signature on the pay ticket, or an alternative method approved by the Department. Nothing in this regulation precludes a county, city, village, lottery operator, or sales outlet location from requiring lottery operator or keno manager approval of winning tickets of less than \$1,500.~~

613.06F ~~Net winnings of \$1,500.00 or more on a single keno game require that the player provide proper identification.~~

613.06G ~~Winning tickets of \$3,000.00 or more require the approval of the lottery operator or a keno manager. This approval may be evidenced by his or her the keno manager's signature on the pay ticket or in another manner approved by the Department to document performance of the following that:~~

613.06G(1) ~~In the case of a manual ball draw method of selecting winning numbers selection, a review of the videotape or digital recording of rabbit ears or receptacle to verify the legitimacy of the draw and the accuracy of the draw ticket was performed;~~

613.06G(2) ~~Comparison of the~~ The winning outside ticket was compared to the transaction log or proof of win generated by the keno system; and

613.06G(3) ~~Regrading of the~~ The outside ticket was regraded using the payout schedule and draw information.

613.06H ~~Winning tickets of \$10,000.00 or more shall require are subject to all of the requirements found in Reg-35-613.06G as well as and notification of the win to a governing county, city, or village official or county, city, or village employee serving as the governing official designee. 613.06H(1) Such The notification shall must be made no later than the next business day following the day the outside ticket was declared verified as a winner by the keno system.~~

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613.06I A county, city, village, or lottery operator ~~shall not~~ cannot deviate from the winning ticket verification procedures prescribed in this regulation unless otherwise approved in writing by the Department.

613.07 **Security Standards and Controls.** Access to the area ~~in which~~ where the keno lottery ~~workers operate shall~~ equipment operates must be restricted to the lottery operator, its employees or agents, sales outlet location employees or agents, authorized equipment service personnel, and employees or agents of the sponsoring county, city, or village. Law enforcement officers ~~and~~ or agents or representatives of the Department ~~shall~~ must be allowed access to ~~the area in which the lottery workers operate~~ any restricted keno areas upon showing ~~proper~~ official identification ~~in order to perform investigative and regulatory functions.~~

613.07A Access to the keno system ~~shall~~ must be adequately restricted.

613.07B The keno system processor and “black box” random number generator ~~shall~~ must be secured and ~~shall only be accessible~~ only to authorized personnel. Keno ball sets ~~(if applicable) shall~~ must be stored in a secure area. Any ~~access keys shall~~ needed to access this area must be maintained only by management personnel of the lottery operator or sales outlet location ~~independent of the day to day lottery worker.~~

613.07C Keno number display boards and video display monitors ~~shall~~ must be inspected periodically ~~throughout the day~~ by keno personnel ~~each day that the keno lottery is being operated~~ to ~~insure~~ ensure that game information is being displayed correctly.

613.07D The lottery operator or sales outlet location ~~shall assign~~ must:

617.07D(1) Assign the keno manager, and authorized licensed lottery workers, and the manufacturer-distributor personnel computer system access codes or passwords which allow them to approve and perform specific functions on the keno system; and

617.07D(2) Assign each keno writer a personal identification number (PIN), to be used only by that keno writer to perform his or her duties.

613.07E Access to the pay tables and system configuration options ~~shall be restricted is~~ limited to keno managers, ~~or higher levels of authority~~ representatives of the lottery operator, or representatives of the manufacturer-distributor. An exception log ~~shall~~ must be produced by the keno system to document all access to the pay tables and system configuration options, as well as all occurrences of unauthorized attempts to access restricted functions on the system.

613.07DE(1) Access codes or passwords must be ~~reassigned~~ changed periodically to prevent ~~the capability of~~ unauthorized personnel from performing restricted functions.

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613.07-~~DE~~ (2) Any revisions or modifications of the keno system software must be performed by an authorized representative of the licensed manufacturer-distributor. Changes to prize pay tables ~~may~~ can only be made ~~only~~ in the manner prescribed in Reg-35-614.05.

613.07-~~DE~~ (3) All ticket processing, game results, pay information, ~~and or~~ any other information required by these regulations to be entered on the transaction log may be kept on paper or on digital, electronic, magnetic, optical, or any other recording medium approved by the county, city, or village and the Department, so long as the transaction log remains capable of ~~being reviewed and printed~~ review and printing. ~~The default method of recording the transaction log shall be to print the log on paper concurrently with each transaction. If the county, city, or village approves a method of recording the transaction log other than concurrent printing, such approval with the specifications of the proposed record keeping system shall be provided to the Department for approval prior to discontinuing concurrent printing of the transaction log. Those specifications shall include a~~

613.07-~~DE~~ (3)(a) A procedure ~~plan~~ for making the transaction log available for keno compliance procedures must be submitted by the lottery operator, in writing, to the Department. The transaction log ~~shall~~ must be retained for a minimum of three years and be secured in an area other than the ~~location~~ area where the keno game is conducted.

613.07-~~DE~~ (3)(b) ~~(a) The printed~~ A copy of the transaction log or other electronic medium shall serve as a restricted copy of the transaction log which must be forwarded to management personnel of the lottery operator and the sponsoring county, city, or village for use in the keno compliance procedures.

613.07-~~DE~~ (4) A keno system which allows for ~~the~~ copying of game information to a medium other than paper ~~shall~~ must be designed so that ~~such~~ copying is a required system function when running end-of-day reports. The system ~~shall~~ must notify the user if the copying function is not completed satisfactorily and require the user to continue performing the copy function until it is completed properly.

613.08 **Keno Tournaments and Leagues Prohibited.** ~~“Keno tournaments,” whereby where multiple players a number of people pay an entry fee or a certain amount to play a number of multiple keno games and where no prize payouts would be made on individual games, but instead, cash prizes would be taken~~ are awarded from a the pool of entry fees paid back to the players based on their scores as a result of the games, the player’s total score are prohibited. ~~or “keno Keno leagues” played in a similar fashion as keno tournaments are also prohibited.~~

613.09 **Progressive Keno Games.** ~~“Progressive keno games” are keno games with a jackpot prize that increases if the jackpot has not been won in the previous game. The jackpot may increase by a predetermined percentage or amount as each game is played, each wager is made, or otherwise, in a manner approved by the Department. Progressive keno games are permitted~~

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~~provided that if the information describing how the game is to~~ will be conducted and any jackpot limitations have been previously filed by the lottery operator with, and approved in writing by, the Department. ~~Progressive keno games are keno games with a jackpot prize payout that increases by a predetermined percentage or amount as each game is played, each wager is made, or otherwise incremented in accordance with procedures approved by the Department, provided that the jackpot has not been awarded in a previous game.~~

~~613.09A~~ 613.09A Unless otherwise authorized in writing by the Department, the jackpot prize at the beginning of the day, any prize limits, and ~~in what the~~ amount the progressive ~~amount~~ jackpot is advanced ~~shall~~ must be visibly posted and made known to the players prior to the start of each game ~~and shall be posted and visible to all players at all times.~~

~~613.09B~~ 613.09B If two or more outside tickets ~~fulfill the requirements for winning the jackpot prize on the same game~~ are verified as jackpot winners, the full jackpot prize amount ~~shall~~ will be divided equally among the winning outside tickets.

~~613.09A~~ 613.09C The jackpot amount ~~shall~~ must be available to winning players by the end of the business day following the date that the winning transaction is verified. Verification ~~shall~~ must be completed no later than the third business day following the day the outside ticket is declared as a winner by the keno system.

~~613.09B~~ 613.09D The jackpot in a progressive keno game ~~shall not~~ cannot be paid by annuity or any installment method. The jackpot ~~in a progressive keno game~~ may be insured by a county, city, village, or lottery operator ~~provided if~~ the Department has previously approved such an the arrangement in writing. Any premium expense incurred by the county, city, village, or lottery operator in insuring the jackpot ~~shall be~~ is considered an expense of operating the lottery and is subject to the 14% percent expense limitation if paid for by the county, city, or village.

~~613.09C~~ 613.09E The progressive jackpot ~~shall not~~ cannot be reduced to a lesser amount unless:

~~613.09C(1)~~ 613.09E(1) A player wins the posted amount;

~~613.09C(2)~~ 613.09E(2) An adjustment ~~becomes~~ is necessary to prevent the posted amount from ~~being greater than~~ exceeding the published maximum amount of the progressive jackpot;

~~613.09C(3)~~ 613.09E(3) There ~~is~~ was a system malfunction. When this occurs, ~~in~~ which case an explanation must be entered as part of the system record; or

~~613.09C(4)~~ 613.09E(4) There is a player dispute ~~with a player~~ as governed in Reg-35-613.09EH.

~~613.09D~~ 613.09F Once a progressive jackpot amount is posted, that amount may not be decreased except as allowed by Reg-35-613.09CE, and ~~be permitted to remain until~~

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won by a player or discontinued as provided in Reg-35-613.09G. The progressive jackpot amount is the responsibility of the county, city, or village ~~should~~ if the operation of the progressive keno game ceases for any reason, including a change of lottery operator.

~~613.09D(1) Notwithstanding the provisions of Reg 35-613.09D, the 613.09G~~ The Department may authorize ~~the discontinuation of a county, city, or village to discontinue~~ a progressive jackpot keno game upon written request from a the county, city, or village ~~provided~~ subject to the following requirements ~~are adhered to~~:

~~613.09D(1)(a) 613.09G(1)~~ The county, city, or village ~~shall~~ must conduct a public hearing on ~~the discontinuation of discontinuing~~ its progressive keno game and discuss its intentions ~~with respect to the use of~~ for using any accumulated progressive jackpot funds. ~~In the case of~~ If it is a joint lottery conducted pursuant to an interlocal cooperation agreement, a the joint entity created pursuant to the agreement may conduct the public hearing in lieu of each county, city, or village which is a party to the agreement;

~~613.09D(1)(b) 613.09G(1)(a)~~ ~~To ensure that players have notice of the public hearing, a~~ A copy of the public hearing notice ~~shall~~ must be ~~displayed at~~ posted in a visible location at each keno location site; and

~~613.09D(1)(c) 613.09G(1)(b)~~ Once the public hearing has been held and the governing board of the county, city, ~~or~~ village, or joint entity has reached a decision, a copy of the resolution that was adopted ~~reflecting the governing board's decision shall~~ must be filed with the Department.

~~613.09D(2) 613.09G(2)~~ The procedures specified in Reg-35-613.09DG(1) do not apply to ~~the discontinuation of discontinuing~~ a progressive jackpot which is not paid from a specific set-aside of lottery funds, and instead is paid from the overall prize fund.

~~613.09E 613.09H~~ ~~In the event of~~ If there is a player dispute over ~~the payment of~~ paying a progressive jackpot, the county, city, village, lottery operator, or sales outlet location (whoever is conducting the game) ~~shall~~ must:

~~613.09E(1) 613.09H(1)~~ Reduce the progressive jackpot to its base amount and continue operating the game; and

~~613.09E(2) 613.09H(2)~~ Deposit the ~~total~~ disputed progressive jackpot amount ~~allegedly won in~~ into an escrow account until an investigation into the dispute by the Department has been completed and a decision ~~on such issue has been rendered~~ is issued by the Department.

~~613.09E(3) 613.09I~~ If a player's dispute is resolved by the Department in favor of the county, city, village, lottery operator, or sales outlet location ~~by a decision of the~~

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~~Department~~, the progressive jackpot must be returned to the accumulated amount at the time of the dispute, less the base figure amount.

613.10 **Standards for Conduct At A at a Satellite Location**. When keno is conducted at a satellite location, the following shall requirements apply:

613.10A A keno writer at a satellite location ~~shall~~ must enter each number selected by the player, ~~along with the amount wagered,~~ and the total numbers played into the writer station of the keno system. An outside ticket ~~shall~~ must be generated by the system and given back to the player.

613.10B ~~The~~ Any inside ticket presented by the player (if applicable) ~~shall~~ must be kept by the keno writer at the satellite location for ~~such the period deemed necessary of time~~ required by the county, city, village, or lottery operator.

613.10C When the game at the main location is closed, the game at the satellite location ~~must be notified and the game shall be closed at the same time at which the game is closed at the main location~~ simultaneously close.

613.10D At a satellite location, winning outside tickets for amounts up to \$499.99 \$1,499.99 may be verified and paid by the keno writer. Nothing in this regulation precludes a county, city, village, lottery operator, or sales outlet location from requiring lottery operator or keno manager approval of winning tickets of less than \$1,500.

613.10D(1) Wins of ~~\$500.00 and over~~ \$1,500 or more must be presented for payment at the main location of the keno game or the office of the lottery operator, unless an alternative method of verification is approved by the Department. The same verification procedures ~~shall~~ must be applied to outside tickets purchased at both the satellite location ~~as would be applied had the ticket been purchased at and~~ the main location at which keno is conducted. ~~A lottery operator may verify the winning outside ticket and make payment in person at the satellite location.~~

613.10D(2) The Department may authorize a ~~higher~~ larger amount to be paid at a satellite location based upon a written request from the county, city, village, or lottery operator ~~provided if~~ all of the winning ticket verification procedures ~~identified in Reg 35-613.06E~~ required by these regulations are followed. ~~Such~~ The request shall must include the exact procedures to be followed by the satellite location ~~in order to insure compliance with Reg 35-613.06E~~ the verification requirements in these regulations. If the request is made by a lottery operator, the approval of the county, city, or village ~~shall is~~ also be required.

613.10E If reports are printed and produced from the keno system at the satellite location, ~~such reports shall~~ they must be limited to the activity at that satellite location and ~~not~~ cannot include information for the entire satellite configuration.

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613.10F At a satellite location, the standards for game play, maintenance, checkout, and shift statistics ~~shall~~ must be the same as for the main locations ~~at which keno is conducted.~~

613.11 **Prize Fund Requirements.** Every county, city, village, or lottery operator conducting a lottery ~~shall~~ must have sufficient funds available to pay every winning ticket by the end of the business day following the date that ~~such~~ the winning ~~transaction is~~ tickets are verified. Verification ~~shall~~ must be completed no later than the third business day following the day the outside ticket is declared as a winner by the keno system. ~~Every winning prize shall~~ Prizes must be paid in full to the winning player and ~~shall not~~ cannot be paid over a period of time or through an annuity. ~~Such funds shall~~ The prize funds must be insured or guaranteed by monies deposited into an insured account maintained by a financial institution, an irrevocable letter of credit issued by a financial institution, or other security approved in writing by the Department.

613.11A ~~A copy of any~~ If an irrevocable letter of credit is used to secure the prize funds, a copy must be provided to the Department and is subject to the Department's approval. An irrevocable letter of credit ~~shall be~~ issued by the financial institution with must name the county, city, or village ~~named as the beneficiary thereof.~~ Such county, city, or village shall be able to draw on the irrevocable letter of credit as deemed necessary to pay prizes. ~~In the event the letter of credit is drawn on and the remaining amount is less than the top prize offered in the keno lottery, the keno lottery shall not resume play until such time as the letter of credit has been replenished to an amount at least equal to the top prize offered.~~

613.11B Prizes may be insured by a county, city, village, or lottery operator provided if the Department has previously approved ~~such an~~ the arrangement in writing. Any premium expense incurred by the county, city, village, or lottery operator ~~in insuring prizes shall be~~ is considered an expense of operating the lottery and is subject to the 14% ~~percent~~ expense limitation if paid for by the county, city, or village.

613.11C The county, city, or village must be able to draw on the insured deposit, irrevocable letter of credit, or insurance as needed. If the account, letter of credit, or insurance is drawn on and the remaining amount is less than the top prize offered, keno cannot resume play until the account, letter of credit, or insurance is replenished to an amount at least equal to the top prize offered.

~~613.11C~~ 613.11D If two or more outside tickets fulfill the requirements for are verified as winning the jackpot prize on the same game, the full jackpot prize amount ~~shall be~~ is divided equally among the winning ~~outside~~ tickets subject to the aggregate prize payout limit per game. ~~Such~~ The aggregate prize payout limit ~~shall~~ must be legibly posted at each keno location ~~where keno is played~~ and printed on the schedule of prize payouts.

~~613.11C(1)~~ 613.11E If two or more outside tickets fulfill the requirements for are verified as winning the jackpot prizes in different games associated through an interlocal agreement or different games within the same county, city, or village, the full jackpot ~~prize~~ amount as well as other prizes may be ~~allocated and~~ apportioned among all the

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winning ~~outside~~ tickets. The amount apportioned among the winning tickets is subject to the aggregate prize payout limit applicable to all participating games for a given day. ~~Such~~ The aggregate prize payout limit shall must be legibly posted at each keno location ~~where keno is played~~ and printed on the schedule of prize payouts.

~~613.11D~~ 613.11F All unclaimed prizes ~~shall be~~ are the property of the county, city, or village. The total value of unclaimed prizes ~~shall~~ must be taken into account in computing the overall prize payout percentage of the keno activity.

(Neb. Rev. Stat. §§ 9-605, 9-606, 9-607, 9-619, 9-620, 9-637, 9-645, 9-646, 9-646.01, 9-647, and 9-651. ~~November 13, 2005~~\_\_\_\_.)

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## REG-35-615 KENO CHECKOUT STANDARDS

### 615.01 ~~Keno Writer Banks.~~ Keno Writer Banks.

615.01A ~~The~~ Every lottery operator is accountable for the ~~impres~~ starting amount located in ~~the~~ each keno writer's banks. Each keno writer bank ~~shall~~ must contain ~~an~~ impres a starting amount established in writing by the lottery operator and ~~shall be~~ maintained under lock and key.

615.01B As keno writers are assigned banks, they ~~shall~~ must count and verify that the bank contains the ~~impres~~ starting amount prior to ~~the~~ beginning of their shift. The amount ~~shall~~ must be verified by the keno writer coming on duty at the beginning of the next shift and ~~management personnel~~ by the keno manager. The arriving and departing keno writers or management personnel ~~shall~~ must verify the ~~impres~~ starting amount in the bank and prepare a checkout sheet containing the following information:

615.01B(1) Day and shift;

615.01B(2) Count of cash;

615.01B(3) Bank over/short;

615.01B(4) Bank ~~impres~~ starting amount; and

615.01B(5) ~~Signatures~~ The signature of the departing/ and arriving keno writers and management personnel.

615.01C When a keno writer is unable to pay a player's winnings from his or her bank, he or she may obtain ~~the currency~~ cash from the keno manager's bank. The keno manager ~~shall~~ must enter the amount of fill and the keno writer's personal identification number (PIN) into the keno system. The keno system must generate a fill ticket which ~~shall be~~ is verified and signed by both the keno writer and the keno manager. The fill ~~shall~~ is then ~~be~~ credited to that particular keno writer who ~~shall retain~~ retains the completed fill ticket until the close of the shift or day when it ~~shall be~~ is turned in with the keno writer's cash.

615.01C(1) If keno writer fills are not recorded on the keno system, the following procedure is required:

615.01C(1)(a) The keno writer notifies the keno manager that additional ~~currency~~ cash is needed in the keno writer's bank;

615.01C(1)(b) The keno manager completes a two-part "fill slip" with the date and total fill completed on the form;

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615.01C(1)(c) The keno manager obtains the required currency cash and verifies the amount with the keno writer. Both the keno manager and keno writer sign the “fill slip”; and

615.01C(1)(d) The currency cash and one copy of the “fill slip” are given to the keno writer. The other copy is retained by the keno manager. At the end of the shift or day, the keno writer turns in the “fill slip” with the remaining cash in the keno writer's bank.

615.01D When a keno writer accumulates excess cash in his or her bank, he or she may turn in currency cash to the keno manager's bank. A cash turn-in slip must be prepared and signed by the keno writer and the keno manager. The cash turn-in ~~shall be~~ is credited to that particular keno writer who ~~shall retain~~ retains the completed cash turn-in slip until the close of his or her shift when it ~~shall be~~ is turned in with the keno writer's cash.

615.01E Each keno writer ~~shall~~ must segregate his or her ~~beginning imprest~~ starting amount bank from currency cash taken in during ~~their~~ his or her shift. The excess currency cash, paid (if applicable), void, and fill tickets, and cash turn-in slips must be turned over to the keno manager at the end of the shift. The currency cash turn-in ~~shall~~ must be verified by the keno manager who must record the amount on the keno turn-in summary. In addition, each keno writer ~~shall~~ must sign in ink ~~their name by~~ next to the corresponding entry on the keno daily summary.

615.01F The currency cash turn-in ~~shall be~~ is listed on a cash turn-in slip. The keno manager ~~shall~~ places the currency cash and the cash turn-in slip in the keno manager's bank or transports the currency cash and cash turn-in slip along with the various keno reports and tickets to a secured area. The currency cash turn-in must be recorded.

615.01G As an alternative for sales outlet locations or satellite locations, the management personnel at the sales outlet location or satellite location may perform the keno writer checks ~~enumerated in~~ required by this regulation.

### 615.02 ~~Keno Manager's Bank~~ **Keno Manager's Bank.** (if applicable).

615.02A ~~The lottery operator is also responsible for imprest banks of the keno manager~~ If the lottery operator chooses to use a keno manager bank in addition to the keno writer's bank, the lottery operator is also responsible for the starting amount of the keno manager's bank. ~~At the beginning of the day~~ If a keno manager's bank is used, a checkout sheet must be prepared at the beginning of the day with the following information:

615.02A(1) Date and shift;

615.02A(2) Bank ~~imprest~~ starting amount;

615.02A(3) Count of cash; and

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615.02A(4) ~~Signature~~ The signature of the keno manager ~~and the lottery operator.~~

615.02B The keno manager may need to order additional ~~currency cash~~ from the lottery operator to pay a large winning ticket. As in the case of keno writer fills When this occurs, the keno manager ~~shall enter~~ enters the amount of the fill and his or her ~~personal identification number (PIN)~~ into the keno system. A fill ticket must be generated which ~~shall be~~ is verified and signed by both the keno manager and the lottery operator. The fill ~~shall is~~ then ~~be~~ credited to the keno manager's bank and the completed fill ticket ~~must be~~ retained until it is turned in with the keno manager's cash at the end of the shift or the end of the day.

615.02B(1) If keno manager fills are not recorded on the keno system, the following procedure is required:

615.02B(1)(a) The keno manager notifies the lottery operator that additional ~~currency cash~~ is needed in the keno manager's bank;

615.02B(1)(b) The lottery operator completes a two-part "fill slip" with the date and total fill completed on the form;

615.02B(1)(c) The lottery operator obtains the required ~~currency cash~~ and verifies the amount with the keno manager. Both the lottery operator and keno manager sign the "fill slip"; and

615.02B(1)(d) The ~~currency cash~~ and one copy of the "fill slip" are given to the keno manager. The other copy is retained by the lottery operator. At the end of the shift or day, the keno manager turns in the "fill slip" with the remaining cash in the keno manager's bank.

615.02C If ~~there is a change of~~ the keno manager changes during the day, the arriving and departing keno managers ~~shall~~ must verify the ~~imprest~~ starting amount in the keno manager's bank and record the following information on the checkout sheet:

615.02C(1) Date and time;

615.02C(2) Bank ~~imprest~~ starting amount;

615.02C(3) Count of cash;

615.02C(4) Total keno writer fills by the departing keno manager;

615.02C(5) Total cash turn-ins received by the departing keno manager;

615.02C(6) Total keno manager pays on winning tickets;

615.02C(7) Total keno manager fills by the lottery operator;

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615.02C(8) Bank over/short; and

615.02C(9) ~~Signatures~~ The signatures of the departing/ and arriving keno managers.

615.03 ~~End of Shift or End of Day Checkout.~~ **End of Shift or End of Day Checkout.**

615.03A Once the last game has been completed for a shift or for the day, the keno manager ~~shall~~ or the keno manager's designee, must perform the close of shift or day procedures on the keno system. The completed shift or day report must be recorded on the transaction log and show for each keno station or keno writer the following information:

615.03A(1) Date and time;

615.03A(2) Beginning cash balance;

615.03A(3) Total ~~write (total~~ dollars wagered on tickets written);

615.03A(4) Total keno writer fills;

615.03A(5) Total keno writer pays on winning tickets;

615.03A(6) Total number and value of voided tickets;

615.03A(7) Total number and value of coupons redeemed;

615.03A(8) Total cash turn-in;

615.03A(9) Ending cash balance; and

615.03A(10) Net per station or keno writer.

615.03B ~~When applicable~~ If a keno manager's bank is used, a similar report ~~shall~~ must be recorded on the transaction log for the keno manager's bank showing the following information:

615.03B(1) Date and time;

615.03B(2) Beginning cash balance;

615.03B(3) Total keno writer fills;

615.03B(4) Total cash turn-in from keno writers;

615.03B(5) Total keno manager pays on winning tickets;

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615.03B(6) Total keno manager bank fills;

615.03B(7) Ending cash balance; and

615.03B(8) Net per keno manager.

615.03C The information required in Reg-35-615.03B must be recorded on the transaction log.

615.03D A cash summary report (count sheet) ~~shall~~ must be prepared at the conclusion of the shift or the day on a form ~~prescribed by or otherwise~~ approved by the Department and must include the following information:

615.03D(1) Total value of voided tickets;

615.03D(2) Net write (~~Total~~ total dollars wagered less the value of voided tickets); ~~and~~

615.03D(3) Total value of wins paid;

615.03D(4) Total hold (~~Net~~ net write less wins paid);

615.03D(5) Total value of wins paid by check and the value of coupons redeemed;

615.03D(6) The calculated deposit amount and the actual amount deposited;

615.03D(7) The date of the deposit;

615.03D(8) The difference between the calculated deposit and the actual deposit, and an explanation of ~~the~~ any overage or shortage;

615.03D(9) The value of unclaimed wins; and

615.03D(10) The signatures ~~of the~~ all individual(s) who prepared the cash summary report.

615.03E The cash turn-in for the shift or day ~~shall~~ must be deposited into a bank account of the county, city, ~~or~~ village, or the lottery operator and be made within a commercially reasonable time frame, but in no event later than four business days following the day the cash was collected. ~~615.03E(1)~~ At the option of the lottery operator, a sales outlet location or satellite location may ~~be allowed to~~ directly deposit the currency cash into the bank account of the county, city, ~~or~~ village, or the lottery operator.

(Neb. Rev. Stat. §§ 9-619 and 9-620. ~~November 13, 2005~~ \_\_\_\_.)

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## REG-35-619 LOTTERY WORKERS

619.01 Any individual who performs ~~any work directly related to the conduct of a county/city lottery~~ any duties that are within the definition of a lottery worker, must complete a Nebraska Schedule III - County/City Lottery Worker Application, Form 50G. ~~For purposes of this application, work directly related to the conduct of a lottery shall mean any work involving the actual day-to-day conduct of the lottery, including, but not limited to, ticket writing, working as a keno runner, winning number selection, prize payout to winners, record keeping, shift checkout and review of keno writer banks, security, and compiling or filing county/city lottery tax return information. Lottery workers are normally employees, agents, or officials of the county, city, and village or employees, agents, or owners of the licensed lottery operator or sales outlet location.~~

619.01A Individuals who are required to file a ~~lottery worker license application~~ Nebraska Schedule III include, but are not limited to, the following:

619.01A(1) Any individual, except one who acts solely as a keno writer, who performs work directly related to the conduct of a lottery, ~~even though such the~~ individual may not be an actual employee of the county, city, village, lottery operator, or sales outlet location;

619.01A(2) Any employee or agent of the county, city, or village who is involved with the record keeping of the lottery activity. Normally, this includes county, city, or village clerks and treasurers, as well as individuals who have administrative responsibilities for the lottery; and

619.01A(3) In the case of lottery operators and sales outlet locations, any individual with an ownership interest if the individual is involved in the day-to-day conduct of the lottery, except individuals acting solely as keno writers as well as any employee or agent involved in the conduct of the lottery.

619.01B The following individuals are not required to file a ~~lottery worker application~~ Nebraska Schedule III:

619.01B(1) Individuals whose sole responsibilities are as keno writers;

619.01B(2) Individuals whose sole responsibilities relate to concession activities or the sale of pickle cards at the location;

619.01B~~(2)~~(3) Individuals whose sole responsibilities are as custodial or maintenance personnel at the location;

619.01B~~(3)~~(4) Individuals whose sole responsibilities are as for security personnel for at the location if such the security service is provided by a third-party professional security contractor; or

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619.01B(4)(5) Individuals with whom the county, city, or village contracts to provide bookkeeping, accounting, or auditing services. This ~~would~~ includes outside individuals compiling information for tax returns or reports for the county/city lottery.

619.01C If an individual works or intends to work as a lottery worker for more than one county, city, or village lottery, a separate Nebraska Schedule III must be filed for each county, city, or village ~~involved~~ unless otherwise authorized by the Department.

619.01D An individual must be at least 19 years of age to be eligible for a lottery worker license.

~~619.01E If a county, city, village, or lottery operator desires to use keno runners, the county, city, or village is to approve the use of keno runners as proposed and submit a written request from the county, city, village, or lottery operator detailing the circumstances under which the keno runners will be used for the Department's approval, subject to the following conditions:~~

~~619.01E(1) Any keno runner's activity must be limited to the structural premises where the keno game is licensed to be conducted.~~

~~619.01E(2) If a keno runner functions only as a courier to transport wagers, tickets, and prize payouts, such runner must obtain the signature of the winning player on any pay ticket acknowledging receipt of his or her winnings. Such signed pay ticket is to be turned in by the keno runner and attached to the outside ticket in the same manner as all other pay tickets. The Department may authorize other methods for receipting payment of winners by keno runners upon written request from a county, city, village, or lottery operator.~~

~~619.01E(3) If the keno runner functions as a keno writer and is authorized to write, void, and pay tickets, such individual shall comply with all winner verification procedures prescribed in Reg 35-613.06 and keno check out standards prescribed in Reg 35-615.~~

~~619.01E(4) The location must post rules for wagers placed with keno runners which include a statement limiting management's liability with respect to game closings. This is necessary since the runner cannot always guarantee that the wager will be made on the game number requested by the player. In the alternative, a game board or video display with a countdown feature posted in each area serviced by keno runners would notify the players of the amount of time remaining before game closing to minimize this occurrence.~~

~~619.01E(5) A licensed lottery operator for a county, city, or village approved for the use of keno runners may allow such individuals to make change, pay winning tickets, and such other tasks as are appropriate for a keno writer.~~

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~~619.01E(6) Any individual who is designated as a keno runner must be licensed as a lottery worker and perform all tasks appropriate to the duties the runner is assigned.~~

619.02 A Nebraska Schedule III must be on file with the Department prior to ~~the~~ any individual beginning his or her duties as a lottery worker. Once a Nebraska Schedule III is on file with the Department, the individual may begin performing duties as a lottery worker and is considered to be acting under a 120-day probationary license.

619.02A ~~The application~~ Nebraska Schedule III will be considered on file with the Department ~~once the Nebraska Schedule III when it~~ has been received by the Department ~~or as of the date, if mailed, when it is postmarked, or~~ The Nebraska Schedule III will also be considered on file when electronically transmitted by electronic facsimile to the Department, provided the physical application is received by the Department within ~~ten~~ 10 days after the date ~~postmarked or it was~~ electronically transmitted.

619.02A(1) ~~An application~~ A Nebraska Schedule III that is postmarked electronically transmitted but not physically received by the Department ~~after ten within 10 days of after the postmark date electronic transmission shall not be is~~ not considered filed. The county, city, village, authorized representative, or lottery operator is responsible for confirming that the application ~~sent by mail~~ was actually received by the Department within ~~ten~~ 10 days ~~of the postmark. The~~ If it was not received within 10 days, the lottery worker applicant ~~shall~~ must cease performing any duties for the lottery ~~once the ten days expire until such time as a~~ Nebraska Schedule III is ~~on file with~~ received by the Department.

619.02A(2) ~~An application electronically transmitted but not physically received by the Department after ten days of transmittal shall not be considered filed. The county, city, village, authorized representative, or lottery operator is responsible for confirming that the original of the application sent by electronic transmittal was actually received by the Department within ten days of the transmittal. The lottery worker applicant shall cease performing any duties for the lottery once the ten days expire until such time as a Nebraska Schedule III is on file with the Department.~~

619.02A(3) ~~The ten days for the Department's physical receipt of the original application are calendar days so if~~ If the tenth day falls on a Saturday, Sunday, or legal holiday, the time period expires on the next business day.

619.02B The Nebraska Schedule III will be considered properly completed if accurate and legible entries are made for all required fields ~~required to be completed~~ and the required signatures are affixed.

619.02B(1) A governing official of the county, city, or village or an authorized representative of the county, city, or village as defined in Reg-35-600.02B must sign the Nebraska Schedule III, signifying that ~~such~~ the governing official or

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authorized representative has examined the completed Nebraska Schedule III and approved the ~~application~~ Nebraska Schedule III for submission to the Department.

~~619.02B(2) A copy of the Nebraska Schedule III, as approved by the authorized representative, or the information contained in the application shall be filed with the county, city, or village.~~

619.02B(2) All information requested on the Nebraska Schedule III must be properly completed.

619.02C An incomplete Nebraska Schedule III will be returned to the county, city, village, or authorized representative of the county, city, or village. ~~The~~ If the Nebraska Schedule III is returned, the lottery worker applicant ~~shall not~~ cannot perform any duties for the lottery until ~~such time as~~ a properly completed ~~application~~ Nebraska Schedule III is on file with received by the Department.

619.03 In addition to the information required on the Nebraska Schedule III, ~~a new lottery worker license~~ an applicant who is designated as a keno manager or who has the authority ~~over the verification of~~ to verify winning number selection by an electrically-operated blower machine ~~shall~~ must be fingerprinted for criminal background investigation purposes. ~~Such lottery~~ Lottery workers licensed as of July 20, 2002 are not required to be fingerprinted as long as they remain actively licensed.

619.03A The fingerprinting requirement for ~~such~~ an applicant may be waived if the Nebraska Liquor Control Commission has received fingerprint reports on the applicant within the ~~past two years of~~ preceding the filing date of the Nebraska Schedule III, or if the license issued by the Nebraska Liquor Control Commission has been continuously maintained since documented fingerprints were filed to obtain ~~such~~ a license.

619.03B ~~Two~~ The applicant must promptly submit two sets of completed fingerprint cards ~~supplied by the Department~~ and the required processing fees ~~must be submitted to the Nebraska State Patrol promptly~~ Department. Blank fingerprint cards are available from the Department.

619.03C The Department must receive the fingerprint reports from the Nebraska State Patrol prior to the expiration of the 120-day probationary license or the lottery worker's application will be denied.

619.04 If a lottery worker license applicant has: (a) been convicted of, or forfeited bond upon a charge of, or pled guilty or nolo contendere to any felony within ten years preceding the date of the license application Nebraska Schedule III is filed; (b) ~~or~~ been convicted of or forfeited a bond upon a charge of to any felony or misdemeanor at any time involving fraud, theft, or any gambling activity at any time; (c) ~~or has~~ willfully failed to make required payments or reports; or (d) ~~has~~ filed false reports with a governmental agency at any level; the applicant must furnish the Department the following information for each ~~such~~ incident to the extent that it is available to the applicant:

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619.04A The date and place ~~the~~ each incident occurred;

619.04B The court case or docket number under which it is filed;

619.04C The original charge and ultimate disposition of the matter; and

619.04D A description of the events which are the subject of the incident.

619.05 ~~All information requested on the Nebraska Schedule III must be properly completed. If the Department determines an~~ that a false or incorrect response has been made on the application Nebraska Schedule III to the questions regarding prior criminal activities, the applicant may be disqualified from being a lottery worker for falsifying application information on the Nebraska Schedule III.

619.06 Once a Nebraska Schedule III has been filed with the Department, the applicant ~~shall~~ will be granted a probationary license to perform work directly related to the conduct of a lottery.

~~619.06A Such~~ A probationary license ~~shall be~~ is valid for a period of 120 days from the date the Nebraska Schedule III is filed with the Department, ~~unless; such~~

619.06A(1) The applicant is subsequently disqualified;

619.06A(2) The Department returns the Nebraska Schedule III because it is incomplete; or

619.06A(3) ~~the~~ The license application is denied by the Department.

619.06B If a notice of disqualification or the ~~proceedings~~ notice of intent to deny the a license application have has not been ~~initiated~~ issued by the Department prior to the expiration of the probationary period, the applicant ~~shall be~~ is considered licensed to perform work directly related to the conduct of a lottery. ~~The licensure shall be valid to allow such individual to perform work for the county, city, village, lottery operator, or sales outlet location or locations unless otherwise voided, suspended, revoked, denied, or disqualified by the Department.~~

619.06AB(1) Notice of the Department's intent to deny will be sent to the applicant, the county, city, or village, the lottery operator, and, if applicable, the sales outlet location. ~~619.06A(1)~~ The individual may continue performing his or her duties for the lottery until the denial becomes final.

619.06B(2) Notice of an applicant's disqualification will be sent to the applicant, the county, city, or village, the lottery operator, and, if applicable, the sales outlet location. ~~619.06B(1)~~ Upon ~~receipt of~~ receiving the notification of disqualification, the individual must cease working with the lottery immediately.

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~~619.06C An appeal of intent to deny or notice of disqualification may be filed within 30 days. A hearing will be scheduled if necessary.~~

~~619.07 It shall be the responsibility of each~~ Every lottery worker licensee ~~to~~ must keep the information on ~~his or her application~~ the Nebraska Schedule III filed with the Department ~~up to date~~ current. All changes ~~are to~~ must be ~~submitted~~ reported on a Nebraska Schedule III, marked “Report Changes”, and signed by the lottery worker licensee and a governing official or authorized representative of the county, city, or village. ~~A copy of the application Nebraska Schedule III reporting the changes must also be filed with the county, city, or village.~~

619.07A The ~~Department must be informed~~ report must be made within ~~thirty (30)~~ days after the lottery worker licensee learns of any inaccuracies or has any changes in the information supplied by the lottery worker licensee in his or her most recent application filed with the Department. Reportable changes include, but are not limited to: a new surname; a new street or mailing address; new duties; any new conviction; bond forfeiture; guilty plea; or nolo contendere plea to any felony or to any felony or misdemeanor involving fraud, theft, or any gambling activity; willful failure to make required payments or reports; or filing false reports to a governmental agency at any level. ~~The new information is to be reported by filing a Nebraska Schedule III marked “Report Changes” and identifying the changes to the information previously provided.~~

619.07B If an individual licensed as a lottery worker is no longer working for the county, city, village, or lottery operator for which the license was obtained, or for any sales outlet location with ~~whom~~ which the county, city, village, or lottery operator contracts, the license is no longer valid. This ~~is to~~ may be reported to the Department by the county, city, village, or lottery operator on a Nebraska Schedule III marked “Inactive.” The signature of the lottery worker licensee is not required. ~~If reported by the lottery operator, a copy of the Nebraska Schedule III must be provided to the county, city, or village.~~

619.07B(1) Seasonal, periodic, or emergency workers may maintain a valid license although not actively working on a regular basis. Once it is known that an individual will ~~never~~ not return to work, the Nebraska Schedule III marked “Inactive” ~~is to~~ may be filed.

~~619.07C A lottery worker license may only be cancelled by the licensee. Cancellation of a lottery worker license may be reported on the Nebraska Schedule III. The individual requesting cancellation of his or her lottery worker license must sign the Nebraska Schedule III. A copy of the Nebraska Schedule III or notification of the cancellation must be provided to the county, city, or village.~~

619.08 All lottery worker licenses ~~shall~~ expire on May 31 of every odd-numbered year and may be renewed biennially.

619.08A Applications for renewal of a lottery worker license ~~shall~~ must be submitted to the Department electronically or on the prescribed form Nebraska Schedule III at least 60 days prior to the expiration date of the license.

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619.08B A lottery worker's license is not transferrable ~~may not be transferred under any circumstance and is no longer valid if a person is no longer employed or conducts work directly related to the lottery for the county, city, or village for which the lottery worker license was obtained.~~

619.09 An individual acting as a keno writer or licensed as a lottery worker under the Nebraska County and City Lottery Act ~~shall not~~ cannot be connected with or interested in, directly or indirectly, any individual, sole proprietorship, partnership, limited liability company, corporation, or other party licensed as a distributor, manufacturer, or manufacturer-distributor under ~~sections~~ Neb. Rev. Stat §§ 9-255.07, 9-255.09, 9-330, 9-332, or 9-632.

(Neb. Rev. Stat. §§ 9-1,104, 9-603, 9-603.02, 9-605.01, 9-606.01, 9-606.02, 9-615.01, 9-619, 9-620, 9-622, 9-623, 9-631, 9-631.01, and 9-646. ~~November 12, 2002~~ \_\_\_\_\_.)