



BINGO REGULATIONS

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BINGO REGULATIONS

Title 316, Chapter 35

REG-35-200 SCOPE AND DEFINITIONS

200.01 Bingo, Lottery, Raffle and Lottery by Pickle Card Regulations 35-200 through 35-222 are adopted to carry out the provisions of the Nebraska Bingo Act.

200.01A For purposes of the Nebraska Bingo Regulations, unless the context otherwise requires, the definitions found in this regulation and sections 9-204 to 9-225.01 of the Nebraska Bingo Act shall be used.

200.02 Admission means the price paid to enter a premises where bingo is being played.

200.02A Money paid to attend a special function or to board a railroad coach car of a dinner or excursion train where bingo is conducted is not considered an admission, provided such charge does not exceed the fair market value of the food, refreshments, or entertainment, excluding bingo, which is being offered.

200.03 Auxiliary means an organization affiliated with, and organized in accordance with, the bylaws and regulations formulated by a companion or parent organization, and at least seventy-five percent of the members of one organization are either members of the parent or companion organization, spouses of members of the parent or companion organization, or are the parents, children, brothers, sisters, grandparents, or grandchildren of a member of the parent or companion organization.

200.04 Bingo card monitoring device means a technological aid used by a bingo player to monitor bingo cards purchased at the time and place of a licensed organization's bingo occasion, and which:

200.04A Provides a means for bingo players to input numbers announced by a bingo caller;

200.04B Compares the numbers entered by the bingo player to the numbers contained on bingo cards previously stored in the electronic data base of the device;

200.04C Identifies winning bingo patterns; and

200.04D Signals only the bingo player when a winning bingo pattern is achieved.

Bingo card monitoring device shall not mean or include any device into which currency, coins, or tokens may be inserted to activate play, or from which currency, coins, tokens, or any receipt for monetary value can be dispensed, or any device which is interfaced with or connected to any host system, site system or any other type of bingo equipment once the device has been provided to a bingo player.

200.05 Bingo equipment means any equipment which is made, sold, or used to conduct bingo and shall include, but is not limited to, blower devices, mechanical cages or machines or other devices from which bingo balls are withdrawn, bingo

balls, flash boards, instant bingo boards, reusable shutter bingo cards, bingo hard cards, disposable paper bingo cards, a facsimile of a bingo card electronically displayed on a bingo card monitoring device, instant bingo cards, bingo card monitoring devices and site systems, and any other device used in the direct operation of the game.

200.05A Bingo equipment shall not mean or include tables, chairs, cash registers, and other personal property not directly used in the operation of the game, bingo supplies, or bingo game sets commonly manufactured and sold as a children's game, unless the set, or portion thereof, is actually used in bingo games required to be licensed.

200.06 Bingo prize means something of value awarded to a bingo player for achieving a predetermined pattern on a bingo card.

200.07 Bingo supplies means any item used by a bingo player to assist him or her in the playing of bingo. Bingo supplies include, but are not limited to, ink daubers, chips used to mark the numbers on the player's bingo card, and glue sticks.

200.08 Department means the Nebraska Department of Revenue.

200.09 Disposable paper bingo card means a bingo card manufactured with preprinted numbers that is not reusable after a bingo game or series of progressive bingo games has been completed. For purposes of this regulation, an instant bingo card is considered a disposable paper bingo card. The following definitions shall also apply to disposable paper bingo cards:

200.09A Color - means the border color of the disposable paper bingo card.

200.09B Cut - means the direction that a sheet of faces is cut from a master sheet. A cut can be either square, horizontal or vertical; e.g., a 3 ON vertical cut is 3 faces arranged in one vertical row.

200.09C Face - means one individual bingo card.

200.09C(1) In the case of traditional 75-number bingo, the card shall contain 24 preprinted numbers plus the center free space; or

200.09C(2) In the case of 90-number bingo, the card shall be a strip of six faces, with each face containing 27 squares arranged in nine columns of five squares, with 15 squares of each face containing one number from 1 to 90 which is not repeated on the strip.

200.09D Free Space Number or face number - means the number in the center of the bingo card which is consecutively numbered throughout the series and allows for the verification of a winning card against a master book containing all of the faces in the series.

200.09E ON - means the number of bingo faces on a single sheet. A 12 ON would have 12 faces per sheet.

200.09F Serial Number - means the unique identification number of a set of disposable paper bingo cards.

200.09G Series - means the manufacturer's permutation of a number of unique faces in a single set of disposable bingo paper; e.g., 1 to 64,000 series contains 64,000 unique faces.

200.10 Fair market value means the price that one would normally pay for an item in an arm's length transaction with a retail business.

200.11 Gross receipts means the total receipts received by a licensed organization from the conduct of bingo, including, but not limited to, receipts from admissions when such admissions are directly related to the playing of bingo, the sale, rental, or use of regular bingo cards, special bingo cards, and instant bingo cards, any fee charged for the use of bingo card monitoring devices, and the value of in-kind payments.

200.11A Gross receipts shall not include the receipts derived from concession activity at the bingo occasion, or from the sale of bingo supplies.

200.12 Host system means the computer hardware, software, and peripheral equipment of a licensed manufacturer which are used to generate and download an electronic facsimile of a bingo card to a licensed organization's site system, and which monitors sales and other activities of a site system.

200.13 In-kind payment means the tendering of an item having a particular dollar value when sold on a retail basis. If a licensed organization accepts in-kind payments, the value of the in-kind payment must have a value at least equal to the dollar value charged those using currency or checks to purchase or use the same items.

200.14 Instant bingo card means a disposable paper bingo card which is constructed so that the face(s) of the card are concealed and cannot be determined by any means until it is dispensed to and opened by the player.

200.15 Member means an individual who meets the written membership requirements contained in the organization's articles of incorporation, bylaws, charter, statement of purpose, or other written rules or statement governing membership of the organization.

200.15A One whose only participation in the activities of the organization involves the conduct of gaming activities shall not be considered a member.

200.16 Occasion or bingo occasion means a single gathering or session at which a bingo game or series of successive bingo games are played.

200.17 Regular bingo card means a bingo card which affords an individual the opportunity to participate in all regular games played at a bingo occasion.

200.18 Site system means the computer hardware, software and peripheral equipment used by a licensed organization at the site of its bingo occasion which download electronic facsimiles of bingo cards into bingo card monitoring devices, receipt the sale or use of such cards and devices, and generate reports relative to such sales or use.

200.19 Special bingo card means a specially marked or colored bingo card which affords an individual the opportunity to participate in a special bingo game played at a bingo occasion.

200.20 Substantial interest means connected, interested in, or otherwise concerned directly or indirectly with an individual, organization, firm, or corporation as follows:

200.20A With respect to a sole proprietorship, an individual or his or her spouse who owns, operates, manages, or conducts directly or indirectly a part of the sole proprietorship;

200.20B With respect to a partnership, an individual, his or her spouse, or a partnership, limited liability company, or corporation who owns, operates, manages, or conducts directly or indirectly a part of the partnership activity, or shares in any of the profits or potential profits of the partnership activity;

200.20C With respect to a limited liability company, an individual, his or her spouse, or a partnership, limited liability company, or corporation who owns, operates, manages, or conducts directly or indirectly a part of the limited liability company activity, or shares in any of the profits or potential profits of the limited liability company activity;

200.20D With respect to a corporation, an individual, his or her spouse, or a partnership, limited liability company, or corporation who owns, operates, manages, or conducts directly or indirectly a part of the corporation activity, or who is an officer or director of the corporation or is a holder directly or indirectly of ten percent or more of any class of stock in the corporation;

200.20E With respect to an individual, such individual or his or her spouse who provides ten percent or more of the capital, whether in cash, goods, or services for the operation of a manufacturer, distributor, or commercial lessor during a calendar year; and

200.20F With respect to an organization, association, or business not covered by subdivisions A, B, C, D, or E of this regulation:

200.20F(1) An individual or his or her spouse who is an officer or director of or manages the business affairs of the organization, association, or business; or

200.20F(2) An individual or his or her spouse who owns or controls ten percent or more of the assets of the organization, association, or business.

200.21 Youth amateur athletics or youth sports means activities sponsored by an organization which organizes, super-

vises, or administers team or individual activities which consist of an element of enjoyment or recreation involving the practice of individual skill and in which all those participating on the team or in an individual activity are under the age of 19.

(Sections 9-204.02, 9-204.03, 9-205, 9-206, 9-207.01, 9-208, 9-209, 9-209.01, 9-209.02, 9-210, 9-214.01, 9-215, 9-216, 9-226, 9-241.06, 9-241.10, 9-255.01, and 9-255.06, R.R.S. 1997. Sections 9-204, 9-204.01, and 9-204.04, R.S.Supp., 2004. September 5, 2005.)

REG-35-201 QUALIFICATION FOR LICENSE TO CONDUCT BINGO

201.01 Any nonprofit organization, volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad, applying for a bingo license shall be incorporated in this state as a nonprofit corporation or organized or established in this state as a religious or nonprofit organization.

201.01A An organization incorporated in a foreign state holding a certificate of authority to conduct affairs in Nebraska is not considered to be incorporated in Nebraska and shall not qualify for a license.

201.01B A corporation incorporated in a foreign state which has domesticated in this state shall not be considered incorporated in Nebraska and shall not qualify for a license.

201.02 Any nonprofit organization holding a certificate of exemption under sections 501(c)(3), (4), (5), (8), (10), or (19) of the Internal Revenue Code or any volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad, is eligible to apply for and obtain a license to conduct bingo.

201.02A A nonprofit organization is considered exempt under section 501 of the Internal Revenue Code if it can provide a copy of the exemption ruling or exemption determination letter issued by the Internal Revenue Service when making application for an initial license.

201.02A(1) Subsequent application by an organization to renew its bingo license is not required to be accompanied by the proof of exemption unless the circumstances under which the exemption was issued or the nature of the licensed organization have changed substantially to the extent that the exempt status may no longer be applicable, or the Department specifically requests the exemption determination letter.

201.02B An organization may be exempt under a group exemption letter issued by the Internal Revenue Service. A group exemption letter is a ruling or determination letter issued to a parent organization recognizing on a group basis the exemption under section 501(c) of the subordinate organizations on whose behalf the parent organization has applied for recognition of exemption.

201.02B(1) A parent organization is an organization that has one or more subordinates under its general supervision or control.

201.02B(2) A subordinate is a chapter, local, post, or unit of a parent organization, such as the American Legion, Veterans of Foreign Wars, or Fraternal Order of Eagles.

201.02B(3) A subordinate organization applying for an initial license must provide the Department with a copy of the group exemption letter issued to the parent organization or indicate the Group Exemption Number (GEN).

201.03 Limitations on licenses between related organizations. Each nonprofit organization, volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad, wishing to conduct bingo must obtain its own license. Related organizations may not use a license obtained by one organization to conduct bingo on behalf of one or more related organizations. For example, the auxiliary of a Veterans of Foreign Wars post must obtain its own license and cannot use the bingo license of the post. Related organizations, each conducting separate bingo occasions, must obtain separate licenses.

201.03A For purposes of this regulation, related organization means:

201.03A(1) An organization affiliated with, and organized in accordance with, the bylaws and regulations formulated by a companion or parent organization; and

201.03A(2) At least seventy-five percent of the members of one organization are either members of the parent or companion organization, spouses of members of the parent or companion organization, or are the parents, children, brothers, sisters, grandparents, or grandchildren of a member of the parent or companion organization.

201.03B Related or unrelated organizations may conduct a co-sponsored bingo game, provided each organization applies for and obtains its own bingo license from the Department.

201.04 In addition to the requirements contained in Regulations 35-201.01 and 35-201.02, to be eligible for a bingo license an organization, volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad, must have been in existence in this state for at least five years immediately preceding its application for a license and have had an active and bona fide membership engaged in furthering a lawful purpose during that period.

201.04A To verify the applicant organization's five-year existence, the Department may require the applicant organization to provide additional documentation which includes, but is not limited to, any of the following:

201.04A(1) Dated bylaws of the applicant organization;

201.04A(2) Dated Articles of Incorporation of the applicant organization;

201.04A(3) Dated minutes of the applicant organization's meetings;

201.04A(4) Dated charter of the applicant organization; or

201.04A(5) Other dated documents of the applicant organization which would provide evidence of the organization's existence and the purposes for which it was organized.

201.04B An organization defined in section 21-608 of the Nebraska Revised Statutes, as amended, which is chartered in Nebraska under a state, grand, supreme, national, or other governing body may use the charter date of its parent organization to satisfy the five-year existence requirement.

201.05 The Department may also require an applicant organization to produce evidence of charitable or community betterment activities conducted by the organization's membership during the five-year period preceding its application for a license. Such evidence may include, but is not limited to:

201.05A Filings with any governmental agencies regarding charitable activities of the applicant organization;

201.05B Internal documents, including membership lists, dues statements, minutes of meetings of directors of the applicant organization, copies of corporate resolutions of the applicant organization, and/or correspondence and memoranda relating to nonprofit, charitable activities conducted by the applicant organization or its membership;

201.05C Documents regarding day-to-day activities of the applicant organization such as bank statements of organization bank accounts, bills, statements, receipts, leases, documents affecting title to property, ledgers, account books, tax returns, employee lists, and/or any other documents pertaining to the applicant organization's administrative activities;

201.05D The names, addresses, and phone numbers of individuals, firms, and organizations with whom the applicant organization has dealt in conducting its activities; or

201.05E Other documentation showing participation by the applicant organization and its membership in charitable or community betterment activities.

201.06 Notwithstanding the requirements of this regulation, a senior citizens group which has been in existence in Nebraska for at least five years and whose membership consists entirely of individuals who are at least sixty years of age may apply for a bingo license when bingo is played only by members of the senior citizens group. If a bingo game sponsored by a senior citizens group is open to the general public, all license eligibility criteria apply to its application for license.

(Sections 9-212 and 9-215, R.R.S. 1997. Sections 9-225.02, 9-226, and 9-231, R.S.Supp., 2002. November 12, 2002.)

REG-35-202 LICENSE REQUIREMENTS: CLASS I AND CLASS II BINGO

202.01 Except for special event bingo as provided in Regulation 35-222, a bingo license is required whenever a charge is made to participate or any bingo prize to be awarded exceeds \$25.00 in value. Such license shall be applied for on a form prescribed by the Department. An organization seeking a bingo license may apply for either a Class I or Class II license. The class of license which an organization is granted shall be determined by the following:

202.01A A licensed organization with bingo gross receipts of less than \$100,000.00 for the annual reporting period July 1 through June 30 will be issued a Class I license.

202.01B A licensed organization with bingo gross receipts of \$100,000.00 or more for the annual reporting period July 1 through June 30 will be issued a Class II license.

202.01C When a bingo occasion is conducted on a joint basis by two or more licensed organizations, the class of license required shall be determined based upon the combined gross receipts of all licensed organizations involved in the conduct of the bingo occasion.

202.01D The base period for determining bingo gross receipts for license classification purposes shall be the annual reporting period July 1 to June 30. For license renewal purposes, the Department will use the licensed organization's gross receipts from the most recently completed annual reporting period in determining the appropriate class of license to be issued. If the organization was not licensed for the entire reporting period, the Department will annualize the reported gross receipts in order to determine the appropriate class of license.

202.01D(1) For an organization that has not previously been licensed, the following factors will be used to determine the class of license to be issued:

202.01D(1)(a) The size of the premises to be used for the conduct of bingo;

202.01D(1)(b) The prices the organization intends to charge for admissions and bingo cards, and the prizes the organization intends to award; and

202.01D(1)(c) The number of players the organization expects to attract.

202.01E If, during the course of the licensing period, an organization conducting bingo under a Class I license determines that its gross receipts for the first annual reporting period after issuance of the license will equal

or exceed \$100,000.00, it shall apply for an upgrade to a Class II license. Such application shall be accompanied by the difference in license fees between a Class I and Class II license and a completed Nebraska Application for Gaming Manager License, Form 50C, and the statutorily required license fee.

202.01E(1) Upon issuance of the Class II license, the organization must discontinue the use of any reusable hard bingo card or shutter card and shall adhere to all regulations and requirements for a Class II bingo licensee.

202.01E(2) Within seven days of the issuance of the Class II license, the organization shall return the original Class I license issued by the Department and conduct a physical inventory of any disposable paper bingo cards on hand immediately prior to the first bingo game conducted under the Class II license. Such inventory shall be reported to the Department with the licensed organization's first quarterly report immediately following the upgrade of the license.

202.01F A Class II license may be downgraded to a Class I license only if a Class II bingo licensee's gross receipts fall below \$100,000.00 for the annual reporting period July 1 to June 30, and such license may only be downgraded (a) for the second twelve-month period of a biennial licensing period, or (b) upon the renewal of a biennial license.

202.02 An application for a bingo license shall contain, at a minimum, the following information:

202.02A The name and location address of the applicant organization and, if applicable, a mailing address if different from the location address;

202.02B The county in which the applicant organization's principal office is located;

202.02C Any state or federal identification numbers held by the applicant organization;

202.02D The class of bingo license for which the organization is applying and the statutorily required license fee;

202.02E The type of organization, the subsection of section 501(c) of the Internal Revenue Code under which the organization is tax exempt, number of members, and affiliation, if any, with a state or national organization;

202.02F The name and complete address of the financial institution at which the applicant organization will have its bingo checking account and the account number;

202.02G The names, social security numbers, dates of birth, and titles of the principal officers of the applicant organization;

202.02H The complete address, including the county, of the premises at which bingo is to be conducted, and an indication of whether the premises and bingo equipment to be used are owned or rented by the applicant organization;

202.02I If applicable, the name of the lessor of the premises at which bingo will be conducted and/or the lessor of any bingo equipment and the amount of rent to be paid;

202.02J The frequency that bingo will be conducted, including the calendar days of the week and the beginning and ending times for the bingo occasions;

202.02K An indication as to whether another organization will be co-sponsoring the bingo occasion and, if applicable, the name and state identification number of the co-sponsoring organization;

202.02L The name, complete address, social security number, date of birth, and years of membership of one member as defined in Regulation 35-200.15, of the applicant organization who shall serve as the bingo chairperson and, at the applicant organization's option, the names, complete addresses, social security numbers, dates of birth, and years of membership of up to three members, as defined in Regulation 35-200.15, of the applicant organization who shall serve as alternate bingo chairpersons; and

202.02M If the organization is applying for a Class II license for the first time, the proposed price structure for the sale or use of bingo cards and bingo card monitoring devices.

202.03 In addition to the license application required by Regulation 35-202.02, each organization is required to apply for and obtain a license for at least one of its members, as defined in Regulation 35-200.15, to serve as the organization's utilization of funds member (see Regulation 35-204). A Class II bingo licensee must also apply for and obtain a license for at least one individual to serve as a gaming manager (see Regulation 35-206).

202.04 It shall be the responsibility of the bingo chairperson and a utilization of funds member of the licensed organization to keep the organization's license application information current. The Department must be informed within thirty (30) days of any changes in the information supplied by the licensed organization in its most recent filing with the Department.

202.04A The licensed organization's bingo chairperson or gaming manager must submit a thirty (30) day advance notification to the Department, in writing, and must receive approval from the Department prior to:

202.04A(1) Changing the location of its bingo premises; or

202.04A(2) Changing the days and/or times it conducts bingo.

202.04B All other application changes must be reported in writing and the Department may require the filing of a new application and/or schedule. All changes to a licensed organization's application information submitted by a bingo chairperson or gaming manager, other than changes to the days or time of the bingo occasions or a change of the premises at which bingo is conducted, must

be confirmed by the signature of an officer of the licensed organization or a utilization of funds member.

202.04C Any individual signing the most current application shall obligate the licensed organization to comply with the Nebraska Bingo Act and Regulations for that licensing period.

202.05 In addition to all other information requested by the Department, each applicant for a bingo license and each subsequent renewal thereof may, at the discretion of the Department, be required to provide:

202.05A A copy of the applicant organization's articles of incorporation or bylaws or, if not a corporation, a copy of any bylaws or other documents which set forth the organization's structure and purpose;

202.05B Additional evidence of a parent-subordinate relationship if the applicant organization is utilizing the charter date of its parent organization to satisfy the five-year existence requirement; and/or

202.05C A current roster of all active members.

202.06 All Class I and Class II bingo licenses shall expire and may be renewed on a biennial basis, according to the following schedule:

202.06A A license to conduct bingo issued to a nonprofit organization holding a certificate of exemption under section 501(c)(3) or (c)(4) of the Internal Revenue Code and any license issued to a utilization of funds member or gaming manager for such nonprofit organization shall expire on September 30 of each odd-numbered year.

202.06B A license to conduct bingo issued to a nonprofit organization holding a certificate of exemption under section 501(c)(5), (c)(7), (c)(8), (c)(10), or (c)(19) of the Internal Revenue Code, or to any volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad, and any license issued to a utilization of funds member or gaming manager for such organizations shall expire on September 30 of each even-numbered year.

202.07 Applications for license renewal shall be due 45 days prior to the expiration date of the license, or as otherwise provided in regulation, unless such application pertains only to a limited period bingo occasion. Licenses are not transferable. An organization, utilization of funds member, or gaming manager is not considered licensed and shall not conduct any activity for which a license is required until such organization or individual has physical possession of the printed license issued by the Department.

202.08 The licensed organization shall post conspicuously, at the place where bingo is being conducted, the organization's bingo license and, if applicable, the gaming manager's license. The organization's utilization of funds member license is not required to be posted.

202.08A The licensed organization shall also post conspicuously the local permit or a letter of authorization to conduct bingo which is to be obtained either from the city or village clerk when bingo is conducted within

the limits of any incorporated city or village, or from the county clerk when bingo is conducted outside the limits of any incorporated city or village or on a dinner or excursion train.

202.08B A licensed organization which has obtained authorization from the Department to conduct a limited period bingo occasion or a restricted limited period bingo occasion as defined in Regulation 35-213 shall post conspicuously, at the premises where bingo is conducted, the Limited Period Bingo Authorization, Form 52.

202.08C The licensed organization must post its current license(s) and authorizations issued by the Department. A copy of the license or authorization shall not be substituted for the original.

202.08C(1) A licensed organization, utilization of funds member, or gaming manager whose license has been lost, stolen, or destroyed must notify the Department as soon as possible. A duplicate license will be issued for no additional fee.

202.09 Any licensed organization, utilization of funds member, or gaming manager who no longer desires to be licensed or any individual who no longer desires to be designated as the licensed organization's bingo chairperson or alternate bingo chairperson shall notify the Department in writing of their intentions to cancel their licenses or designation. Such notification shall be signed by:

202.09A An officer of the organization in the case of a licensed organization;

202.09B An officer of the licensed organization and the individual holding the license in the case of a utilization of funds member or gaming manager; or

202.09C An officer of the licensed organization and the individual designated as bingo chairperson or alternate bingo chairperson in the case of a bingo chairperson or alternate bingo chairperson.

202.09D All notifications of license cancellation shall be accompanied by the original licenses issued by the Department.

202.10 In the event that a license is suspended, canceled, or revoked, the licensee shall surrender physical possession of such license(s) to the Department immediately upon receipt of the order of suspension, cancellation, or revocation from the Department.

202.10A In the case of suspension, the Department shall return the licenses to the licensee at the end of the suspension period.

202.10B In the case of cancellation, the former licensee may reapply for a license when the period of cancellation has expired.

202.10C In the case of revocation, the former licensee may not reapply for any license at any time in the future under the Nebraska Bingo Act unless otherwise authorized by the Department.

202.10D When a licensee has successfully appealed an order of suspension, revocation, or cancellation, the Department shall return physical possession of the licenses which have been suspended, revoked, or canceled.

(Sections 9-202, 9-204.02, 9-205, 9-207, 9-209.01, 9-212, 9-214, 9-215, 9-216, 9-220, 9-224, 9-225, 9-225.01, 9-230, 9-236, and 9-237, R.R.S. 1997. Sections 9-213, 9-225.02, 9-226, 9-232.01, 9-232.02, 9-233, 9-241.10, and 9-255.05, R.S.Supp., 2004. September 5, 2005.)

REG-35-203 LAWFUL PURPOSE

203.01 A licensed or previously licensed organization shall spend its bingo profits solely for lawful purposes.

203.01A For purposes of this regulation, bingo profits means the gross receipts collected from one or more bingo games, less reasonable sums necessarily and actually expended for prizes, taxes, license and permit fees, bingo equipment, the cost of renting or leasing a premises for the conduct of bingo, and other allowable expenses.

203.02 Bingo profits may be used internally by a licensed or previously licensed organization or donated outside of the organization, subject to the following:

203.02A Internal use of bingo profits. Lawful purpose uses of bingo profits internally by a licensed or previously licensed organization include:

203.02A(1) Charitable, benevolent, humane, religious, philanthropic, youth sports, educational, civic or fraternal activities conducted by the licensed or previously licensed organization for the benefit of its members, such as:

203.02A(1)(a) Religious activities including but not limited to creating, operating, or maintaining a church, church school, and their programs and facilities;

203.02A(1)(b) Educational activities including but not limited to paying the operating expenses of a school or establishing or continuing scholarship funds;

203.02A(1)(c) Charitable or humane activities including but not limited to purchasing food for the needy or to help provide medical care for individuals in need;

203.02A(1)(d) Youth sports activities including but not limited to the support or maintenance of team or individual activities which consist of an element of enjoyment or recreation, involving the practice of individual skill, and in which all of the participants are under 19 years of age. Such donations may include the construction, acquisition, improvement, or maintenance of facilities used in conjunction with youth sports activities; and

203.02A(1)(e) Civic or fraternal activities including but not limited to those activities which confer a benefit on the membership as a whole, such as paying the reasonable and necessary expenses for officers to travel to regional or national conventions at which organization business is discussed; funding ceremonies commemorating religious or patriotic holidays; paying for the construction, acquisition, improvement, or maintenance of the licensed or previously licensed organization's facilities; or paying the general operating expenses of the licensed or previously licensed organization such as non-bingo related payroll expenses, taxes, insurance, or utilities.

203.02A(2) A licensed or previously licensed organization shall not use bingo profits for purely social or recreational purposes such as stocking a bar with alcoholic beverages, defraying the cost of a dinner or dance, or paying the expenses for a New Year's Eve party.

203.02B Outside donations of bingo profits. Donating bingo profits outside of the licensed or previously licensed organization is considered a lawful purpose usage of the bingo profits provided the donation is made to an eligible recipient. Only the following entities are eligible to receive an outside donation:

203.02B(1) The State of Nebraska or any political subdivision thereof, exclusively for public purposes such as the funding of parks or the creation or maintenance of public facilities or projects;

203.02B(2) A corporation, trust, community chest, fund, or foundation:

203.02B(2)(a) Created or organized under the laws of Nebraska, which has been in existence for five consecutive years immediately preceding the date of the donation, and which has its principal office located in Nebraska. A licensed or previously licensed organization shall not donate its bingo profits to foreign corporations, trusts, community chests, funds, or foundations, but may donate to a local chapter of such organizations provided that such local chapter has been created or organized under the laws of Nebraska, has been in existence for five years, and has its principal office located in this state;

203.02B(2)(b) Organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, for the prevention of cruelty to children or animals, or to foster national or international amateur sports competition;

203.02B(2)(c) No part of the net earnings of which inures to the benefit of any private shareholder or individual;

203.02B(2)(d) Which is not disqualified for tax exemption under section 501(c)(3) of the Internal Revenue Code by reason of attempting to influence legislation; and

203.02B(2)(e) Which does not participate in any political campaign on behalf of any candidate for political office.

203.02B(3) A post or organization of war veterans or an auxiliary unit or society of, trust for, or foundation for any such post or organization:

203.02B(3)(a) Organized in the United States or in any territory or possession thereof; and

203.02B(3)(b) No part of the net earnings of which inures to the benefit of any private shareholder or individual; or

203.02B(4) A volunteer fire department or volunteer first-aid, rescue, or emergency squad or volunteer fire company serving any city, village, county, township, or rural or suburban fire protection district.

203.03 No part of the bingo profits shall:

203.03A Inure to the benefit of any individual member or shareholder of the licensed or previously licensed organization making the donation except to the extent it is in furtherance of the purposes described in this regulation. A licensed or previously licensed organization may make a direct donation to an individual member of its organization if that organization's activities include (a) making charitable donations to fire, catastrophic illness, or disaster victims, and the individual member is a victim thereof, or (b) making charitable donations to other charitable, benevolent, humane, religious, philanthropic, youth sports, educational, civic, or fraternal activity and the individual member is a beneficiary thereof or a participant in the activity; or

203.03B Be used for any activity which attempts to influence any legislation, regulation, or ordinance, or participating in or contributing to any political campaign on behalf of any elected official or individual who is or has been a candidate for public office.

203.04 In the case of scholarship funds, the licensed or previously licensed organization may either donate to its own internal scholarship fund or to an outside scholarship fund or educational institution meeting the guidelines for recipients of outside donations under these regulations.

203.04A A donation to a scholarship fund that does benefit an individual member of the licensed or previously licensed organization or a dependent or immediate family member of such individual member may qualify as a lawful purpose and may be made either through the organization's own scholarship fund or through a donation directly to the educational institution or scholarship fund meeting the requirements of this regulation.

203.05 Upon dissolution of a licensed organization or upon suspension, cancellation, revocation, or expiration of an organization's license, all remaining profits derived from the conduct of bingo shall be utilized for a lawful purpose and shall not be distributed to any private individual or shareholder. The disbursement of such remaining profits shall be subject to the reporting and disbursement requirements contained in Regulation 35-217.01A(1).

203.06 A licensed or previously licensed organization may commingle its revenue from the conduct of bingo with its other operating accounts only after initially depositing the bingo receipts into its bingo checking account. Bingo revenues transferred to other accounts of the licensed or previously licensed organization must be done by writing a check from the bingo checking account or by electronic funds transfer from the bingo checking account. Bingo revenues transferred to other accounts must still be used for lawful purposes.

203.06A It shall be the duty of the licensed utilization of funds member to keep and maintain records sufficient to prove that bingo revenues transferred from the bingo checking account have been used for lawful purposes.

203.07 All lawful purpose donations must be made by a check written from the licensed or previously licensed organization's bingo checking account, directly to the donee for the ultimate use of the donation. For example, a lawful purpose donation to an eligible recipient must go directly to the recipient for use in a manner complying with section 9-211 of the Nebraska Bingo Act and this regulation.

203.07A All checks must be signed by a licensed utilization of funds member of the licensed organization. If an electronic funds transfer is utilized in lieu of a check, such transfer must be authorized by a licensed utilization of funds member of the licensed organization.

203.08 No licensed or previously licensed organization, or any representative thereof, shall donate or promise to donate any portion of its bingo profits to a recipient outside of the organization in exchange for a payment, gift, or other thing of value from the recipient to any individual, organization, or corporation, including, but not limited to, the licensed or previously licensed organization or any of its members, employees, or agents. Unlawful outside donations include, but are not limited to:

203.08A A licensed or previously licensed organization donating all or a portion of its bingo profits to a second organization in return for a donation or a transfer of all or a portion of the donation from the second organization to the original organization or any representative thereof.

(Sections 9-202, 9-211, 9-217, 9-226, 9-255.03, 9-255.04, and 9-255.05, R.R.S. 1997, March 10, 2002.)

REG-35-204 UTILIZATION OF FUNDS MEMBER; LICENSING REQUIREMENTS AND DUTIES

204.01 Each licensed organization must have at least one of its members licensed as a utilization of funds member.

To be eligible for a utilization of funds member license, an individual must have been an active and bona fide member of the organization for at least one year prior to applying for the license.

204.01A If a licensed organization can provide evidence that the one-year membership requirement will impose an undue hardship, the Department may waive such requirement. An officer of the licensed organization must provide a written explanation of the nature of the hardship with the utilization of funds member's license application.

204.01B An individual may act as a utilization of funds member for more than one gaming activity of a licensed organization by paying only one licensing fee per licensing period.

204.01C An individual may be licensed as a utilization of funds member for more than one licensed organization by applying for a separate license for each organization and paying a separate licensing fee for each organization.

204.01D A utilization of funds member may also be designated by a licensed organization to serve as the bingo chairperson or alternate bingo chairperson; however, a utilization of funds member may not be licensed as a gaming manager for any licensed organization or hold any other type of license issued under the Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, or the Nebraska Pickle Card Lottery Act.

204.02 An individual is not considered to be licensed as a utilization of funds member and shall not conduct any activity for which such license is required until he or she has obtained physical possession of the printed license issued by the Department. The licensed organization shall apply for the license on a form supplied by the Department. The application shall contain, at a minimum, the following:

204.02A The name and state identification number of the licensed organization on whose behalf the individual is seeking the utilization of funds member license;

204.02B The name, address, social security number, and date of birth of the individual applying for the utilization of funds member license;

204.02C The date the individual became a member of the licensed organization;

204.02D The signature of the individual applying for the license;

204.02E A statement signed by an officer of the licensed organization indicating the organization's approval of the individual to act as the utilization of funds member on behalf of the organization; and

204.02F The statutorily required license fee. Such fee may be paid by the licensed organization.

204.03 The information contained in the application shall be kept current. An individual licensed as a utilization of funds member shall notify the Department within thirty (30) days of any changes to his or her most recent application filing.

Changes must be reported in writing and the Department may require the filing of a new application.

204.04 A utilization of funds member license shall expire as provided in Regulation 35-202.06 and may be renewed biennially. A utilization of funds member license is not transferrable.

204.05 The licensed organization is not required to post the utilization of funds member's license at the premises where it conducts bingo.

204.06 A utilization of funds member for an organization licensed to conduct bingo shall have the following responsibilities:

204.06A Preparation of all applications, reports, and documents filed with any governmental agency by the licensed organization in connection with its bingo activities. If the utilization of funds member is assisted in the preparation of such applications, reports, and documents by any other individual or business, the utilization of funds member shall ensure that the information contained in those reports is true, accurate, and kept up to date;

204.06B Ensuring that bingo equipment and supplies purchased, rented, or leased by the licensed organization are paid for by a check written from the licensed organization's bingo checking account;

204.06C In the case of a Class II bingo licensee, approving individuals to act as gaming managers for the licensed organization;

204.06D With the exception of prizes, ensuring that the licensed organization pays all expenses incurred in the conduct of bingo and its bingo taxes on a timely basis, with a check drawn on the licensed organization's bingo checking account;

204.06E Ensuring that his or her signature is on each check written from the licensed organization's bingo checking account. If an electronic funds transfer is utilized in lieu of a check, such transfers must be authorized by a utilization of funds member;

204.06E(1) A licensed organization may require that checks written by the utilization of funds member be co-signed by one or more parties.

204.06F Ensuring that complete and accurate records of all gaming activities conducted at each bingo occasion are kept to include the date of the bingo occasion, whether it is a regular, limited period, or restricted limited period bingo occasion, the gross receipts, the bingo prizes paid, the fair market value of promotional prizes awarded, the number of players at the occasion, expenses incurred by the licensed organization relating to the bingo occasion, the taxes due and paid and, if the licensed organization will be using pickle card proceeds to pay bingo-related expenses, the gross proceeds from the sale of pickle cards at the bingo occasion;

204.06G Depositing or ensuring that the bingo chairperson or gaming manager deposits all revenues

derived from the conduct of all gaming activities conducted at each bingo occasion into the proper bank account of the licensed organization, and ensuring that the revenues derived from bingo are segregated from other income of the licensed organization;

204.06H If bingo revenues are transferred to the licensed organization's general fund account or any other account of the licensed organization, ensuring that the transfer is done only by a check written from the bingo checking account or by an electronic funds transfer from such account, and that bingo revenues transferred in such manner are used only for a lawful purpose as defined in Regulation 35-203;

204.06I Ensuring that the bingo gross receipts of the licensed organization are spent only for lawful purposes as defined in Regulation 35-203, the awarding of prizes, bingo taxes, and bingo expenses as identified in Regulation 35-214, and ensuring that all lawful purpose donations and all expenses with the exception of prizes are paid only by a check written from the licensed organization's bingo checking account;

204.06I(1) It shall be the duty of the licensed utilization of funds member to keep and maintain records sufficient to prove that bingo revenues transferred from the bingo checking account have been used only for allowable expenses and lawful purposes.

204.06J Ensuring that, upon proper request, all records and documents relating to the licensed organization's bingo activities are made available to the Department or its representatives; and

204.06K If the licensed organization is also licensed to conduct a lottery by the sale of pickle cards, purchasing pickle card units on behalf of the licensed organization to be sold at its bingo occasions.

204.07 An individual licensed as a utilization of funds member shall not have a substantial interest, as defined in Regulation 35-200.20, in any individual or business licensed as a manufacturer, distributor, or commercial lessor.

(Sections 9-202, 9-204.02, 9-207.01, 9-209, 9-209.01, 9-215, 9-225.01, 9-239, 9-240, 9-241.10, 9-255.03, 9-255.07, 9-255.09, and 9-342, R.R.S. 1997. Sections 9-214.01, 9-226, 9-232.01, 9-232.02, 9-233, 9-255.02, 9-255.04, 9-255.05, 9-255.06, and 9-331, R.S.Supp., 2002. November 12, 2002.)

REG-35-205 BINGO CHAIRPERSON AND ALTERNATE BINGO CHAIRPERSON; RESPONSIBILITIES AND DUTIES

205.01 Each licensed organization must designate one bona fide and active member of the organization to be its bingo chairperson. The licensed organization may also designate up to three additional members, as defined in Regulation 35-200.15, to serve as alternate bingo chairpersons.

205.01A A bingo chairperson or alternate bingo chairperson may also be licensed as the organization's utilization of funds member; however, a bingo chairperson or alternate bingo chairperson may not be licensed as a gaming manager for any licensed organization.

205.01B A Class I bingo licensee must have at least one bingo chairperson or alternate bingo chairperson present for the duration of each bingo occasion, including limited period bingo occasions, which the licensed organization conducts.

205.01C The presence of a bingo chairperson or alternate bingo chairperson at a Class II bingo occasion is optional. A Class II bingo licensee is required to have a gaming manager present for the duration of each bingo occasion. A Class II bingo licensee's bingo chairperson or alternate bingo chairperson may substitute for its gaming manager only in an emergency situation.

205.01D In the case of a co-sponsored bingo occasion, each co-sponsoring licensed organization must have at least one bingo chairperson, alternate bingo chairperson, or gaming manager present for the duration of each bingo occasion.

205.02 The bingo chairperson or, in his or her absence, the alternate bingo chairperson, shall have the following responsibilities and duties:

205.02A Acting as the Department's primary contact for the licensed organization relative to its bingo activities;

205.02B In cooperation with the licensed organization's utilization of funds member, ensuring that the organization's bingo license application information filed with the Department is kept current;

205.02C In cooperation with the licensed organization's gaming manager (when applicable), requesting Departmental approval for changes to the days, times, or premises where the licensed organization conducts bingo, notifying the Department as required in Regulation 35-209.05 of any changes or additions to the licensed organization's bingo card pricing structure, and requesting approval for the rescheduling of a bingo occasion which was canceled due to an act of God;

205.02D Supervising and directing individuals working at the licensed organization's bingo occasions;

205.02E Ensuring that no one under 18 years of age participates in bingo or a lottery by the sale of pickle cards conducted at the bingo occasion and that, except in the case of a limited period bingo occasion, no alcoholic beverages are served in the area of the premises in which bingo is conducted;

205.02E(1) In the case of a restricted limited period bingo occasion where individuals under 18 years of age are permitted to play bingo, ensuring that such individuals do not sell, purchase, or play pickle cards, and that no alcoholic beverages are served;

205.02F Ensuring that all gaming activities conducted at the licensed organization's bingo occasion are conducted in accordance with the Nebraska Bingo Act, Nebraska Pickle Card Lottery Act, Nebraska Lottery and Raffle Act, or Nebraska Small Lottery and Raffle Act and any rules and regulations promulgated pursuant to those Acts;

205.02G Resolving any gaming related disputes which may occur at the bingo occasion;

205.02H Ensuring that the licensed organization awards at least 50 percent of its bingo gross receipts in prizes on a quarterly basis;

205.02I Ensuring that no prize awarded exceeds \$1,000.00 in value for any single regular or limited period bingo game or \$25.00 in value for any single restricted limited period bingo game;

205.02J Ensuring that the total value of prizes awarded for bingo at the occasion does not exceed \$4,000.00;

205.02K Ensuring that the total fair market value of promotional prizes awarded does not exceed \$100.00 for a regular bingo occasion or \$250.00 for a limited period bingo occasion;

205.02L Ensuring that complete and accurate records of all gaming activities conducted at the bingo occasion are kept, including the date of each bingo occasion, whether it is a regular, limited period, or restricted limited period bingo occasion, the gross receipts, the bingo prizes paid, the fair market value of promotional prizes awarded, the number of players at each occasion, and, if the licensed organization will be using pickle card proceeds to pay bingo related expenses, the gross pickle card sales at each bingo occasion;

205.02M Ensuring that prizes awarded in cash of \$500.00 or more are properly received;

205.02N Ensuring that all revenues received from the conduct of gaming activities at the bingo occasion are turned over to the licensed organization's utilization of funds member or deposited directly into the appropriate bank account of the licensed organization;

205.02O Ensuring that the licensed organization conspicuously posts, at each bingo occasion, its bingo license, local bingo permit, the percentage of its bingo gross receipts paid out in prizes for the last preceding quarter, and, when applicable, its gaming manager(s) license and limited period bingo authorizations; and

205.02P If the licensed organization is also licensed to conduct a lottery by the sale of pickle cards, ordering pickle card units from a licensed distributor on behalf of the licensed organization to be sold at its bingo occasions.

205.03 If a Class II bingo licensee requires both the presence of a gaming manager and a bingo chairperson, the gaming manager shall be the ultimate authority on gaming related issues at the bingo occasion; however, the bingo chairperson may assist the gaming manager and act as the

licensed organization's representative at the bingo game when the gaming manager is not a member of the licensed organization.

205.04 An individual designated as a bingo chairperson or alternate bingo chairperson shall not have a substantial interest, as defined in Regulation 35-200.20, in any individual or business licensed as a manufacturer, distributor, or commercial lessor.

(Sections 9-202, 9-204.02, 9-207.01, 9-209, 9-209.01, 9-214.01, 9-225.01, 9-226, 9-232.01, 9-232.02, 9-232.03, 9-236, 9-241.06, 9-241.08, 9-241.09, 9-241.10, 9-255.02, 9-255.03, 9-255.06, 9-255.07, 9-255.09, 9-331, and 9-342, R.R.S. 1997. March 10, 2002.)

REG-35-206 GAMING MANAGER; LICENSING REQUIREMENTS AND DUTIES

206.01 A Class II bingo licensee must license at least one individual to serve as its gaming manager. Such individual is not required to be a member of the licensed organization. The licensed gaming manager shall be the individual responsible for the conduct of all gaming activities at each bingo occasion of the licensed organization.

206.01A An individual may be licensed as a gaming manager for more than one licensed organization, but must obtain a separate gaming manager's license for each organization. A separate license application and license fee is required for the individual, from each organization for which he or she is seeking a gaming manager's license.

206.01B A gaming manager cannot be designated as a bingo chairperson or alternate bingo chairperson for any licensed organization, or hold any other type of license issued pursuant to the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, or the Nebraska Lottery and Raffle Act.

206.02 An individual is not considered to be licensed as a gaming manager and shall not conduct any activity for which such license is required until he or she has physical possession of the gaming manager's license issued by the Department. An individual seeking a gaming manager's license shall apply for such license on a form supplied by the Department. Such application shall contain, at a minimum, the following information:

206.02A The name and state identification number of the licensed organization;

206.02B The name, address, social security number, date of birth, and signature of the individual applying for the gaming manager's license;

206.02C A statement signed by the licensed organization's utilization of funds member indicating its approval of the gaming manager to operate and manage the bingo game on behalf of the organization; and

206.02D The statutorily required license fee. Such fee may be paid by the licensed organization.

206.03 The information contained in the application shall be kept current. The gaming manager shall notify the Department within thirty (30) days of any changes to the application information. Changes must be reported in writing and the Department may require the filing of a new application.

206.03A The gaming manager's license shall be conspicuously posted with the organization's bingo license at the premises where bingo is conducted.

206.04 A gaming manager's license shall expire as provided in Regulation 35-202.06 and may be renewed biennially. A gaming manager's license is not transferrable.

206.05 An individual applying for a license as a gaming manager is required to be fingerprinted for criminal background investigation purposes. Two sets of fingerprints on cards supplied by the Department must be submitted to the Nebraska State Patrol, Criminal Investigation Division, along with the required fees.

206.05A If an individual applying for a gaming manager's license has been issued a license by the Nebraska Liquor Control Commission, the Department may, at its discretion, waive the fingerprinting requirement.

206.05B An individual renewing his or her gaming manager's license shall not be required to submit additional fingerprint cards or pay additional fingerprinting fees unless specifically requested to do so by the Department.

206.06 A Class II bingo licensee must have at least one of its gaming managers present for the duration of each bingo occasion or limited period bingo occasion which the licensed organization conducts, except that the organization's bingo chairperson or alternate bingo chairperson may substitute for the gaming manager in an emergency situation.

206.07 The gaming manager shall be the ultimate authority on gaming related issues on the premises of the bingo occasion. If the licensed organization requires both the presence of a gaming manager and a bingo chairperson, the bingo chairperson or, in his or her absence, the alternate bingo chairperson may assist the gaming manager and act as the organization's representative at the bingo occasion when the gaming manager is not a member of the organization. The gaming manager shall have the following responsibilities and duties:

206.07A To supervise and direct all bingo workers as well as other individuals assisting in the conduct of gaming activities at the bingo occasion;

206.07B Ensuring that no one under 18 years of age participates in bingo or a lottery by the sale of pickle cards and that, except in the case of a limited period bingo occasion, no alcoholic beverages are served in the area of the premises in which bingo is conducted;

206.07B(1) In the case of a restricted limited period bingo occasion, where individuals under 18 years of

age are permitted to play bingo, ensuring that such individuals do not sell, purchase, or play pickle cards, and that no alcoholic beverages are served;

206.07C Resolving any gaming related disputes which may occur during the bingo occasion;

206.07D Ensuring that the licensed organization awards at least 50 percent of its bingo gross receipts in prizes on a quarterly basis;

206.07E Ensuring that no prize awarded exceeds \$1,000.00 in value for any single regular or limited period bingo game, or \$25.00 in value for any single restricted limited period bingo game;

206.07F Ensuring that the total value of prizes awarded for bingo at the occasion does not exceed \$4,000.00;

206.07G Ensuring that the total fair market value of promotional prizes awarded does not exceed \$100.00 for a regular bingo occasion or \$250.00 for a limited period bingo occasion;

206.07H Ensuring that prizes awarded in cash of \$500.00 or more are properly receipted;

206.07I Ensuring that all bingo card sales are properly receipted;

206.07J Ensuring that all revenues received from the conduct of gaming activities at the bingo occasion are turned over to the licensed organization's utilization of funds member or deposited directly into the appropriate bank account of the organization;

206.07K Ensuring that complete and accurate records of all gaming activities conducted at the bingo occasion are kept, including the date of each bingo occasion, whether it is a regular, limited period, or restricted limited period bingo occasion, the gross receipts, the bingo prizes paid, the value of promotional prizes awarded, the number of players at each occasion, and, if the licensed organization will be using pickle card proceeds to pay bingo related expenses, the gross proceeds from the sale of pickle cards at each bingo occasion;

206.07L Ensuring that all gaming activities at the bingo occasion are conducted in accordance with the Nebraska Bingo Act, Nebraska Pickle Card Lottery Act, Nebraska Lottery and Raffle Act, and Nebraska Small Lottery and Raffle Act, and any rules and regulations promulgated pursuant to those Acts;

206.07M In cooperation with the licensed organization's bingo chairperson, requesting Departmental approval for changes to the days, times, or premises where the organization conducts bingo, notifying the Department as required in Regulation 35-209.05 of any changes or additions to the organization's bingo card pricing structure, and requesting approval for the rescheduling of a bingo occasion which was canceled due to an act of God;

206.07N Ensuring that the licensed organization conspicuously posts, at each bingo occasion, its bingo

license, its local bingo permit, the percentage of its bingo gross receipts paid out in prizes for the last preceding quarter, and, when applicable, its gaming manager license(s) and limited period bingo authorization(s); and

206.07O If the licensed organization is also licensed to conduct a lottery by the sale of pickle cards, ordering pickle card units from a licensed distributor on behalf of the organization to be sold at its bingo occasions.

206.08 An individual licensed as a gaming manager shall not have a substantial interest, as defined in Regulation 35-200.20, in any individual or business licensed as a distributor, commercial lessor, or manufacturer.

(Sections 9-202, 9-204.02, 9-207.01, 9-209, 9-209.01, 9-215, 9-241.06, 9-241.08, 9-241.09, 9-241.10, 9-255.03, 9-255.07, 9-255.09, and 9-342, R.R.S. 1997. Sections 9-1,104, 9-214.01, 9-226, 9-232.01, 9-232.02, 9-233, 9-255.02, 9-255.04, 9-255.05, 9-255.06, and 9-331 R.S.Supp., 2002. November 12, 2002.)

REG-35-207 BINGO AND CONCESSION WORKERS; REQUIREMENTS, RESTRICTIONS, AND COMPENSATION

207.01 Bingo workers, other than the bingo chairperson and alternate bingo chairpersons, are not required to be members of the licensed organization conducting the bingo occasion; however, all bingo workers, whether working at a regular, limited period, or restricted limited period bingo occasion, must be at least 18 years of age.

207.01A For purposes of this regulation, bingo worker shall mean and include:

207.01A(1) The bingo chairperson, alternate bingo chairperson(s), and gaming manager(s);

207.01A(2) An individual typically referred to as the caller, who operates the bingo ball selection device and announces to the bingo players the number and letter of the balls selected;

207.01A(3) An individual typically referred to as the cashier, who sells and distributes bingo cards to the bingo players;

207.01A(4) An individual typically referred to as a floor worker who:

207.01A(4)(a) Monitors bingo players during the course of a bingo occasion by walking the floor;

207.01A(4)(b) Sells special bingo cards on the floor to the players;

207.01A(4)(c) Verifies the numbers and winning pattern(s) on bingo cards; and

207.01A(4)(d) Pays bingo winners the appropriate prize; and

207.01A(5) An individual typically referred to as a pickle card seller, who sells or redeems individual

pickle cards, or reconciles the inventory of pickle cards at a bingo occasion.

207.02 Only the licensed organization may compensate bingo workers for performing their bingo related duties. Such compensation shall be at an hourly or occasion rate determined by the licensed organization. Compensation of bingo workers must be included within the licensed organization's 14 percent limitation for bingo expenses.

207.02A If a bingo worker is compensated, the compensation must be paid by a check drawn on the licensed organization's bingo checking account, made payable directly to the worker. No bingo worker shall be paid in cash.

207.02B Notwithstanding the restrictions otherwise contained in this regulation, a licensed organization may compensate bingo workers with food and beverages. For example, a licensed organization may allow the bingo workers free concession items at its bingo occasion or the organization may have an annual dinner for the bingo workers. However, the cost of such food and beverage compensation must be paid for by a check drawn on the licensed organization's bingo checking account. The value of such compensation must be included within the licensed organization's 14 percent limitation for bingo expenses.

207.03 A bingo worker shall not play bingo at any bingo occasion where he or she performs any bingo related duty AFTER the first bingo number of the occasion has been called, EXCEPT when:

207.03A The worker is strictly a pickle card seller at the bingo occasion and has absolutely no bingo related duties after the first bingo number of the occasion has been called. Such worker may be permitted to play bingo at a bingo occasion at which he or she is on duty.

207.03B The worker is a bingo chairperson or alternate bingo chairperson. A bingo chairperson or alternate bingo chairperson shall not be permitted to play bingo at a bingo occasion when he or she has performed duties as a bingo chairperson or alternate bingo chairperson. A bingo chairperson or alternate bingo chairperson may be permitted to play bingo at a bingo occasion when he or she has not performed bingo related duties.

207.03C The worker is a gaming manager. A gaming manager shall not be permitted to play bingo at any time, regardless of whether he or she is off duty, at a bingo occasion of an organization for which he or she is licensed as a gaming manager.

207.04 A bingo worker may monitor the bingo cards of a player who is unable to do so for a short time, in an emergency situation, when the player will return promptly to resume play. If a bingo worker monitors the cards of a player, the bingo worker shall not be entitled to share in any prize awarded to that player.

207.05 An individual who merely sets up or takes down tables and chairs or performs only janitorial duties at a bingo

occasion may be permitted to play bingo at a bingo occasion at which he or she has performed such duties.

207.05A If an individual is compensated by the licensed organization for performing janitorial duties at a bingo occasion, such compensation must be included within the licensed organization's 14 percent limitation for bingo expenses, and must be paid by a check written from the licensed organization's bingo checking account.

207.05B An individual may be less than 18 years of age and perform the janitorial duties described by this section; however, with respect to participating in gaming activities at the bingo occasion, any such individual shall be subject to all of the age participation restrictions set forth in the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, and the Nebraska Lottery and Raffle Act.

207.06 A concession worker at a bingo occasion may be permitted to play bingo at a bingo occasion at which he or she performs concession related duties.

207.06A If an individual is compensated for performing concession duties at a bingo occasion, such individual shall not be paid by using revenues derived from the licensed organization's bingo or pickle card activities.

207.06B An individual may be less than 18 years of age and perform concession duties as described by this section; however, with respect to participating in gaming activities at the bingo occasion, any such individual shall be subject to all of the age participation restrictions set forth in the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, and the Nebraska Lottery and Raffle Act.

207.07 Any licensed organization may establish a house rule to further prohibit the playing of bingo by any of its bingo workers, concession workers, other employees, volunteers, officers, or governing officials. Such rule shall be in writing and must be conspicuously posted at the bingo occasion along with any other house rules adopted by the licensed organization. A licensed organization shall not permit by house rule the playing of bingo by anyone prohibited to do so by this regulation.

(Sections 9-202, 9-204.02, 9-209.01, 9-214, 9-215, 9-226, 9-232.01, 9-241.06, 9-241.08, 9-241.10, 9-255.03, and 9-255.04, R.R.S. 1997. March 10, 2002.)

REG-35-208 BINGO PREMISES

208.01 Regardless of the number of licensed organizations authorized to hold bingo occasions within a single structure, building, or aboard a railroad coach car of a dinner or excursion train, not more than two regular bingo occasions per calendar week may be held within the same structure or building or aboard the same dinner or excursion train. For purposes of this regulation, calendar week shall mean 12:01 a.m. Sunday to 12:00 midnight Saturday.

208.01A No more than four limited period bingo occasions with an aggregate of no more than 12 days per 12-month period and no more than two special event

bingo occasions with an aggregate of no more than fourteen days per calendar year may be held within a single premises.

208.01B Limited period bingo occasions and special event bingo occasions shall not count against the number of regular bingo occasions allowed within a premises per calendar week.

208.01C Nothing in this regulation shall prohibit the Department from authorizing the use of a premises for the conduct of bingo more than two times per calendar week in the event that a licensed organization has requested and been granted permission to reschedule a bingo occasion canceled due to an act of God.

208.02 The two regular bingo occasions permitted per calendar week in a single premises may be conducted on the same day as long as the occasions are distinct from one another and are not used to award more in prizes than is permitted for a single bingo occasion.

208.02A If two regular bingo occasions are held on the same day, there must be a break of at least three hours between the end of one occasion and the start of the second occasion.

208.03 No premises shall be subdivided to provide multiple premises where games of bingo are managed, operated, or conducted, whether or not the multiple premises have different mailing addresses or legal descriptions. Any building, distinct portion of a building, or a railroad coach car of a dinner or excursion train shall constitute one premises, regardless of the number of addresses or entrances, rooms, halls, enclosures, areas, or separate cars of a dinner or excursion train used to conduct bingo.

208.04 A premises rented or leased by a licensed organization to conduct bingo must be rented or leased from a licensed commercial lessor except when:

208.04A The lessor of the premises receives \$250.00 or less per month in the aggregate from renting or leasing such premises for the conduct of bingo. For purposes of this regulation, the \$250.00 threshold includes the total amount received from the rental or lease of the premises for all regular and limited period bingo occasions, regardless of how many licensed organizations rent or lease the premises, and is solely limited to bingo premises rental or lease payments; or

208.04B The premises is rented or leased by a nonprofit organization solely to its own auxiliary for the conduct of bingo by the auxiliary.

208.05 A licensed organization may conduct bingo only in the county in which the organization has its principal office.

208.05A For purposes of this regulation, a licensed organization's principal office is the place where the principal affairs and business of the organization are transacted, including where the officers and members

assemble to discuss and transact the business of the organization, where its meetings are held, and generally where the organization's records are kept.

208.06 Prior to changing the premises where, or the days or time of day when a licensed organization conducts bingo, authorization shall be obtained thirty (30) days in advance from the Department. Such authorization shall be requested in writing by the licensed organization's bingo chairperson or gaming manager and confirmed by the signature of the utilization of funds member. If any such changes result in a change of the rental or lease agreement for the premises or any bingo equipment, or in a change to the existing terms or conditions of any such agreement, the authorization request must be accompanied by a copy of the proposed rental or lease agreement.

208.06A For purposes of this regulation, adding another regularly scheduled bingo occasion is considered a change that requires thirty (30) day advance notification and authorization.

208.07 No alcoholic beverages shall be served at a premises during the conduct of bingo except that alcoholic beverages are permitted at a limited period bingo occasion when no one under 18 years of age is permitted to play bingo.

208.07A If the premises at which bingo or a restricted limited period bingo occasion is conducted contains a lounge or bar area that is licensed to serve or sell alcoholic beverages, the area in which bingo is conducted and played must be completely and physically separate from the lounge or bar area. If a lounge or bar area is completely and physically separate from the area in which bingo is conducted, alcoholic beverages may be served in the lounge or bar area during the conduct of bingo; however, no alcoholic beverages shall be taken from the lounge or bar area to the area where bingo is being conducted or played.

208.07B Near beer, which is defined as beer containing less than one-half of one percent of alcohol by volume, is considered an alcoholic beverage and, therefore, may not be sold or served at any regular or restricted limited period bingo occasion.

208.08 The fair market value which may be charged for the rental or lease of a premises for the conduct of bingo shall not exceed the fair market value charged for the same premises or similar facilities in similar locations when rented or leased for public or social gatherings such as wedding receptions, parties, meetings, or other similar gatherings. The following factors shall be used by the Department in determining compliance with the fair market rental or lease value of a premises:

208.08A The square footage, location, condition, and lawful seating capacity of the premises;

208.08B Parking availability and conditions;

208.08C The day of the week and time of day that bingo will be conducted;

208.08D The terms and conditions of the rental or lease agreement including length of rental or lease commitment and what, if any, services or tangible personal property are included in the agreement;

208.08E The number of similar facilities near the location of the premises; and

208.08F Any other factors having a bearing on the potential rental or lease value of the premises.

None of the above shall be a sole determining factor on the issue of fair market value, but each of them shall be given some weight in assessing whether a premises is being rented or leased for fair market value.

208.09 In determining fair market value, the Department shall also review the total amount of money charged by the commercial lessor for the use of the premises by the licensed organization, including any separate fees charged for all real and personal property, including but not limited to charges for security, janitorial service, concession services, bingo equipment, and the use of furnishings such as tables and chairs.

(Sections 9-202, 9-207.01, 9-216, 9-241.01, 9-241.02, 9-241.04, and 9-241.06, R.R.S. 1997. Sections 9-226, 9-232.01, 9-241.03, 9-255.04, 9-255.06, and 53-103, R.S.Supp., 2002. November 12, 2002.)

REG-35-209 BINGO CARDS

209.01 All bingo cards made available for play by a licensed organization, regardless of whether at a regular bingo occasion or a limited period bingo occasion, must contain numbers preprinted by the licensed manufacturer of the bingo cards. No cards shall be made available for play which require anyone to fill in numbers in blank spaces on a card, or choose or arrange numbers on a card.

209.01A Each card in use at a particular bingo occasion must have a different distribution of playing numbers than any other card in use at that occasion. No two bingo cards in play at the same time may have the same distribution of numbers.

209.01B Duplicating or making copies of bingo cards for sale or use at a bingo occasion is prohibited. A licensed organization must purchase or otherwise obtain bingo cards only from a licensed distributor, unless otherwise authorized by the Department.

209.01C For purposes of compliance with this regulation, an electronic image of a bingo card containing numbers which is downloaded by a licensed manufacturer to a licensed organization's site system shall be considered preprinted by a licensed manufacturer.

209.02 A Class II bingo licensee is required to use only disposable paper bingo cards or facsimiles of bingo cards electronically displayed on a bingo card monitoring device. Use of disposable paper bingo cards or facsimiles of bingo cards electronically displayed on a bingo card monitoring device by a Class I bingo licensee is optional.

209.02A Disposable paper bingo cards and facsimiles of bingo cards electronically displayed on a bingo card monitoring device must be consecutively numbered from the first card to the last card, or from the first sheet of cards to the last sheet of cards or consecutively numbered through the set. Each card or sheet must have printed on its face both its individual card number (free space number), and the serial number assigned by the manufacturer to that set of disposable cards or facsimiles of bingo cards electronically displayed on a bingo card monitoring device.

209.03 No licensed organization may reserve, or allow to be reserved, any bingo card or cards for use by a particular individual, except braille, large print, or other specially designed cards for use by visually impaired or disabled players.

209.03A Visually impaired or disabled players may use personal braille, large print, or otherwise specially designed bingo cards when a licensed organization does not provide such cards. The licensed organization has the right to inspect, and to reject, any personal card.

209.03B A visually impaired or disabled individual, using a specially designed bingo card or hard card in place of a disposable paper bingo card or hard card, must be charged for using such card at the same rate as other players, regardless of whether or not the licensed organization supplied the specially designed bingo card.

209.04 The price structure for all bingo cards must be posted at the location in the premises where bingo cards are sold. The licensed organization must offer the same price structure for the purchase or use of all bingo cards, to all players at the bingo occasion. A licensed organization shall not offer any promotion or discount on the price of any bingo cards, unless such promotion or discount is made available to all players.

209.04A A licensed organization may have a graduated price structure for the purchase of different types or packets of bingo cards; however, the organization shall not offer discounts on the price charged for disposable paper bingo cards or packets unless the discounted cards or packets are of a different color and of a different series than the regular priced cards or packets. For example, a licensed organization could have the following price structure on disposable paper bingo cards or packets:

3 ON Red Booklet	\$5.00
AND	
3 ON Yellow Booklet	2 for \$9.00
6 ON Blue Booklet	9.00
AND	
6 ON Green Booklet	2 for 15.00
9 ON Orange Booklet	12.00
AND	
9 ON Purple Booklet	2 for 20.00

However, it would not be permissible to sell a 3 ON booklet and a 6 ON booklet for the price of a 9 ON booklet.

A licensed organization must have a predetermined price structure for different types of bingo cards or packets.

209.05 Prior to changing the price structure or adding a new card or packet to the price structure, the gaming manager or bingo chairperson for a Class II bingo licensee must notify the Department in writing of such price changes or additions, at least ten (10) days in advance of the proposed changes or additions, and include the date the price changes or additions will be implemented.

209.05A Prior to the date the price change takes effect, the gaming manager or bingo chairperson and utilization of funds member shall ensure that a physical inventory is taken of the disposable paper bingo cards which will be affected by the price change. Such inventory shall be reported to the Department with the licensed organization's quarterly report for the period in which the price change was implemented.

209.06 The extension of credit by a licensed organization for the purchase or use of bingo cards or bingo card monitoring devices is prohibited. The only acceptable forms of payment for the sale or use of bingo cards or bingo card monitoring devices are cash, check, bank credit or debit card, or in-kind payment as defined in Regulation 35-200.13.

209.06A A licensed organization may sell gift certificates to be used exclusively for the purchase of bingo cards. Any such gift certificate shall clearly indicate the name of the licensed organization issuing the certificate, and indicate that it is redeemable only for the purchase of bingo cards.

209.06A(1) The only acceptable methods of payment for a gift certificate shall be cash, check, or bank credit or debit card. The sale of gift certificates must be received by the licensed organization.

209.06A(2) The proceeds from the sale of bingo card gift certificates shall be deposited in the licensed organization's bingo checking account. The value of a gift certificate shall be included in the bingo gross receipts of the bingo occasion at which it is redeemed.

209.07 A Class II bingo licensee must receipt, by a cash register, the sale of all regular and special bingo cards, instant bingo cards, disposable paper bingo cards used in conjunction with a bingo card monitoring device which are not downloaded by a site system, and any fee charged for the use of a bingo card monitoring device. Receipts must be sequentially numbered and prepared in duplicate. One copy of the receipt shall be given to the player at the time of purchase, and the other copy shall be retained by the licensed organization with its records for each bingo occasion. The receipt shall contain, at a minimum, the following information:

209.07A A description, by cash register key, of the bingo card or packet sold (e.g., 3 ON booklet, 6 ON booklet, instant bingo card, 3 ON special, disposable paper bingo card used in conjunction with a bingo card monitoring

device, which is not downloaded by a site system, and any fee charged for the use of a bingo card monitoring device, etc.);

209.07B The quantity of each type of bingo card or packet sold;

209.07C The price charged for each type of bingo card or packet sold;

209.07D The extended total price of the bingo cards or packets sold; and

209.07E The date of the bingo occasion.

209.08 Additional bingo cards or packets sold during the course of a bingo occasion must be sold by the cashier and must be receipted in the same manner as bingo cards and packets sold prior to the start of the bingo occasion.

209.08A Special bingo cards may be sold by a floor worker during the course of a bingo occasion but must be receipted in the same manner as bingo cards and packets sold prior to the start of the bingo occasion, or by the following method:

209.08A(1) The cashier must receipt the sale of all bingo paper sold by floor workers through the cash register by type of bingo paper. The cashier must maintain a record to reflect the amount of bingo paper checked out to each floor worker, the number of bingo cards checked back in to the cashier by the floor worker, and the corresponding amount of money returned to the cashier by the floor worker.

209.09 A licensed organization may not give free bingo cards to participants at a bingo occasion; however, coupons redeemable for bingo cards may be awarded as a bingo prize, promotional prize, or as a prize in a lottery or raffle provided the bingo cards are accounted for in the following manner:

209.09A The licensed organization must issue a sequentially numbered coupon to the winner which can be redeemed for the bingo cards. The coupon shall contain the name of the licensed organization and a description of the bingo cards for which the coupon can be redeemed. The value of the coupon shall be determined by the licensed organization's posted selling price of the bingo cards described on the coupon. The value of the coupon shall be included in the licensed organization's bingo gross receipts for the bingo occasion at which the coupon is redeemed.

209.09A(1) The value of any coupon awarded for bingo cards as a "bingo" prize must be included in determining the licensed organization's compliance with the \$4,000.00 bingo prize limitation per bingo occasion. As a bingo prize, the value of the coupon would not be subject to the 14 percent expense limitation.

209.09A(2) The value of any coupon awarded for bingo cards as a "promotional" prize must be included in determining the licensed organization's compliance with the \$100.00 promotional prize

limitation for a regular bingo occasion, or \$250.00 promotional prize limitation for a limited period bingo occasion. As a promotional prize, the value of the coupon would not be an expense of conducting bingo which is subject to the 14 percent expense limitation.

209.09A(3) If the bingo cards are to be awarded as a lottery or raffle prize, the licensed organization must pay for the coupon with proceeds from the organization's lottery/raffle account.

209.10 Instant bingo, as defined in Regulation 35-200.14, is an acceptable form of bingo and instant bingo cards may be sold throughout the bingo occasion. Instant bingo shall be conducted in the following manner:

209.10A A predetermined number of bingo balls for instant bingo shall be drawn at the start of the bingo occasion and witnessed by no fewer than three bingo players. The letters and numbers of the balls drawn must be displayed so they are visible to all players throughout the bingo occasion;

209.10B The serial number(s) of the instant bingo cards being sold must be posted at the location in the premises where regular bingo cards are sold;

209.10C Prizes to be awarded for the instant bingo game must be posted at the location in the premises where regular bingo cards are sold;

209.10D The particular arrangement of numbers or "pattern" required to be covered in order to win must be clearly posted at the location in the premises where regular bingo cards are sold;

209.10E Prizes awarded for instant bingo must be included in the \$4,000.00 prize limitation for a bingo occasion and no single prize awarded for instant bingo may exceed \$1,000.00; and

209.10F If there are no winners by the end of the bingo occasion, additional bingo balls must be drawn and called until there is a winner; however, the winning prize does not have to be the full amount of the jackpot but could be a consolation prize of lesser value.

(Sections 9-202, 9-226, 9-233, 9-241.05, 9-255.01, and 9-255.02, R.R.S. 1997. Sections 9-204.01 and 9-241.10, R.S.Supp., 2004. September 5, 2005.)

REG-35-210 CONDUCT OF THE GAME

210.01 No bingo occasion, except for a limited period bingo occasion, shall last for longer than six consecutive hours. A bingo occasion begins when the first number for the first bingo game is called, or when the first gaming activity starts, whichever comes first, and ends when the last number for the last game is called. A bingo occasion shall not begin without the presence of:

210.01A In the case of a Class I licensee, the bingo chairperson or alternate bingo chairperson; or

210.01B In the case of a Class II licensee, the gaming manager or, in an emergency situation only, the bingo chairperson or alternate bingo chairperson.

210.02 A licensed organization may adopt “House Rules” regarding the conduct of bingo provided such rules are consistent with the provisions of the Nebraska Bingo Act and all rules and regulations adopted and promulgated pursuant to the Act. All “House Rules” shall be conspicuously posted at the location in the premises where bingo cards are sold, and announced to all players prior to the start of the first game.

210.03 A licensed organization may charge an admission fee for entry to the bingo occasion and, upon payment of that fee, the player shall be furnished with a regular bingo card. The licensed organization may accept cash, checks, bank credit or debit cards, or in-kind payments, as defined in Regulation 35-200.13, to satisfy the admission fee. The fair market value of in-kind payments accepted for an admission fee shall be included in determining the gross receipts for the bingo occasion.

210.04 Bingo cards must be sold and paid for prior to the start of a specified game or specified number of games when they are progressive. Cards may not be sold for a game in progress after the first number of that game is called.

210.05 No player may play or have in his or her possession more bingo cards than the number for which payment was made. This regulation shall not prohibit a player from sharing purchased cards with another individual; however, no one other than a licensed manufacturer or distributor shall be permitted to cut or alter a disposable paper bingo card packet.

210.06 The particular arrangement of numbers or “pattern” required to be covered in order to win a bingo game must be clearly described and announced to the players immediately before each game begins.

210.07 Only the following methods of bingo ball selection are permitted:

210.07A An electrically operated blower machine containing balls which the operator may take from the air one at a time while the blower is in operation, or which provides a trap or other mechanical means for automatically catching not more than one ball at a time while the blower is in operation; or

210.07B A mechanically or manually operated cage which provides a trap or other mechanical means for automatically catching not more than one ball at a time while the cage is in operation.

210.08 Immediately following the drawing of each ball, the caller shall display the letter and number of the ball to the players in that room. If an electrically operated blower machine is used, the letter and number displayed must be visible to the majority of players at all times.

210.08A If more than one room is used to conduct bingo, the bingo caller and the ball selection device must be located in the room where the greatest number of players are present.

210.08B Each Class II bingo licensee must utilize a video camera to monitor the bingo ball selection. The video camera must be focused on the throat or trap of the bingo ball selection device and must clearly display, on a monitor for player viewing, each individual bingo ball as it is selected. If bingo players are seated in more than one room, a display monitor must be located in each room so that all players are able to clearly view the bingo ball selection.

210.09 The letter and number of the ball selected must be called out prior to the selection of the next ball. Once a ball has been selected, it may not be returned to the receptacle until after the conclusion of the game or series of games, if progressive.

210.09A A “House Rule” requiring that the caller must always call the letter and number if a ball is removed from the receptacle is not permissible. If nothing has been called or only the letter preceding the number has been called and “bingo” is claimed, the caller must not continue. If the caller calls the number or any portion of the number and “bingo” is claimed, the caller must continue to call the number in its entirety and the ball drawn does count towards the determination of winners.

210.09B If a player declares a bingo and a ball has been selected and removed from the receptacle, it must be the next ball to be called in the event the declared winning bingo is not valid or in the event that the game is progressive.

210.10 In the case of a Class II bingo licensee, after the letter and number are called, the corresponding letter and number must be displayed for player viewing on a flash or display board; however, the number and letter lit is not necessarily official. Bingo caller errors in announcing the letter and/or number are correctable. A “House Rule” to the contrary is not permissible.

210.10A The use of a flash or display board by a Class I bingo licensee is optional.

210.11 A winner is determined when the specified pattern of called letters and numbers appears on a bingo card. A “House Rule” requiring that a player must obtain “bingo” on the last number called is permissible provided that this rule is clearly posted for all players to see and announced just before the first game begins.

210.12 Immediately upon a player declaring “bingo”, the winning card numbers must be stated aloud by a bingo worker. The winning card must be verified by a bingo worker and at least one neutral player unless an electronic bingo verifier system is used.

210.12A In the case of a Class II licensee, the bingo worker shall also check the winning player’s receipt to verify that the player paid for the bingo cards in his or her possession.

210.13 After a winner has been verified, any player may call for a verification of all balls not selected. This verification

shall be made in the immediate presence of a gaming manager, bingo chairperson or alternate chairperson, and at least one neutral player.

210.14 Once a winner has been verified, the bingo caller shall ask if there are any other “bingos” and, upon receiving no affirmative response, declare the game closed. Once the game has been declared closed, the licensed organization is not responsible for paying any further prizes for the closed game.

210.15 The winning player or players shall receive the designated prize upon verification of the win. If multiple wins occur on a particular game, the game prize is to be apportioned between all players having a verified “bingo”. Each licensed organization must establish a “House Rule” regarding its policy for the payment of multiple winners, using one of the following methods:

210.15A The prize is to be equally apportioned based upon the number of players having one or more valid bingos, so that an individual with two winning cards would not receive more of the prize than an individual with only one winning card; or

210.15B The prize is to be equally apportioned based upon the number of winning bingo cards, so that a player with two winning cards would receive double the amount of a player with only one winning card.

210.16 Progressive bingo games in which the winning combination or pattern progresses in difficulty are permissible. For example, a progressive bingo game may consist of a single bingo, double bingo, frame, and fill, all played on the same card.

210.16A For purposes of determining compliance with the prize limitations for a single game, each portion of the progressive game shall be considered a single bingo game, even though the balls are not returned to the receptacle after a winner has been determined and verified.

(Sections 9-202, 9-204.02, 9-209, 9-209.01, 9-210, 9-214, 9-214.01, 9-226, 9-241.02, 9-241.09, 9-241.10, 9-255, and 9-255.02, R.R.S. 1997. March 10, 2002.)

REG-35-211 BINGO PRIZES; JACKPOT AND OTHER SPECIAL BINGO GAMES

211.01 A licensed organization may not award a single bingo prize that exceeds \$1,000.00 in value, or award more than \$4,000.00 in bingo prizes per bingo occasion. A licensed organization must award at least 50 percent of its bingo gross receipts in bingo prizes on a quarterly basis.

211.02 The amount of the bingo prize for each bingo game shall be conspicuously posted where the bingo cards are sold. A licensed organization may not deviate from the bingo prize amounts posted, unless such posting identifies the minimum attendance required for those prize amounts to be awarded.

211.02A If the minimum attendance is not realized, the licensed organization shall announce the revised bingo prize payouts to all players prior to the call of the first

bingo ball, and players shall have the option of obtaining a full refund of monies paid for a bingo card or packet if such a request is made before the first ball is called.

211.03 Merchandise awarded as a bingo prize shall be valued at its fair market value and shall not be redeemable or convertible into cash directly or indirectly by the licensed organization.

211.04 If there is more than one winner on a particular bingo game where merchandise is to be awarded as the bingo prize, and equal division of the merchandise among the multiple winners is not possible, the licensed organization shall:

211.04A Award substitute merchandise prizes to each winner, the aggregate fair market value of which shall be approximately equal to the fair market value of the original merchandise prize; or

211.04B Award cash prizes to each winner, the aggregate amount of which shall be equal to the fair market value of the original merchandise prize.

211.05 If real or personal property is to be awarded as a bingo prize, the licensed organization shall have paid for in full or otherwise become the owner without lien or interest of others of all the real or personal property prior to the bingo occasion at which the property is to be awarded as a prize.

211.05A For purposes of this regulation, real estate and savings bonds are not considered merchandise prizes and must be valued at their purchase price value. Merchant gift certificates are considered to be merchandise prizes and are to be valued at their face value.

211.05B Bingo cards, admissions to future bingo occasions, bingo supplies, and State Lottery tickets may be awarded as bingo prizes. Bingo cards must be accounted for as required in Regulation 35-209.09.

211.06 Real or personal property donated to a licensed organization and awarded as a bingo prize shall be valued at its fair market value and shall be included in the determination of compliance with the limitations on the value of bingo prizes which may be awarded in any single bingo game and overall at a bingo occasion.

211.06A The value of real or personal property donated to a licensed organization and awarded as a bingo prize shall not be recorded as a bingo expense of the licensed organization.

211.07 Jackpot bingo games which incorporate a carryover bingo prize feature are permissible when conducted in accordance with the Nebraska Bingo Act and the following provisions:

211.07A Any conditional aspects of the jackpot game and the corresponding bingo prizes to be awarded must be conspicuously posted at the premises where bingo is conducted. The winning combinations and the bingo prizes to be awarded must be clearly described and announced to the players immediately before the jackpot game;

211.07B If the jackpot combination or pattern is not achieved at a particular bingo occasion, the jackpot bingo

game must be continued until such time as a consolation winner is determined. The consolation prize does not have to be the full amount of the jackpot but could be a prize of lesser value; and

211.07C If the full amount of the jackpot bingo prize is not awarded at a particular bingo occasion, it may be carried over to the next bingo occasion and increased in value, provided the jackpot bingo prize never exceeds \$1,000.00 and the total value of bingo prizes awarded at the bingo occasion does not exceed \$4,000.00.

211.08 Special jackpot bingo games, for example, “Hot Number”, “Hot Ball”, or “Share the Pot”, where only those players who have paid an additional fee are eligible to participate, are permissible when conducted in accordance with the Nebraska Bingo Act, Regulation 35-211.07, and the following provisions:

211.08A An individual pays an additional amount and receives a ticket or other evidence of payment verifying that he or she has paid to be a participant in the special jackpot bingo game;

211.08A(1) Class II bingo licensees must receipt participants in the same manner as prescribed by Regulation 35-209.07.

211.08B Only the individuals holding a ticket or other evidence of payment are eligible to win the special jackpot bingo prize;

211.08C To begin the game, the number of the first bingo ball called on the initial bingo game is the special jackpot number;

211.08D A player must achieve bingo on the special jackpot number in order to win the special jackpot bingo prize;

211.08E The special jackpot bingo prize can be won on any bingo game played during the bingo occasion;

211.08F If no one achieves a bingo on the special jackpot number by the completion of the last scheduled bingo game, an additional bingo game must be played to determine a consolation winner;

211.08G Only individuals holding a ticket or other evidence of payment for the special jackpot bingo game are allowed to play the additional consolation bingo game;

211.08H The prize for winning the consolation bingo game does not have to be the full amount of the special jackpot but could be a prize of lesser value; and

211.08I If the full amount of the special jackpot bingo prize is not awarded at a particular bingo occasion, it may be carried over to the next bingo occasion and increased in value, provided the special jackpot bingo prize never exceeds \$1,000.00 and the total value of all bingo prizes awarded at the bingo occasion does not exceed \$4,000.00.

211.09 Bingo prizes awarded at a limited period bingo occasion or restricted limited period bingo occasion are subject to the same requirements and limitations as a regular bingo occasion except that the value of a single prize awarded during a restricted limited period bingo occasion shall not exceed \$25.00 in value.

211.09A The aggregate value of all bingo prizes awarded during a limited period bingo occasion or a restricted limited period bingo occasion shall not exceed \$4,000.00 per day for each day of the limited period bingo occasion or restricted limited period bingo occasion. For purposes of this regulation, “day” means a calendar day.

211.10 Prizes awarded for instant bingo games during any bingo occasion are considered bingo prizes and are subject to all requirements and limitations in this regulation. The aggregate value of instant bingo prizes is to be included in the \$4,000.00 total bingo prize limitation for a bingo occasion.

211.11 Promotional game prizes, prizes awarded for winning pickle cards sold by the licensed organization at the bingo occasion, and lottery and raffle prizes awarded at the bingo occasion are not considered bingo prizes and are not to be included in the \$4,000.00 total bingo prize limitation for a bingo occasion.

211.12 A bingo prize of \$500.00 or more in value must be receipted. The gaming manager or bingo chairperson shall insure that the receipt contains:

211.12A The name, address, and telephone number of the winner;

211.12B The date and amount of payment; and

211.12C The name of the individual who paid the winner.

211.13 The individual paying a \$500.00 or greater bingo prize shall make a good faith effort to insure that the information contained on the receipt is legible and correct. Such receipts may be prepared in a manner of the licensed organization’s choice, provided all prescribed information is recorded and retained in the organization’s records for a period of three years from the date of payment.

211.13A A licensed organization may satisfy the bingo prize receipting requirement by paying the winner by a check drawn on the organization’s bingo checking account, provided the check contains all of the information required by Regulation 35-211.12.

(Sections 9-202, 9-214, 9-226, 9-232.03, 9-241.10, 9-255.02, 9-255.03, and 9-255.04, R.R.S. 1997. March 10, 2002.)

REG-35-212 PROMOTIONAL GAMES AND PRIZES; BINGO ADVERTISING; CONCESSION SALES AND ALCOHOLIC BEVERAGES

212.01 In addition to conducting bingo games and awarding bingo prizes at a bingo occasion, a licensed

organization may also conduct promotional games and award promotional game prizes at a bingo occasion.

212.02 A promotional game means a game, scheme, or promotion conducted by a licensed organization at its bingo occasion whereby:

212.02A Participation in the promotional game is restricted to bingo players who are present at the bingo occasion;

212.02B No consideration is charged to participate in the promotional game, other than that charged to play bingo;

212.02C The winner of a promotional game is determined by an element of chance or by some other factor, except that a winner cannot be determined by using any type of pickle card, the game of keno, a scratch-off or rub-off ticket, a promotional game ticket as authorized in section 9-701 of the Nebraska Revised Statutes, any type of non-telecommunication-related, player-activated electronic or electromechanical facsimile of any game of chance, or by using any type of slot machine; and

212.02D The winner is present at the bingo occasion.

212.03 The total fair market value of promotional game prizes for a regular bingo occasion shall not exceed \$100.00. The total fair market value of promotional game prizes for a limited period bingo occasion shall not exceed \$250.00 per day for each day of the limited or restricted limited period bingo. For purposes of this regulation, "day" means a calendar day.

212.03A The total fair market value of promotional game prizes shall not be included when determining the licensed organization's compliance with the statutory limitation on the value of bingo prizes which may be awarded for a single bingo game or overall at a bingo occasion.

212.03B A promotional game prize shall not be used to increase the prize amount to be awarded for winning a bingo game.

212.04 The licensed organization's cost of promotional game prizes is not subject to the 14 percent of bingo gross receipts limitation on bingo expenses.

212.04A Real or personal property donated to a licensed organization and awarded as a promotional game prize shall be valued at its fair market value and included in the determination of compliance with the limitation on the value of promotional game prizes which may be awarded in any single bingo game and overall at a bingo occasion. However, the value of such donated prizes shall not be recorded as a bingo expense of the licensed organization.

212.05 Real or personal property awarded as a promotional game prize shall be valued at its fair market value and, once awarded, shall not be redeemable or convertible into cash directly or indirectly by the licensed organization.

212.05A A licensed organization shall have paid for in full or otherwise become the owner without lien or interest of others of all real or personal property to

be awarded as a promotional prize, prior to the bingo occasion at which such prize is to be awarded.

212.05B For purposes of this regulation, real estate and savings bonds are not considered merchandise prizes and must be valued at their purchase price. Merchant gift certificates are considered to be merchandise prizes and shall be valued at their face value.

212.05C Bingo cards, admissions to future bingo occasions, bingo supplies, and Nebraska State Lottery tickets may be awarded as promotional game prizes. Bingo cards awarded as a promotional prize must be accounted for as required in Regulation 35-209.09.

212.06 A licensed organization shall not reimburse players for the cost of their own transportation to a bingo occasion. A licensed organization may, however, provide players with transportation to its bingo occasion either at no charge or for a fee. All costs associated with providing transportation to bingo players shall be subject to the 14 percent of bingo gross receipts limitation on bingo expenses.

212.07 Only the licensed organization conducting the bingo occasion shall be permitted to advertise such bingo occasion. The licensed organization's cost of such advertising is a bingo expense which is subject to the 14 percent of bingo gross receipts expense limitation on bingo expenses.

212.07A Unless otherwise restricted by federal law or local ordinance, a licensed organization may use any media to advertise its bingo occasion including, but not limited to, television, radio, newspaper, yellow pages, and billboards; however, no advertisement shall make reference to an aggregate value of bingo prizes exceeding \$4,000.00.

212.08 Concessions such as food or beverages may be served and sold at a bingo occasion provided all the profits from such concession sales are retained by the licensed organization conducting the bingo occasion.

212.08A Revenues received from concession sales shall not be commingled with bingo, pickle card, or lottery/ raffle proceeds of the licensed organization or placed in any bingo, pickle card, or lottery/raffle bank account of the organization. Concession sales may be deposited in the General Fund account of the licensed organization, or any other fund or account of the organization, provided the fund or account is not used for gaming activity of the organization.

212.08B A licensed organization shall not use any of the bingo receipts or proceeds derived from its other gaming activities conducted pursuant to Chapter 9 of the Nebraska Revised Statutes to support or supplement its concession activity.

212.08C Concession workers are not considered to be bingo workers and shall not be paid using funds from the licensed organization's bingo activity. Concession workers, if compensated, shall not receive any compensation from bingo, pickle card, or lottery/ raffle proceeds of the licensed organization.

212.08D Concession workers at a bingo occasion are not required to be 18 years of age provided they are not involved with any gaming related sales of the licensed organization such as the sale of bingo cards or pickle cards.

212.08E If a concession worker is involved solely with the preparation, sale and serving of food and beverages at the bingo occasion, and is not directly involved with any gaming related activity being conducted at the bingo occasion, and meets the age restriction requirements otherwise provided in these regulations, the concession worker may play bingo at a bingo occasion at which he or she is serving as a concession worker.

212.09 Except as provided in Regulation 35-208.07A, no alcoholic beverages may be served at a premises during the conduct of a licensed bingo occasion except that alcoholic beverages may be served at a limited period bingo occasion when no one under 18 years of age is permitted to play bingo.

(Sections 9-202, 9-210, 9-214, 9-224, 9-241.06, 9-241.07, and 9-255.03, R.R.S. 1997. Sections 9-226, 9-255.02, and 9-255.04, R.S.Supp., 2002. November 12, 2002.)

REG-35-213 LIMITED PERIOD BINGO

213.01 Any Class I or Class II bingo licensee is eligible to request a limited period bingo authorization from the Department. A limited period bingo is a bingo occasion which the Department authorizes a licensed organization to conduct in addition to the organization's regularly scheduled bingo occasions.

213.01A A restricted limited period bingo is a limited period bingo where individuals under 18 years of age are allowed to play bingo, no prize exceeds \$25.00 in value, and no alcoholic beverages may be served.

213.02 A licensed organization seeking to conduct a limited period bingo occasion must request authorization from the Department, in writing, at least ten (10) days in advance of the beginning of the limited period bingo occasion. The request shall be signed by the bingo chairperson or gaming manager of the licensed organization and must include:

213.02A The date or dates of the limited period bingo occasion;

213.02B The location where the limited period bingo occasion is to be conducted;

213.02C The daily starting and ending time of the limited period bingo occasion; and

213.02D An indication of whether individuals under 18 years of age will be allowed to play bingo.

Upon approval of the request, the Department will issue the licensed organization a limited period bingo authorization which must be posted at the location during the time of the limited period bingo occasion.

213.03 A licensed organization may be issued no more than four limited period bingo authorizations in any 12-month period beginning October 1 of each year, for an aggregate total of not more than 12 days in duration.

213.03A A licensed organization may use all 12 days of limited period bingo for one authorization or divide the 12 days available among two, three, or four authorizations. For example, a licensed organization may conduct a seven-day limited period bingo occasion in the summer and a five-day limited period bingo occasion in the fall.

213.03B In the event that a limited period bingo occasion extends into a new 12-month period, the beginning date stated on the limited period bingo authorization form issued by the Department shall be the determining factor as to which 12-month period the limited period bingo shall be attributable.

213.04 Unless specifically provided otherwise in these regulations, limited period bingo occasions are to be conducted in the same manner as prescribed for regular bingo occasions, and are subject to the same prize restrictions, record keeping, reporting, and tax requirements.

213.05 A licensed organization shall not award a prize that exceeds \$1,000.00 in value in any single limited period bingo game or that exceeds \$25.00 in value in any single restricted limited period bingo game.

213.05A The aggregate value of all bingo prizes awarded during a limited period bingo occasion or a restricted limited period bingo occasion shall not exceed \$4,000.00 per day for each day of the limited or restricted limited period bingo. For purposes of this regulation, "day" means a calendar day.

213.06 Alcoholic beverages may be served at a limited period bingo occasion. Alcoholic beverages may not be served at a restricted limited period bingo occasion.

(Sections 9-202, 9-214, 9-226, 9-232.01, 9-232.03, 9-239, 9-241.02, 9-241.03, 9-241.06, 9-241.07, 9-241.08, 9-241.10, and 9-255.02, R.R.S. 1997. March 10, 2002.)

REG-35-214 BINGO EXPENSES

214.01 A licensed organization may spend no more than 14 percent of its bingo gross receipts for reasonable and necessary expenses relating to the conduct of bingo. The following bingo expenses shall be exempt from the 14 percent expense limitation:

214.01A Bingo license and permit fees paid to the Department or to the local city or county clerk;

214.01B Bingo taxes paid to the Department;

214.01C Bingo prizes and promotional prizes awarded at the bingo occasions;

214.01D The cost of purchasing, renting, or leasing bingo equipment including the purchase of disposable paper bingo cards; and

214.01E The cost of the rental or lease of a premises for the conduct of bingo and the purchase, rental, or lease of personal property necessary for the conduct of bingo such as tables, chairs, video monitors, public address systems, etc.

All other expenses are subject to the 14 percent expense limitation.

214.02 The purchase of bingo supplies such as daubers, chips, tape, and glue sticks shall be paid for by a check written on the licensed organization's bingo checking account, and the organization's cost of such items shall be subject to the following:

214.02A If a licensed organization awards a bingo supply as a prize for a bingo game, the organization's cost of the bingo supplies would not be subject to the 14 percent expense limitation;

214.02B If a licensed organization awards bingo supplies as promotional game prizes, the organization's cost of the supplies is considered an advertising/promotional game expense that is subject to the expense limitation. For purposes of complying with the promotional game prize limitations contained in Regulation 35-212, the supplies shall be valued at their fair market value;

214.02C If a licensed organization provides bingo supplies at no charge to players, the organization's cost of the supplies is an advertising/promotional expense that is subject to the expense limitation;

214.02D If a licensed organization resells the bingo supplies at a price less than its cost, the difference between the organization's cost and the proceeds received through the resale of such items is considered an advertising/promotional expense that is subject to the expense limitation;

214.02E If a licensed organization resells the bingo supplies and recovers its cost or makes a profit from such sales, the organization's cost of the supplies is not subject to the expense limitation.

All revenues received by a licensed organization from the sale of bingo supplies shall be deposited in the organization's bingo checking account; however, such revenues shall not be considered part of the organization's bingo gross receipts for purposes of determining the bingo tax due.

214.03 For purposes of determining a licensed organization's compliance with the statutory limitation on expenses, the 14 percent limitation shall be determined by utilizing the organization's bingo gross receipts on an annual basis, based upon the time period which coincides with the annual reporting requirements contained in Regulation 35-217.

214.04 A licensed organization which is also licensed to sell pickle cards at its bingo occasions may transfer a portion

of its pickle card proceeds to its bingo checking account to pay bingo expenses. The portion of the pickle card proceeds which can be transferred to pay bingo expenses shall be determined by using the bingo gross receipts and pickle card gross proceeds from the annual reporting period as prescribed in Regulation 35-217, and shall be based upon the percent that the gross proceeds from the sale of pickle cards at the bingo occasions represents to the total of bingo gross receipts and pickle card gross proceeds at the bingo occasions for the same period. For example:

If annual bingo gross receipts are	\$500,000;
and annual pickle card gross proceeds at bingo are	\$750,000;
Then total annual bingo/pickle activity is:	\$1,250,000.

In this example, the annual pickle card gross proceeds at bingo represent 60 percent of the total of the bingo and pickle card activity at the bingo occasions (\$750,000 divided by \$1,250,000 equals 60 percent). Therefore, up to 60 percent of the bingo expenses, excluding prizes and taxes, could be transferred from the licensed organization's pickle card checking account to its bingo checking account to pay bingo expenses. If the annual bingo expenses were \$120,000, 60 percent of \$120,000 would be \$72,000, thus the licensed organization could transfer up to \$72,000 from its pickle card checking account to its bingo checking account to pay the bingo expenses.

214.05 A licensed organization that wishes to utilize pickle card proceeds to pay bingo expenses is required to maintain records of pickle card sales at its bingo occasions as provided in Regulation 35-216, and to report such sales as provided in Regulation 35-217.

214.06 Any amount which a licensed organization transfers from the pickle card checking account to the bingo checking account which is not utilized for the payment of bingo expenses must be used by the organization for a lawful purpose.

214.07 Related organizations, as defined in Regulation 35-201.03A, which are co-sponsoring a bingo occasion where only one of the organizations is licensed to sell pickle cards at the bingo occasions, may also allocate bingo expenses as provided in Regulation 35-214.04.

214.08 All bingo expenses shall be paid by checks written on the licensed organization's bingo checking account. Such checks must be made payable directly to the parties with whom the expenses were incurred. No bingo expenses shall be paid directly from the licensed organization's pickle card checking account. Any proceeds from the sale of pickle cards at the bingo occasions which are utilized to pay bingo expenses must be transferred to the bingo checking account in order to pay the bingo expenses.

(Sections 9-202, 9-210, 9-241.10, 9-255.03, 9-302, 9-308, and 9-312, R.R.S. 1997. Sections 9-226, 9-255.02, 9-255.04, 9-255.05, and 9-347, R.S. Supp., 2002. November 12, 2002.)

REG-35-215 BINGO AND OTHER TAXES

215.01 Each Class I and Class II bingo licensee shall remit to the Department a state bingo tax in the amount of three percent of its bingo gross receipts.

215.01A For purposes of calculating the bingo tax due, gross receipts shall include revenues received from admission fees when such admissions are directly related to the playing of bingo, the sale or use of bingo cards, the use of bingo card monitoring devices, and the fair market value of any in-kind payments, as defined in Regulation 35-200.13.

215.01B Concession revenue received by the licensed organization from the sale of food and beverages at the bingo occasion and revenue generated from the sale of bingo supplies shall not be included in gross receipts for the purposes of calculating the bingo tax.

215.02 The state bingo tax shall be remitted by the licensed organization on a quarterly basis, no later than thirty (30) days after the close of the preceding calendar quarter. The tax shall be reported on a Nebraska Bingo Tax Return, Form 51B, and accompanying schedules supplied by the Department. Additional reporting requirements for the tax return are contained in Regulation 35-217.05.

215.02A A quarterly tax return must be filed with the Department even if the licensed organization conducted bingo for only a portion of the reporting period. For example, if the licensed organization did not begin conducting bingo until the second month of the reporting period, or ceased its bingo activities before the end of the reporting period, a quarterly tax return would still be due. A tax return shall also be filed even if the licensed organization had no bingo activity to report during the quarterly reporting period.

215.03 Returns properly signed and accompanied by remittance will be considered timely filed if mailed, postage prepaid, or personally delivered to the Department on or before the thirtieth (30th) day of the month following the close of the quarter.

215.03A When the thirtieth (30th) day of the month falls on a Saturday, Sunday, or a day considered a holiday by the Tax Commissioner's office, the return shall be considered timely filed if mailed postage prepaid or personally delivered to the Department on the next succeeding day which is not a Saturday, Sunday, or a day considered a holiday by the Tax Commissioner's office.

215.03B A United States Postal Service postmark will be conclusive evidence of the date of mailing for the purpose of timely filing a return.

215.03C Failure to file the return or remit the tax due by the due date will subject the licensed organization to assessment of a penalty of \$25.00 or ten percent of the tax due, whichever is greater. In addition, interest will be imposed at the rate specified in section 45-104.02 of

the Nebraska Revised Statutes, as amended, from the due date to the date paid.

215.04 All licensed organizations are required to pay the Nebraska Sales and Use Tax on the cost of bingo equipment and supplies purchased, unless exempt from Nebraska Sales and Use Tax as set forth in the Nebraska Sales and Use Tax Regulations.

215.05 All licensed organizations are required to collect and remit sales tax on bingo supplies sold to bingo players, and on any fee charged for the use of a bingo card monitoring device. Licensed organizations are not required to collect or remit sales tax from bingo players for the sale or use of bingo cards.

215.05A A licensed organization may purchase bingo supplies and not pay sales tax at the time of purchase on items it intends to resell, by purchasing the items for resale. A licensed organization must present a properly completed Resale Certificate, Section A, of the Nebraska Resale and Exempt Sale Certificate, Form 13, to the distributor or other retail outlet from which it purchases the bingo supplies. The licensed organization is then required to collect and remit sales tax on the full selling price of the bingo supplies when sold to bingo players.

215.05B If a licensed organization pays sales tax on the bingo supplies at the time of purchase, the organization should then collect sales tax on the full selling price of the supplies when sold to bingo players, but only remit sales tax on the difference between its cost and the price charged the players.

(Sections 77-2706, 77-2708, and 77-27,125, R.R.S. 1996. Sections 9-202, 9-226, 9-239, and 9-240, R.R.S. 1997. Sections 77-2702.16, 77-2703, 77-2704.12, and 77-2704.15, R.S.Supp., 2002. November 12, 2002.)

REG-35-216 ORGANIZATION RECORD KEEPING REQUIREMENTS

216.01 Each Class I and Class II bingo licensee shall maintain complete and accurate accounting records with detailed supporting and subsidiary records sufficient to furnish information regarding all transactions pertaining to its bingo activities. Such records shall be maintained for a period of not less than three years after the Nebraska Bingo Tax Return, Form 51B, or the Nebraska and Local Sales and Use Tax Return, Form 10, is filed, or for a period not less than three years from the date of the end of the licensee's fiscal year, whichever is later.

216.01A All records required by the Nebraska Bingo Act and regulations adopted pursuant thereto shall be open to inspection by the Department as well as any law enforcement officials.

216.02 Each licensed organization shall maintain separate bingo activity records from all other records of the organization. The following types of records must be maintained by the licensed organization:

216.02A Invoices for all purchases of bingo equipment and supplies, including the types of equipment and supplies purchased, the name of the distributor or other entity from whom the supplies and equipment were purchased, the price paid, and the check number of the check used to purchase such equipment and supplies;

216.02B The date, gross receipts collected, and number of players at each bingo occasion, including limited period bingo occasions conducted by the licensed organization, and amounts received by the organization from the sale of bingo supplies to bingo players.

216.02B(1) If a licensed organization will be transferring pickle card proceeds into its bingo checking account to pay a portion of its expenses of conducting bingo, the organization must also keep a record of its gross proceeds from the sale of pickle cards at each bingo occasion.

216.02C For all sales of disposable paper bingo cards and electronic facsimiles of bingo cards downloaded to the organization's site system:

216.02C(1) A complete description, including color (if applicable), of each type of bingo card or packet sold at each bingo occasion (i.e., 3 ON red booklet, 6 ON yellow booklet, 3 ON green specials, instant bingo cards, singles, doubles, triples, etc.);

216.02C(2) The quantity of each type of bingo card or packet sold;

216.02C(3) The licensed organization's selling price of each type of bingo card or packet sold; and

216.02C(4) The serial numbers of the bingo cards or packets sold (for packets, the serial number of the top sheet of the packet; for instant bingo cards, the serial number of the series);

216.02D The number of bingo card monitoring devices issued to bingo players per bingo occasion;

216.02E The amount paid out in cash for bingo prizes at each bingo occasion, receipts required by Regulation 35-211.12, and the fair market value of any merchandise awarded as bingo prizes at each bingo occasion;

216.02F The licensed organization's cost and the fair market value of promotional prizes awarded at each bingo occasion;

216.02G The complete name, address, and social security number of each bingo worker, gaming manager, utilization of funds member, bingo chairperson or alternate bingo chairperson, and any other individual or business who is paid for any work connected with the licensed organization's bingo activity and the corresponding wage, salary, or other compensation paid; and

216.02H All other expenses incurred in connection with bingo including, but not limited to, amounts paid to bookkeepers, attorney or janitorial staff, rent and utilities for the bingo premises, bingo license fees, bingo

advertising costs, bad checks written to the licensed organization, and any state or federal gaming taxes paid.

216.03 Each licensed organization is required to have a separate bingo checking account to be used exclusively for the bingo activities of the organization. The licensed organization must maintain the following records in connection with that account:

216.03A All deposits, withdrawals, and transfers;

216.03B All canceled checks; and

216.03C All bank statements.

216.04 A licensed organization must maintain detailed records of all expenditures from any bank account in connection with its bingo activities. Such records shall include a description of the purpose of each expenditure.

216.04A A licensed organization must maintain a bingo checking account into which all bingo gross receipts less cash prizes paid must be initially deposited, and from which all bingo expenses and lawful purpose donations must be made.

216.04B A licensed organization may periodically transfer bingo revenues either by electronic funds transfer or by a check written from the bingo checking account to other bank accounts of the organization, including higher interest bearing savings accounts or certificates of deposit. However, such transfer shall not be considered a lawful purpose donation in and of itself, and the organization must be able to show that the bingo revenues transferred to those accounts are either still maintained in those accounts or were used for a lawful purpose as set out in Regulation 35-203.

(Sections 9-202, 9-204.02, 9-209.01, 9-214, 9-225.01, 9-226, 9-239, 9-240, 9-241.10, 9-255.03, 9-255.04, 9-255.05, 9-266, 9-308, and 9-347, R.R.S. 1997. Sections 9-204, 9-204.01, and 9-204.04, R.S.Supp., 2004. September 5, 2005.)

REG-35-217 ORGANIZATION REPORTING REQUIREMENTS

217.01 Each Class I and Class II bingo licensee must file an annual report of its bingo activities on forms supplied by the Department. In addition, each Class II bingo licensee must file a quarterly report of its bingo activities on forms supplied by the Department.

217.01A The annual report shall cover the licensed organization's bingo activities from July 1 to June 30 and shall be filed with the Department by August 15 of each year.

217.01A(1) An annual report must be filed with the Department by August 15 of each year even if the licensed organization does not intend to renew its bingo license or does not intend to retain its bingo license for the second year of the biennial licensing period, its license renewal application has been

denied, or its license has been canceled, suspended, or revoked during the reporting period. In addition, a licensed organization which has had its license renewal application denied, or its license canceled, suspended, or revoked, shall also be required to:

217.01A(1)(a) Submit a written disbursement plan with the Department no later than 45 days after the expiration date of its bingo license or the effective date of the license renewal application denial or license cancellation, suspension, or revocation. Such plan shall identify the specific purpose(s) for which the remaining profits will be utilized, and shall be subject to approval by the Department; and

217.01A(1)(b) Unless otherwise determined by the Department, continue to file a bingo revenues status report by August 15 of each year, on a form supplied by the Department, listing all disbursements of bingo revenue until all such revenues have been expended either for allowable expenses or for lawful purposes.

217.01A(2) An annual report must be filed with the Department even if the licensed organization conducted bingo for only a portion of the reporting period. For example, if the licensed organization did not begin conducting bingo until the second quarter of the reporting period, or ceased its bingo activities before the end of the reporting period, an annual report would still be required.

217.01A(3) An organization's license shall not be renewed unless and until complete and accurate annual reports for all applicable reporting periods, are filed with the Department.

217.01B The quarterly reports shall be due thirty (30) days after the end of the first, third, and fourth calendar quarters of each year. An annual report shall be filed in place of a quarterly report for the second calendar quarter.

217.01B(1) A quarterly report must be filed with the Department even if the licensed organization conducted bingo for only a portion of the quarterly reporting period. For example, if the licensed organization did not begin conducting bingo until the second month of the reporting period, or it ceased its bingo activities before the end of the quarter, a quarterly report would still be required.

217.02 The licensed organization's utilization of funds member shall ensure that a copy of the organization's annual report is submitted to the organization's membership by August 15 of each year. In addition, the utilization of funds member shall make a copy of the annual report available to any member of the licensed organization, upon request.

217.03 The annual and quarterly reports shall include the following information:

217.03A The bingo gross receipts which include revenues received by the licensed organization for the sale or use of bingo cards, fees charged for admission to bingo occasions, fees charged for the use of bingo card monitoring devices, and the value of any in-kind payments;

217.03B Amounts received from the sale of bingo supplies to bingo players;

217.03C The bingo prizes paid by the licensed organization in cash and by check;

217.03D The licensed organization's cost of merchandise awarded as a bingo or promotional prize;

217.03E A breakdown of all expenses incurred by the licensed organization in connection with its bingo activities. This shall include items such as compensation paid to bingo workers or any other individuals for work performed in connection with the licensed organization's bingo activities; payroll taxes; the cost of legal, book-keeping, janitorial and security services in connection with the licensed organization's bingo activities; amounts paid for the rental or lease of a premises to conduct bingo including furniture or fixtures, maintenance, repairs, and janitorial expenses included in the rental or lease agreement; amounts paid for the purchase, rental, or lease of bingo equipment and bingo supplies; amounts paid for utilities at the premises where bingo is conducted; bingo license fees; state and local bingo taxes; and advertising expenses, including the licensed organization's cost of promotional game prizes;

217.03F All other expenses incurred or income derived by the licensed organization in connection with its bingo activities, whether paid from or deposited in the licensed organization's bingo checking account or another bank account of the organization including, but not limited to, such things as overages or shortages of bingo receipts, interest earned on the bingo bank accounts, and repairs and maintenance costs not covered in a current rental or lease agreement;

217.03G The licensed organization's net profit or loss from the conduct of bingo;

217.03H A detailed summary of the licensed organization's lawful purpose use of the bingo profits to include:

217.03H(1) A detailed itemization of expenditures made from the bingo checking account for internal uses of bingo profits by the licensed organization. The itemization shall include the date, amount, check number, and description of the purpose for the internal expenditure;

217.03H(2) Transfers of funds made from the licensed organization's bingo checking account to the general fund of the organization and a detailed itemization of how such funds were expended for a lawful purpose;

217.03H(3) Transfers of funds made from the bingo checking account to any special funds or trust funds which are not certificates of deposit or organization savings accounts and a detailed itemization of how such funds were expended for a lawful purpose; and

217.03H(4) A detailed itemization of expenditures of external donations. The itemization shall include the name and address of the party to whom the external donation was made, the date, amount, and check number of the donation, and a description of the intended use for the donation;

217.03I A summary of the licensed organization's bingo checking account activity and of any other bingo related bank account(s), savings accounts, or certificates of deposit to include:

217.03I(1) The name and complete address of the financial institution at which the account is maintained and the account number and balance of the account at the beginning of the reporting period; total deposits made during the reporting period; total interest earned during the reporting period; total disbursements made during the reporting period; and the balance of the accounts at the end of the reporting period;

217.03I(2) Bingo cash and checks on hand for the beginning and ending dates of the reporting period;

217.03I(3) Deposits or transfers to the bingo checking account which are not bingo receipts, such as transfers or deposits made from the licensed organization's pickle card checking account to the bingo checking account; and

217.03I(4) Any other disbursements from the bingo checking account which are not listed as bingo prizes, bingo expenses, or lawful purpose donations;

217.03J Relative to Class II bingo licensees only, a summary of the disposable paper bingo card inventory to include:

217.03J(1) A description of each disposable paper bingo card packet (e.g., 6 ON 13 UP, 18 ON 13 UP) including the color; and

217.03J(2) The beginning and ending inventory for the reporting period; the quantity purchased by the licensed organization; and the quantity sold and the selling price of each type of card or packet; and

217.03K If the licensed organization is using bingo card monitoring devices to conduct bingo, the type of device, the number of electronic facsimiles of bingo cards or packets downloaded into such devices, the number of disposable paper bingo cards or packets sold to be monitored by such devices, the licensed organization's selling price for the electronic facsimiles of bingo cards or packets and/or disposable paper bingo cards or packets

to be monitored by such devices, the total gross receipts from the sale of electronic facsimiles of bingo cards or packets and/or disposable paper bingo cards or packets to be monitored by such devices and, if players are charged a separate fee for the use of a bingo card monitoring device, the number of devices used during the reporting period, the fee (if any) charged per device, and the total gross receipts therefrom.

217.04 The annual and quarterly reports shall be signed by an officer and utilization of funds member of the licensed organization and the preparer of the report signifying that, under penalty of law, they have reviewed the report and, to the best of their knowledge and belief, found it to be a complete, true, and accurate accounting of the organization's bingo activities.

217.05 Each Class I and Class II bingo licensee is also required to file a quarterly tax return and summary of its bingo activities on forms supplied by the Department. The tax return and summary shall be accompanied by the remittance of the state bingo tax as provided in Regulation 35-215. The quarterly tax return and accompanying bingo activity summary shall contain the following information for each bingo occasion conducted during the reporting period:

217.05A The date of the bingo occasion and the number of players in attendance;

217.05B The type of occasion (i.e., regular or limited period);

217.05C The bingo gross receipts to include revenues received by the licensed organization for the sale or use of bingo cards, fees charged for admission to bingo occasions, fees charged for the use of bingo card monitoring devices, and the value of any in-kind payments;

217.05D The total value of the bingo prizes awarded including prizes paid in cash or by check and merchandise prizes. Merchandise awarded as a bingo prize must be listed at its fair market value;

217.05E The total value of promotional game prizes awarded in cash or by check and merchandise prizes. Merchandise awarded as a promotional prize must be listed at its fair market value; and

217.05F If the licensed organization will be using pickle card proceeds to pay a portion of the operating expenses of conducting bingo, the gross proceeds from the sale of pickle cards at the bingo occasion.

217.06 The quarterly tax return shall be signed by an officer or utilization of funds member of the licensed organization and the preparer of the tax return signifying that, under penalty of law, they have reviewed the return and accompanying summary and, to the best of their knowledge and belief, found them to be a complete, true, and accurate accounting of the organization's bingo activity.

(Sections 9-202, 9-217, 9-225.01, 9-239, 9-240, 9-255.03, and 9-347, R.R.S. 1997. Sections 9-211, 9-226, 9-232.02,

9-233, 9-255.04, and 9-255.05, R.S.Supp., 2002. Sections 9-204, 9-204.01, and 9-204.04, R.S.Supp., 2004. September 5, 2005.)

REG-35-218 COMMERCIAL LESSOR: LICENSE; REQUIREMENTS; AND DUTIES

218.01 No individual, organization, or business shall rent or lease a premises for the conduct of bingo without first obtaining a commercial lessor's license from the Department and registering the premises, except that such license and registration shall not be required:

218.01A When the individual, organization, or business renting or leasing the premises does not receive more than \$250.00 per month in the aggregate from renting or leasing the premises for the conduct of bingo.

218.01A(1) The \$250.00 threshold shall include rental or lease payments for the premises for the conduct of bingo only and shall be cumulative, regardless of the number of licensed organizations separately renting or leasing the premises to conduct bingo; or

218.01B If a nonprofit organization owning its own premises rents or leases the premises solely to its own auxiliary.

218.01B(1) If a nonprofit organization rents or leases a premises for the conduct of bingo to an organization other than its own auxiliary, it shall be required to obtain a commercial lessor's license and register the premises unless it meets the exception contained in Regulation 35-218.01A.

218.02 A commercial lessor's license shall only be issued to those applicants doing business in Nebraska or authorized to do business in Nebraska. Authorization to do business in Nebraska requires:

218.02A A domestic corporation to file Articles of Incorporation with the Nebraska Secretary of State's office;

218.02B A domestic limited liability company to file Articles of Organization with the Nebraska Secretary of State's office; or

218.02C A foreign corporation or foreign limited liability company to obtain a certificate of authority to transact business in Nebraska from the Nebraska Secretary of State's office or to become domesticated by filing the requisite documents with the Nebraska Secretary of State's office and paying any required fees.

218.03 An individual, organization, or business seeking a commercial lessor's license must apply for such license on a form prescribed by the Department. In addition, each premises to be rented or leased by the lessor for the conduct of bingo must be separately registered. The application and registration forms shall contain, at a minimum, the following information:

218.03A The name, address, and state and federal identification numbers of the applicant;

218.03B The type of ownership of the business and the name, social security number, home address, and date of birth of:

218.03B(1) If a sole proprietorship, the individual owner;

218.03B(2) If a partnership, each partner and spouse;

218.03B(3) If a limited liability company, each member and spouse;

218.03B(4) If a corporation, each officer and spouse and each individual or entity holding ten percent or more of the debt or equity of the corporation. If an entity holding ten percent or more of the debt or equity of the applicant corporation is a partnership, limited liability company, or corporation, the information required in Regulation 35-218.03B must be supplied for each partner of the partnership, each member of the limited liability company, or each officer of the corporation and every individual or entity holding ten percent or more of the debt or equity of the partnership or corporation; or

218.03B(5) If a nonprofit organization or nonprofit corporation, each officer and the individual designated as manager;

218.03C If the applicant is not the owner of the premises to be registered, the name, address, social security number, date of birth, type of involvement, and percent of ownership of each individual or business having ownership interest in the premises. The applicant shall also include, with the application and/or registration, copies of all rental, lease, or sublease agreements between the applicant and the owner of the premises;

218.03D If the applicant is not a resident or a corporation, the full name, business address, and home address of an individual who is a resident of and living in this state who is at least 19 years of age, to act as the lessor's resident agent for the purpose of receipt and acceptance of service of process and other communications on behalf of the lessor;

218.03E The location address and legal description of each premises to be registered;

218.03F The name and state identification number of each organization seeking to conduct bingo at the premises; and

218.03G The day(s) and time of day the organization intends to conduct bingo.

218.04 The applicant shall also be required to complete a supplemental questionnaire providing detailed information regarding physical characteristics of the premises to be rented or leased including, but not limited to, the square footage of the premises, the lawful seating capacity of the premises, the appraised value of the premises, the amount of rent or other consideration which is charged directly or indirectly for each bingo occasion to be conducted in the premises, the amount

of rent or other consideration charged for use of the premises for functions other than bingo, a description of any tangible personal property included in the rental or lease agreement, and any other factors used by the commercial lessor in determining the rental or lease amount to be charged for use of the premises.

218.04A The amount which may be charged for the rental or lease of a premises for the conduct of bingo shall not exceed the fair market value amount charged for the same premises or for facilities in similar locations when rented or leased for public or social gatherings such as wedding receptions, parties, meetings, or other similar gatherings. Regulation 35-208.08 specifies other factors that are to be used in determining fair market value.

218.05 A copy of the written rental or lease agreement between the organization and the applicant shall also accompany the commercial lessor's license application and premises registration. Rental or lease agreements may cover both real and personal property rented or leased to the licensed organization. Rental or lease agreements for bingo equipment shall be separate from rental or lease agreements for a premises.

218.05A All rental and lease agreements between a commercial lessor and a licensed organization must receive preapproval by the Department.

218.06 Each registration of a premises shall be accompanied by the statutorily required fee. Such registration and the commercial lessor's license shall expire on September 30 of each odd-numbered year and may be renewed biennially. An application to renew a commercial lessor's license and registration of a premises is due 45 days prior to the expiration date of the license and registration. A commercial lessor's license and registration of a premises is not transferrable.

218.06A The original commercial lessor's license as well as the registration of premises issued by the Department must be publicly posted at the premises.

218.07 It shall be the responsibility of the commercial lessor to keep the application and registration information current. The Department shall be notified in writing within thirty (30) days of any changes to the application or registration information.

218.08 An individual, organization, or business is not considered to be licensed as a commercial lessor and a premises is not considered to be registered until physical possession of the license and/or registration issued by the Department has been obtained.

218.08A A commercial lessor who no longer desires to be licensed or who no longer intends to rent or lease a premises for the conduct of bingo shall notify the Department in writing. Such notification shall be accompanied by the original license and/or registration certificate.

218.09 A licensed commercial lessor, the owner of a premises, and all parties who rent, lease, or sublease a premises which ultimately is rented or leased to a licensed

organization for the conduct of bingo, and any individual with a substantial interest in a commercial lessor, and the employees of a commercial lessor shall not be involved directly or indirectly with the conduct of any bingo occasion. Such parties shall not manage, operate, promote, advertise, or administer bingo, nor derive any financial gain from any gaming activities regulated under Chapter 9, except as provided in section 9-255.06 of the Nebraska Bingo Act.

218.09A As used in this regulation, the term "involved directly or indirectly" shall include, but not be limited to, the payment of any expense of a licensed organization, whether such payment is by loan or otherwise; conducting advertising on behalf of the licensed organization conducting the bingo game; or doing any acts which would constitute the conduct of the bingo game such as determining what games will be played at a bingo occasion, acting as a bingo caller, selling admissions or bingo cards, or preparing records for the bingo occasion.

218.09B Nothing in this regulation shall be construed to prohibit an individual, officer, or employee of an organization which is licensed to conduct bingo, but which may also hold a license as a commercial lessor, from involvement with its own bingo game. However, when a licensed organization acts as a commercial lessor to another licensed organization, no individual, officer, or employee of the organization acting as a commercial lessor shall be involved directly or indirectly with the conduct of bingo on behalf of another organization.

218.10 No commercial lessor, or individual or business connected to, interested in, otherwise involved directly or indirectly with or who has a substantial interest in a commercial lessor, shall be designated as a bingo chairperson or alternate bingo chairperson, or be licensed as a gaming manager, utilization of funds member, or sales agent. A licensed commercial lessor shall not be licensed as or have a substantial interest, as defined in Regulation 35-200.20, in any individual or business licensed as a distributor, manufacturer, or manufacturer-distributor pursuant to Chapter 9.

(Sections 9-202, 9-204.02, 9-207.01, 9-209, 9-209.01, 9-216, 9-225.01, 9-241.04, 9-241.07, 9-241.08, 9-241.10, 9-307, 9-313, 9-320, and 9-616, R.R.S. 1997. Sections 9-214.01, 9-226, 9-241.05, and 9-255.06, R.S.Supp., 2002. November 12, 2002.)

REG-35-219 DISTRIBUTOR OF BINGO EQUIPMENT: LICENSE; REQUIREMENTS; AND DUTIES

219.01 Any individual or business which intends to sell, rent, lease, or otherwise provide bingo equipment in this state to a licensed organization or licensed commercial lessor for use in a bingo game regulated by the Nebraska Bingo Act must first apply for and obtain a distributor's license from the Department. A distributor's license shall not be required of:

219.01A An individual or business which sells or otherwise supplies only bingo supplies;

219.01B A third party which provides only for the financing of bingo equipment retaining a security interest in such equipment until such time as the purchaser has clear title. However, a distributor's license would be required of the individual or business which is selling, renting, or leasing the equipment directly to the licensed organization or licensed commercial lessor;

219.01C A licensed organization when it lends, without charge, its bingo equipment, excluding disposable paper bingo cards, to another licensed organization on an emergency basis or to a qualifying nonprofit organization for use at a special event bingo conducted pursuant to Regulation 35-222;

219.01D A licensed organization which, with prior approval from the Department, sells or donates its old bingo equipment to another licensed organization when it is purchasing or intends to purchase new bingo equipment; or

219.01E An organization which has voluntarily canceled its bingo license, allowed the license to lapse, or has had its license suspended, canceled, or revoked and which, with prior approval from the Department, sells or donates its bingo equipment to another licensed organization.

219.02 To qualify for a distributor's license, the applicant must be authorized to conduct business in Nebraska and have its principal office located within this state.

219.02A Authorization to do business in Nebraska requires:

219.02A(1) A domestic corporation to file Articles of Incorporation with the Nebraska Secretary of State's office;

219.02A(2) A domestic limited liability company to file Articles of Organization with the Nebraska Secretary of State's office;

219.02A(3) A foreign corporation or foreign limited liability company to obtain a certificate of authority to transact business in Nebraska from the Nebraska Secretary of State's office or to become domesticated by filing the requisite documents with the Nebraska Secretary of State's office and paying any required fees; or

219.02A(4) A domestic partnership, foreign partnership, or limited liability partnership to file any forms that may be required by the Nebraska Secretary of State's office.

219.03 Applicants seeking a distributor's license who intend to be engaged in business in this state, as defined in section 77-2702.06 of the Nebraska Revised Statutes, as amended, shall also submit a Nebraska Tax Application, Form 20, to obtain a Nebraska Sales and Use Tax Permit.

219.03A Licensed distributors are required to obtain a Nebraska sales tax permit and must collect and remit sales tax on the gross receipts derived from the sale, rental, or lease of all bingo supplies and equipment in

Nebraska, except that sold for resale or sold, rented, or leased to organizations exempt as set forth in Sales and Use Tax Regulation 1-012, which have presented a properly completed Nebraska Resale or Exempt Sale Certificate, Form 13.

219.04 An individual or business applying for a distributor's license shall do so on a form prescribed by the Department. The applicant shall include with the application form the statutorily required license fee and, at a minimum, the following information:

219.04A The business name and address of the applicant and the name and address of each of the applicant's separate locations warehousing bingo equipment;

219.04B The type of ownership of the business and the name, social security number, home address, and date of birth of:

219.04B(1) If a sole proprietorship, the individual owner;

219.04B(2) If a partnership, each partner and spouse;

219.04B(3) If a limited liability company, each member and spouse; or

219.04B(4) If a corporation, each officer and spouse, each director or board member, and each individual or entity holding ten percent or more of the debt or equity of the corporation. If an entity holding ten percent or more of the debt or equity of the applicant corporation is a partnership, limited liability company, or corporation, the information required in Regulation 35-219.04B must be supplied for each partner of the partnership, each member of the limited liability company, or each officer of the corporation and every individual or entity holding ten percent or more of the debt or equity of the partnership or corporation.

219.04C A completed and notarized Personal History Record and Background Disclosure form supplied by the Department for each individual listed pursuant to Regulation 35-219.04B, except for spouses who have completed and had notarized the Affidavit by Spouse for Waiver of Fingerprinting and/or Personal History Record and Background Disclosure form; and

219.04D Two sets of fingerprints on cards supplied by the Department and the requisite fees established by the Nebraska State Patrol and the Federal Bureau of Investigation for each individual listed pursuant to Regulation 35-219.04B, except for spouses who have completed and had notarized the Affidavit by Spouse for Waiver of Fingerprinting and/or Personal History Record and Background Disclosure form. Fingerprint cards and the required fees must be submitted to the Nebraska State Patrol, Criminal Identification Division.

219.05 The applicant or licensee shall notify the Department within thirty (30) days of any change in the

information submitted on or with the application form. Changes must be reported in writing and the Department may require the filing of a new application.

219.05A Changes shall be confirmed by the signature of an owner, partner, member, or officer of the distributor. Any individual signing the most current application shall obligate the distributor to comply with the Nebraska Bingo Act and accompanying regulations for that licensing period.

219.06 A distributor's license shall expire on September 30 of every odd-numbered year and may be renewed biennially. An application for license renewal shall be due 45 days prior to the expiration date of the license. A distributor's license is not transferable.

219.07 A distributor is not considered licensed until it has physical possession of the printed license issued by the Department.

219.07A A distributor who has had its license lost, stolen, or destroyed must notify the Department as soon as possible. The distributor shall send a written statement to the Department signed by an owner, officer, member, or partner confirming the loss, theft, or destruction of the license. A duplicate license will be issued for no additional fee under such circumstances.

219.07B Any individual or business licensed as a distributor pursuant to section 9-330 of the Nebraska Pickle Card Lottery Act may act as a distributor pursuant to the Nebraska Bingo Act without submitting an additional licensing fee. Such individual or business shall comply in every other respect with the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, and all rules and regulations adopted and promulgated pursuant to such Acts.

219.07C A distributor which no longer desires to be licensed shall notify the Department, in writing, of its intention to cancel its license. Such notification shall be signed by an owner, officer, member, or partner of the distributorship. A notification of cancellation shall be accompanied by the original license issued by the Department.

219.08 A licensed distributor, or any individual or business having a substantial interest therein, is prohibited from holding any other licenses issued pursuant to the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, the Nebraska Lottery and Raffle Act, or the Nebraska County and City Lottery Act, except as provided in section 9-330 of the Nebraska Pickle Card Lottery Act, and section 9-632 of the Nebraska County and City Lottery Act.

219.08A A licensed distributor, or employee or spouse of a licensed distributor, shall not have a substantial interest, as defined in Regulation 35-200.20, in any other distributor, manufacturer, licensed organization, pickle card operator, or lottery operator conducting gaming activities under the Nebraska Bingo Act, the Nebraska Pickle Card

Lottery Act, the Nebraska Lottery and Raffle Act, or the Nebraska County and City Lottery Act.

219.08B A licensed distributor or employee or spouse of a licensed distributor shall not participate in the operation or conduct of any kind of gaming activity regulated under Chapter 9 of the Nebraska Revised Statutes, except to the exclusive extent of his or her duties as a licensed distributor or employee thereof.

219.08C A licensed distributor shall not be connected, interested, or otherwise concerned directly or indirectly with any individual or business licensed as a manufacturer or commercial lessor.

219.09 A licensed distributor shall purchase or otherwise obtain bingo equipment only from a licensed manufacturer. A licensed distributor shall sell or otherwise provide bingo equipment only to an organization licensed to conduct bingo, a licensed commercial lessor, or a qualifying nonprofit organization which has obtained a special event bingo permit, except that a licensed distributor shall not sell or otherwise provide disposable paper bingo cards to anyone in Nebraska other than (a) a licensed organization or, (b) a qualifying nonprofit organization which has obtained a special event bingo permit, without written authorization from the Department.

219.09A Nothing in this regulation shall be construed to prohibit a licensed distributor from selling or otherwise providing bingo equipment to:

219.09A(1) A federally recognized Indian tribe;

219.09A(2) Another distributor with prior approval by the Department; or

219.09A(3) A purchaser residing outside Nebraska provided the transaction is invoiced in the manner prescribed in Regulation 35-219.12.

219.10 The price charged by a licensed distributor for bingo equipment shall not be fixed or set by agreement among licensed distributors in any manner, either expressed or implied.

219.10A No distributor shall offer or agree to offer anything of value to any individual or licensee in exchange for an agreement or commitment by such individual or licensee to exclusively buy, sell, or use bingo equipment sold by such distributor.

219.10B No individual or licensee shall accept or agree to accept anything of value from a distributor in exchange for an agreement or commitment by such individual or licensee to exclusively buy, sell, or use bingo equipment sold by such distributor.

219.11 A licensed distributor shall not be prohibited from cutting and assembling disposable paper bingo cards into single sheet, booklet, or packet form for resale to a licensed organization or qualifying nonprofit organization which has obtained a special event bingo permit provided that such paper is manufactured by and obtained from a licensed manufacturer.

219.12 A distributor shall issue an invoice to each purchaser of bingo supplies and equipment. Each invoice shall contain the following information:

219.12A The name and complete address of the purchaser and, if the purchaser is a licensed organization, the organization's state identification number;

219.12B The name of the individual placing the order;

219.12C The date of the invoice and invoice number;

219.12D A description of the bingo supplies or equipment including serial numbers when applicable;

219.12E For all transactions involving disposable paper bingo cards and/or electronic facsimiles of bingo cards which are downloaded to a licensed organization's site system:

219.12E(1) A complete description, including color (if applicable) of the bingo card or packet (i.e., 3 ON red booklet, 6 ON yellow booklet, 3 ON green specials, instant bingo cards, singles, doubles, triples, etc.),

219.12E(2) The quantity sold, exchanged, or returned (number of packets per case; for instant bingo cards and specials, the total number of sheets), and

219.12E(3) The serial numbers of the bingo cards or packets (if in packets, the serial number of the top sheet of the packet; for instant bingo cards, the serial number of the series);

219.12F For each organization to whom the distributor supplies bingo card monitoring devices, the number of and cost charged per device, per bingo occasion;

219.12G The price charged for the bingo supplies or equipment, applicable taxes, and the total amount to be paid, exchanged, or returned by the purchaser; and

219.12H The manner of delivery or shipment, including the name, address, and telephone number of the entity with whom delivery or shipment is made.

219.13 A licensed distributor shall be required to keep the following records:

219.13A Copies of all invoices for the purchase of bingo supplies and equipment from licensed manufacturers or any other source;

219.13B Copies of all invoices for the sale, return, exchange, rental, or lease of bingo supplies and equipment to licensed organizations, commercial lessors, special event bingo permittees, federally recognized Indian tribes, and any other customers whether located within or outside this state;

219.13C Copies of all rental, lease, or other contractual agreements relating to bingo equipment or supplies between the distributor and a manufacturer, licensed organization, commercial lessor, special event bingo permittee, or any other individual or business; and

219.13D A detailed record of any bingo supplies or equipment lost, stolen, or destroyed by the distributor.

219.14 All records required by this regulation shall be maintained for a period of not less than three years from the date of the end of the licensee's fiscal year. The Department may request periodic reporting from a licensed distributor regarding any information required to be kept by this regulation.

(Sections 77-2702.06, 77-2702.08, 77-2706, and 77-2708, R.R.S. 2003. Sections 9-202, 9-207.01, 9-209, 9-212, 9-217.01, 9-224, 9-241.08, 9-241.10, 9-255.01, 9-255.07, 9-255.09, 9-330, and 9-616, R.R.S. 1997. Sections 9-1,104, 9-213, 9-214.01, 9-226, 9-230.01, 9-241.05, 9-255.08, 77-2702.16, 77-2703, 77-2704.11, 77-2704.12, 77-2704.15, and 77-2705, R.S.Supp., 2002. Sections 9-204, 9-204.01, and 9-204.04, R.S.Supp., 2004. September 5, 2005.)

REG-35-220 MANUFACTURER OF BINGO EQUIPMENT: LICENSE; REQUIREMENTS; AND DUTIES

220.01 Any individual or business which manufactures bingo equipment and intends to sell, rent, lease, or otherwise provide such equipment in this state, must first obtain a manufacturer's license from the Department. A manufacturer's license shall not be required of:

220.01A An individual or business which manufactures or intends to sell only bingo supplies such as ink daubers, chips, tape, or glue sticks; or

220.01B An individual or business which manufactures electronic equipment which is not an integral part of the conduct of bingo such as television monitoring systems, computer terminals or printers, or cash registers.

220.02 A manufacturer's license shall only be issued to those applicants doing business in Nebraska or authorized to do business in Nebraska.

220.02A Authorization to do business in Nebraska requires:

220.02A(1) A domestic corporation to file Articles of Incorporation with the Nebraska Secretary of State's office;

220.02A(2) A domestic limited liability company to file Articles of Organization with the Nebraska Secretary of State's office;

220.02A(3) A foreign corporation or foreign limited liability company to obtain a certificate of authority to transact business in Nebraska from the Nebraska Secretary of State's office or to become domesticated by filing the required documents with the Nebraska Secretary of State's office and paying any required fees; or

220.02A(4) A domestic partnership, foreign partnership, or limited liability partnership to file any forms that may be required by the Nebraska Secretary of State's office.

220.02B Applicants seeking a manufacturer's license and who intend to be engaged in business in this state as defined in section 77-2702.06 of the Nebraska Revised

Statutes, as amended, shall also submit a Nebraska Tax Application, Form 20, to obtain a Nebraska Sales and Use Tax Permit.

220.02B(1) A licensed manufacturer engaged in business in this state as defined in section 77-2702.06 may accept a properly completed Resale Certificate, Section A, of the Nebraska Resale and Exempt Sale Certificate, Form 13, from a licensed distributor in Nebraska, in lieu of charging and collecting sales tax from the distributor.

220.03 An individual or business shall apply for and obtain a manufacturer's license from the Department prior to supplying any bingo equipment in this state, or engaging in any interstate activities relating to such bingo equipment. The applicant shall include with the application form prescribed by the Department the statutorily required license fee and, at a minimum, the following information:

220.03A The business name and address of the applicant and the name and address of each of the applicant's separate locations at which manufacturing, warehousing, selling, or promotion of bingo equipment occurs;

220.03B The type of ownership of the business and the name, social security number, home address, and date of birth of:

220.03B(1) If a sole proprietorship, the individual owner;

220.03B(2) If a partnership, each partner and spouse;

220.03B(3) If a limited liability company, each member and spouse;

220.03B(4) If a corporation, each officer and spouse, each director or board member, and each individual or entity holding ten percent or more of the debt or equity of the corporation. If an entity holding ten percent or more of the debt or equity of the applicant corporation is a partnership, limited liability company, or corporation, the information required in Regulation 35-220.03B must be supplied for each partner of the partnership, each member of the limited liability company, or each officer of the corporation and every individual or entity holding ten percent or more of the debt or equity of the partnership or corporation.

220.03C If the applicant is not a resident or a corporation, the full name, business address, and home address of an individual who is a resident of and living in this state who is 19 years of age or older, to act as the manufacturer's resident agent for the purpose of receipt and acceptance of service of process and other communications on behalf of the manufacturer;

220.03D Upon request, a list of all Nebraska licensed distributors in which the applicant has some financial interest and the details of such interest. For purposes of this regulation, financial interest shall include, among all

other interests, any indebtedness from the applicant to another individual or business or from another individual or business to the applicant in excess of \$500.00;

220.03E A completed and notarized Personal History Record and Background Disclosure form supplied by the Department for each individual listed pursuant to Regulation 35-220.02B except for spouses who have completed and had notarized the Affidavit by Spouse for Waiver of Fingerprinting and/or Personal History Record and Background Disclosure form; and

220.03F Two sets of fingerprints on cards supplied by the Department and the requisite fees established by the Nebraska State Patrol and Federal Bureau of Investigation for each individual listed pursuant to Regulation 35-220.02B, except for spouses who have completed and had notarized the Affidavit by Spouse for Waiver of Fingerprinting and/or Personal History Record and Background Disclosure form. Fingerprint cards and the required fees must be submitted to the Nebraska State Patrol, Criminal Identification Division.

220.04 The applicant or licensee shall notify the Department within thirty (30) days of any change in the information submitted on or with the application form.

220.04A Changes must be reported in writing, and the Department may require the filing of a new application.

220.04B Changes shall be confirmed by the signature of an owner, officer, member, or partner of the manufacturer. Any individual signing the most current application shall obligate the licensee to comply with the Nebraska Bingo Act and accompanying regulations for that licensing period.

220.05 A manufacturer's license shall expire on September 30 of every odd-numbered year and may be renewed biennially. An application for license renewal shall be due 45 days prior to the expiration date of the license. A manufacturer's license is not transferable.

220.06 A manufacturer is not considered licensed until it has physical possession of the printed license issued by the Department.

220.06A A manufacturer which has had its license lost, stolen, or destroyed must notify the Department as soon as possible. The manufacturer shall send a written statement to the Department signed by an owner, officer, member, or partner confirming the loss, theft, or destruction of the license. A duplicate license will be issued for no additional fee under such circumstances.

220.06B Any individual or business licensed as a manufacturer pursuant to section 9-332 of the Nebraska Pickle Card Lottery Act may act as a manufacturer pursuant to the Nebraska Bingo Act without submitting an additional licensing fee. Such individual or business shall comply in every other respect with the Nebraska

Bingo Act, the Nebraska Pickle Card Lottery Act, and all rules and regulations adopted and promulgated pursuant to such Acts.

220.06C A manufacturer which no longer desires to be licensed shall notify the Department, in writing, of its intention to cancel its license. Such notification shall be signed by an owner, officer, member, or partner of the manufacturer. A notification of cancellation shall be accompanied by the original license issued by the Department.

220.07 A licensed manufacturer, or any person having a substantial interest therein, is prohibited from holding any other licenses issued pursuant to the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, the Nebraska Lottery and Raffle Act, or the Nebraska County and City Lottery Act, except as provided in section 9-332 of the Nebraska Pickle Card Lottery Act, and section 9-632 of the Nebraska County and City Lottery Act.

220.07A A licensed manufacturer or employee or spouse of a licensed manufacturer shall not have a substantial interest, as defined in Regulation 35-200.20, in any other manufacturer, distributor, manufacturer-distributor, licensed organization, or lottery operator conducting gaming activities under the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, the Nebraska Lottery and Raffle Act, or the Nebraska County and City Lottery Act.

220.08 A licensed manufacturer or employee or spouse of a licensed manufacturer shall not participate in the operation or conduct of any kind of gaming activity regulated under Chapter 9 of the Nebraska Revised Statutes, except to the exclusive extent of his or her duties as a licensed manufacturer or employee thereof.

220.09 Unless specifically authorized by the Department, a licensed manufacturer shall not sell or otherwise provide bingo equipment in Nebraska to anyone other than a licensed distributor. Nothing in this regulation shall be construed to prohibit a licensed manufacturer from:

220.09A Selling or otherwise providing bingo equipment to a federally recognized Indian tribe; or

220.09B Selling or otherwise providing bingo equipment, excluding disposable paper bingo cards, to a qualifying nonprofit organization conducting special event bingo as defined in Regulation 35-222.

220.10 The price charged by a licensed manufacturer for bingo equipment shall not be fixed or set by agreement among licensed manufacturers in any manner, either expressed or implied.

220.10A No manufacturer shall offer or agree to offer anything of value to any individual or licensee in exchange for an agreement or commitment by such individual or licensee to exclusively buy, sell, or use bingo equipment sold by such manufacturer.

220.10B No individual or licensee shall accept or agree to accept anything of value from a manufacturer in exchange for an agreement or commitment by such individual or licensee to exclusively buy, sell, or use bingo equipment sold by such manufacturer.

220.11 A licensed manufacturer shall not be connected, interested, or otherwise concerned directly or indirectly with any individual or business licensed as a distributor or commercial lessor.

220.12 No manufacturer shall affix to any bingo supply or equipment any statement indicating any endorsement of that particular bingo supply or equipment by the State of Nebraska, the Department, or any division thereof. Additionally, no other statement indicating any such endorsement shall be made verbally or in writing.

220.13 Only a licensed manufacturer shall produce by assembling from raw materials or subparts a whole or partial piece of bingo equipment.

220.13A Nothing in this regulation shall prohibit a licensed manufacturer, with prior approval by the Department, from subcontracting services with an individual or business to assemble, manufacture, produce, make, print, convert, or modify bingo equipment to be used in a bingo game regulated by the Nebraska Bingo Act; however, the Department may require such subcontracting entity to first apply for and obtain a manufacturer's license. This shall include, but not be limited to:

220.13A(1) The printing of disposable paper bingo cards and the printing and assembly of hard bingo cards or shutter cards;

220.13A(2) The placing of face numbers, serial numbers, or sequential numbers on any disposable paper bingo card, hard card, or shutter card;

220.13A(3) The development or modification of any proprietary computer program which is used in and is an integral part of a bingo card monitoring device, site system, or host system to conduct or play bingo; and

220.13A(4) The manufacturing of bingo balls or the printing of numbers or colors on such balls.

220.13B For purposes of this regulation, day-to-day maintenance or upkeep of bingo equipment such as replacing a light bulb or electrical plug, inserting or removing balls from a blower machine, or other routine maintenance conducted by the licensed organization shall not be prohibited.

220.13C Nothing in this regulation shall be construed to prohibit:

220.13C(1) A licensed distributor from obtaining disposable bingo paper from a licensed manufacturer and cutting and assembling such paper into booklets,

packets, or single sheets, for resale to licensed organizations; or

220.13C(2) The conversion of an electronic facsimile of a bingo card by a licensed organization's site system to a printout containing the cards and corresponding face numbers loaded into a bingo card monitoring device.

220.14 A manufacturer shall issue an invoice for each transaction involving bingo supplies or equipment. The invoice shall contain the following information:

220.14A The name and complete address of the purchaser;

220.14B The date of the invoice and an invoice number;

220.14C A complete description of the bingo supply or equipment, including the serial number (if applicable) and for all transactions involving disposable paper bingo cards:

220.14C(1) A complete description, including color, of the bingo card or packet (e.g., 3 ON Red booklet, 6 ON Blue booklet, 3 ON Green specials, instant bingo cards in singles, doubles, triples, etc.);

220.14C(2) The quantity sold, returned, or exchanged (e.g., number of packets per case, or total number of sheets for instant bingo cards and specials); and

220.14C(3) The serial numbers of the bingo cards or packets (if in packets, the serial number of the top sheet of the packet; for instant bingo cards, the serial number of the series);

220.14D The price charged for the bingo supply or equipment and the total amount to be paid, exchanged, or returned by the distributor; and

220.14E The manner of delivery or shipment, including the name of the individual, firm, or corporation with whom shipment or delivery is made.

220.15 A licensed manufacturer must receive Departmental approval, prior to offering for resale in Nebraska, for any type of bingo card which does not comply with or which has additional features to those described in Regulation 35-200.09C(1) or 35-200.09C(2). Approval by the Department shall be based upon, but not limited to, the manufacture, assembly, and packaging of the bingo cards and any other specifications imposed by the Nebraska Bingo Act or regulations.

220.16 A licensed manufacturer shall be required to keep the following records:

220.16A Copies of all invoices for the sale, return, exchange, rental, or lease of bingo supplies and equipment to licensed distributors and any other individual or business located in this state; and

220.16B Copies of all rental, lease, or other contractual agreements relating to bingo supplies and equipment

between the manufacturer and a licensed distributor or any other individual or business in this state.

220.17 All records required by this regulation shall be maintained for a period of not less than three years from the last day of the manufacturer's fiscal year. The Department may request periodic reporting from a licensed manufacturer regarding any information required to be kept by this regulation.

(Sections 77-2702.06, 77-2702.08, 77-2702.16, 77-2704.11, 77-2705, 77-2706, and 77-2708, R.R.S. 2003. Sections 9-202, 9-207.01, 9-209, 9-212, 9-217.01, 9-224, 9-241.07, 9-241.08, 9-255.01, 9-255.07, 9-255.09, 9-255.10, 9-332, and 9-616, R.R.S. 1997. Sections 9-1,104, 9-204, 9-204.01, 9-204.04, 9-213, 9-214.01, 9-226, 9-230.01, 9-241.10, 9-255.08, 77-2703, 77-2704.12, and 77-2704.15, R.S.Supp., 2004. September 5, 2005.)

REG-35-221 BINGO CARD MONITORING DEVICES

221.01 Bingo card monitoring devices and site system software shall be sold, rented, leased, or otherwise provided in this state only by a licensed manufacturer. Licensed manufacturers shall sell, rent, lease, or otherwise provide such equipment only to a licensed distributor.

221.01A The price which a licensed manufacturer may charge a licensed distributor for the sale, rental, lease, or other use of a bingo card monitoring device, site system, or the electronic facsimiles of bingo cards downloaded to bingo card monitoring devices shall not be based upon a percentage of the bingo gross receipts of any licensed organization.

221.01B A copy of any contractual agreement between a licensed manufacturer and a licensed distributor relative to the marketing of the manufacturer's equipment in this state shall be provided to the Department.

221.02 No bingo card monitoring device or site system software shall be sold, rented, leased, or otherwise provided to any individual, business, or organization in this state for use in a bingo game conducted pursuant to the Nebraska Bingo Act unless and until such device and system software have been approved by the Department.

221.02A Approval of a bingo card monitoring device or site system software will be based upon conformance with the requirements contained in this regulation and testing criteria established by the Charitable Gaming Division.

221.03 A licensed manufacturer seeking approval of a bingo card monitoring device or site system software may be required to submit a prototype of the device or system software to the Department for testing and review. Pursuant to the Nebraska Bingo Act, the manufacturer shall be responsible for the actual costs of testing and examining bingo card monitoring devices and site system software.

221.03A Once approved, any subsequent hardware or software modifications must be preapproved by the Department. At the Department's discretion, such modifications may be subject to additional testing.

221.04 Each bingo card monitoring device which requires a site system to download electronic facsimiles of bingo cards into the device shall have a unique identification number coded into the device's software or otherwise assigned and protected, such as by password, so that such number can only be changed by the manufacturer. Such identification number must be communicated from the device to the site system whenever the device is connected to the site system, and printed on all transaction logs, including the player's receipt. Manual input of a device identification number into the site system or on any transaction log or receipt is prohibited.

221.05 Each bingo card monitoring device shall be programmed to automatically erase all bingo cards and/or bingo card face numbers stored in the device (a) upon turning off the device after the last bingo game of the occasion has been played or upon placing the device into a charging unit, and (b) by some secondary timing method established by the manufacturer and approved by the Department.

221.06 No bingo card monitoring device shall be equipped to allow bingo players the ability to design their own bingo cards by choosing, rearranging, or placing numbers on a card.

221.07 A site system shall not be able to engage in any type of sale, void, or reload transaction unless a bingo card monitoring device is connected to and communicating with the site system.

221.08 A site system supplied for use in Nebraska must have the capability to restrict no more than 72 bingo card faces per bingo game from being downloaded into any one bingo card monitoring device.

221.08A The site system must also be interfaced with a printer which produces a hard copy transaction log and a receipt for the player. All electronic facsimiles of bingo cards downloaded to bingo card monitoring devices shall comply in every respect with Section 9-204.01 of the Nebraska Bingo Act and Nebraska Bingo Regulation 35-209. In addition, the hard copy transaction log must provide the following information:

- 221.08A(1) The organization's name;
- 221.08A(2) The organization's Nebraska State Identification Number;
- 221.08A(3) The date and time of each transaction;
- 221.08A(4) The bingo card monitoring device identification number related to each transaction;
- 221.08A(5) The price and number of bingo cards and/or packets loaded into each device; and
- 221.08A(6) The dollar amount of the sale of bingo cards for each transaction.

The site system must also produce a summary report after each bingo occasion which includes all of the information required by Regulation 35-221.32.

221.08B A receipting function for bingo cards must be self-contained within the site system and must record

and print out, on a copy which is given to the player, the following information:

- 221.08B(1) The organization's name;
- 221.08B(2) The organization's Nebraska State Identification Number;
- 221.08B(3) The bingo occasion site (location);
- 221.08B(4) A sequential transaction or receipt number;
- 221.08B(5) The bingo card monitoring device identification number (which cannot be manually entered);
- 221.08B(6) The date and time of the transaction;
- 221.08B(7) The total number of bingo cards purchased and the price per card or packet of electronic facsimiles of bingo cards; and
- 221.08B(8) The series of electronic facsimiles of bingo cards.

221.09 Either the site system or a bingo card monitoring device shall be able to provide the winning game patterns required for the entire bingo occasion. A printout or electronic display of the winning patterns must be available upon demand at the bingo occasion, if requested by Department personnel.

221.10 If the Department detects or discovers any malfunction or problem with a bingo card monitoring device or site system that could affect the security or integrity of the bingo game, the bingo card monitoring devices, or the site system, the Department may direct the manufacturer, distributor, or licensed organization to cease providing or using the bingo card monitoring devices or site system, as applicable. The Department may require the manufacturer to correct the problem or recall the devices or system immediately upon notification by the Department to the manufacturer. Failure to take the corrective action requested may result in the seizure of the devices and/or site system.

221.10A If a manufacturer, distributor, or licensed organization detects or discovers any malfunction or problem with the bingo card monitoring devices or site system which could affect the security or integrity of the bingo game, bingo card monitoring devices, or site system, the manufacturer, distributor, or licensed organization, as applicable, shall discontinue use of the devices or site system and notify the Department by telephone by the next working day of such action and the nature of the problem detected. The Department may request further explanation in writing if deemed necessary.

221.11 A licensed distributor shall purchase, rent, lease, or otherwise obtain bingo card monitoring devices and site system software only from a manufacturer licensed by the Department. A licensed distributor shall sell, rent, lease, or otherwise provide only bingo card monitoring devices and site system software which have been approved by the Department.

221.12 A licensed distributor shall sell, rent, lease, or otherwise provide bingo card monitoring devices and site system software in this state only to an organization holding a Class I or Class II bingo license.

221.12A Bingo card monitoring devices and site system software shall not be sold, rented, leased, or otherwise provided to a licensed commercial lessor or special event bingo permittee.

221.13 Before the initial use of any bingo card monitoring devices or site system software by a licensed organization, the licensed distributor must notify the Department in writing of the sale, rental, lease, providing, and/or installation of any such devices or software. Such notification shall include:

221.13A The complete name and address of the licensed organization and its state identification number;

221.13B The type of equipment (including serial numbers) sold, rented, leased, provided, or installed;

221.13C The expected start-up date for use of the equipment by the licensed organization; and

221.13D A copy of the sale/purchase, rental, or lease agreement between the licensed distributor and the licensed organization for the equipment. Such agreement shall be in writing and shall not be based upon a percentage of the licensed organization's bingo gross receipts. All sale/purchase, rental, and lease agreements shall be subject to approval by the Department.

221.14 The licensed distributor shall serve as the initial contact for the licensed organization with respect to requests for installation, service, maintenance, or repair of bingo card monitoring devices and site systems, and for the ordering of the electronic facsimiles of bingo cards to be downloaded to the organization's site system, if applicable. The distributor may, as needed, enlist the aid of the licensed manufacturer in providing service, repair, or maintenance of the devices or site system.

221.14A A licensed manufacturer may, with Departmental approval, authorize or subcontract with an individual or business to service, maintain, or repair bingo card monitoring devices and/or site systems; however, the ultimate liability for such service, maintenance, or repair shall be solely that of the licensed manufacturer.

221.15 The licensed distributor shall invoice the licensed organization and collect any and all payments for the sale of electronic facsimiles of bingo cards, and the sale, rental, lease, or other use of bingo card monitoring devices and site systems.

221.15A The distributor may, at its discretion, allow the licensed manufacturer to generate the invoice; however, all payments by the licensed organization must be remitted directly to the distributor. The licensed distributor must insure that its name, complete address, and telephone number appear on the invoice as well as the name, complete address, and state identification number of the licensed organization.

221.16 Bingo card monitoring devices and site systems may be transported by a licensed distributor, gaming manager, bingo chairperson, or alternate bingo chairperson from one premises to another for use by more than one licensed organization.

221.17 A licensed organization shall purchase, rent, lease, or otherwise obtain bingo card monitoring devices and site system software only from a Nebraska licensed distributor.

221.17A A licensed organization may obtain computer terminals and/or printers to be used in conjunction with its site system software from any source.

221.18 Bingo card monitoring devices shall be rented, leased, or otherwise provided to bingo players only by the licensed organization conducting the bingo occasion, and only at the time and place of the bingo occasion. A bingo player using a bingo card monitoring device must be physically present on the premises during the time of the bingo occasion in order to be eligible to play bingo or win any bingo prize.

221.18A The use of a player-owned bingo card monitoring device at a bingo occasion conducted pursuant to the Nebraska Bingo Act is prohibited. A player may utilize only a bingo card monitoring device which has been obtained from the licensed organization conducting the bingo occasion.

221.19 Bingo card monitoring devices shall be made available to players on a first-come, first-serve basis. No device may be reserved for any player, except that a device may be reserved for any player with a disability that would restrict his or her ability to mark cards and where such disability is consistent with definitions set forth in the Americans with Disabilities Act.

221.19A Regardless of the number of bingo card monitoring devices made available for play, at least one device shall be reserved by the licensed organization as a back-up device, in the event a device in play malfunctions.

221.20 No bingo player shall be allowed to utilize more than one bingo card monitoring device at any time during a bingo occasion.

221.20A A licensed organization may, at its discretion, allow two or more players to share the same bingo card monitoring device provided the device is not loaded with more than 72 bingo card faces per bingo game.

221.20B A licensed organization may establish a house rule prohibiting the sharing of a single bingo card monitoring device by more than one player.

221.21 No person shall be permitted to load a bingo card monitoring device with more than 72 bingo card faces per game. No bingo player shall be permitted to use a bingo card monitoring device to monitor more than 72 bingo cards per game. A bingo card monitoring device cannot be used to monitor hard bingo cards or shutter cards. A bingo card monitoring device may only be used to monitor electronic facsimiles of bingo cards or disposable paper bingo cards.

221.22 A licensed organization shall not permit a bingo player to choose or reject any bingo cards which are sold in conjunction with a bingo card monitoring device.

221.23 At the licensed organization's discretion, a bingo player may, in addition to the maximum 72 bingo cards per game which he or she purchases to monitor with a bingo card monitoring device, purchase additional bingo cards to play without the aid of a bingo card monitoring device.

221.23A The type of additional bingo cards which can be sold to players shall be determined by the class of bingo license held by the licensed organization conducting the bingo occasion.

221.23A(1) Class II bingo licensees may sell only disposable paper bingo cards as additional cards to be played without the assistance of a bingo card monitoring device.

221.23A(2) Class I bingo licensees may sell either disposable paper bingo cards, hard cards, or shutter cards as additional cards to be played without the assistance of a bingo card monitoring device.

221.24 Only a bingo worker of the licensed organization shall download electronic facsimiles of bingo cards into a bingo card monitoring device or enter disposable paper bingo card face numbers into any such device. Such downloading or entering shall be done only:

221.24A Upon payment for the cards by the player. The preloading of any cards into a bingo card monitoring device before payment is received from the player utilizing the device at the bingo occasion, is prohibited;

221.24B On the premises of the licensed organization's bingo occasion; and

221.24C During the time of the bingo occasion.

221.25 A licensed organization utilizing bingo card monitoring devices must clearly post a sign in the vicinity of the cashier advising players to (a) verify that the face numbers entered into the device which they are utilizing match the face numbers of the disposable paper which they have purchased, or (b) verify that the number of electronic facsimiles of bingo cards downloaded into the device corresponds to the number of cards they purchased. Such sign shall also advise the players that any errors in the entering or downloading of the bingo cards into a bingo card monitoring device must be corrected by a bingo worker before the calling of the first number of the first bingo game, and that any "bingo" achieved on a face number entered in error shall be deemed invalid.

221.26 A licensed organization utilizing bingo card monitoring devices which require a site system to download electronic facsimiles of bingo cards into bingo card monitoring devices must ensure that the bingo cards downloaded to bingo card monitoring devices are of a different series than any disposable paper bingo cards sold for play with or without the use of bingo card monitoring devices, in order to avoid duplication of faces in play.

221.27 A licensed organization utilizing bingo card monitoring devices which are used in conjunction with disposable paper bingo cards which are NOT printed by a site system must ensure that the disposable paper bingo cards used with such devices are of a unique color, either by screen face or by border, and not sold by the organization for use other than with a bingo card monitoring device. In addition, the licensed organization must:

221.27A Stamp the filler sheet or last page of each disposable paper bingo card packet and each single sheet of disposable paper bingo cards with the date of the bingo occasion at which it is sold; and

221.27B Advise the player that the filler sheet must remain attached to the packet and that any "bingo" obtained on an undated packet or single sheet or packet without the filler sheet attached will not be valid.

221.28 A licensed organization may, at its discretion, require a player to purchase a minimum number of electronic facsimiles of bingo cards or disposable paper bingo cards in order to utilize a bingo card monitoring device; however, the price that a licensed organization may charge a player for bingo cards used in conjunction with a bingo card monitoring device shall be the same as the price charged by the organization for bingo cards played without the use of such a device.

221.28A Both Class I and Class II bingo licensees utilizing bingo card monitoring devices which require a site system to download electronic facsimiles of bingo cards into bingo card monitoring devices shall comply with Nebraska Bingo Regulation 35-209.05 with respect to submitting a bingo card price structure to the Department, and reporting any subsequent changes to that structure.

221.29 A licensed organization may, at its discretion, charge a separate fee to players for the use of a bingo card monitoring device; however, if an organization charges a separate fee for the use of a bingo card monitoring device:

221.29A The fee charged must be a flat fee, regardless of the number of bingo cards purchased or any other factor;

221.29B The fee must be separately stated on the cash register and bingo player's receipt;

221.29C The fee shall be included in determining the bingo gross receipts; and

221.29D The amount of the fee shall be subject to sales tax.

221.30 The sale of all disposable paper bingo cards used in conjunction with a bingo card monitoring device, by either a Class I or Class II bingo licensee, must be receipted through a cash register. Such receipt must be displayed by each player at all times during the bingo occasion, and verified as correct and current by a bingo worker any time a "bingo" is declared by a player.

221.30A Additional disposable paper bingo cards sold by a Class II bingo licensee which will not be used in conjunction with a bingo card monitoring device must be receipted as required by the Nebraska Bingo Act and accompanying regulations and, in addition, the cash register and player's receipt must identify and show the sale of additional disposable paper bingo cards separately from the disposable paper bingo cards which are sold in conjunction with a bingo card monitoring device.

221.31 The numbers appearing on a bingo card identified by a bingo card monitoring device as a winning bingo card must be verified by a bingo worker at the time the winner is determined and prior to prize(s) being awarded in order to insure that the numbers on the bingo card identified in fact have been drawn from the receptacle.

221.31A The verification shall be done by a bingo worker in the immediate presence of at least one neutral player by verbally announcing either:

221.31A(1) The numbers of the winning bingo pattern; or

221.31A(2) The winning bingo card's face number for entry into an electronic bingo verifier.

221.31B The bingo worker shall also verify that:

221.31B(1) The winning bingo card face number appearing on the bingo card monitoring device matches a face number of the disposable paper bingo card(s) purchased by the player to be monitored by the device (when applicable);

221.31B(2) The game number on the bingo card monitoring device which has signaled a winning bingo pattern matches the number of the bingo game which was actually being played;

221.31B(3) The filler sheet or last page is attached if play is on a disposable paper bingo card packet not used in conjunction with a bingo card monitoring device, and the date of the current bingo occasion is stamped on the filler sheet or, in the case of a single sheet, on the winning single sheet;

221.31B(4) The player has marked or daubed the winning pattern on the appropriate winning disposable paper bingo card (when applicable); and

221.31B(5) The serial number of the disposable paper bingo card with the winning bingo pattern matches the serial number of the disposable paper bingo cards sold by the licensed organization at that particular bingo occasion.

221.32 Once the last game of the bingo occasion has been completed, the gaming manager shall print a bingo occasion summary report on the site system detailing the following information:

221.32A The organization's name;

221.32B The organization's Nebraska State Identification Number;

221.32C The date and time of report;

221.32D The total number of electronic facsimiles of bingo cards loaded for the bingo occasion;

221.32E The total number and description of packets sold;

221.32F The total number of voided transactions to include the dollar amount;

221.32G The total number of reloaded electronic facsimiles of bingo cards; and

221.32H The gross receipts or total sales for the occasion.

221.33 At the conclusion of each occasion, all bingo transaction data recorded by the site system shall be copied and saved to floppy disk, tape, or other removable medium and stored at a location other than the location of the bingo occasion. Such information shall be retained for a period of not less than three years from the date of the bingo occasion.

(Sections 9-202, 9-207.01, 9-209, 9-224, 9-255.01, 9-255.07, 9-255.09, and 9-255.10, R.R.S. 1997. Sections 9-204, 9-204.01, 9-204.04, 9-213, 9-214.01, 9-226, 9-241.05, 9-241.10, and 9-255.08, R.S.Supp., 2004. September 5, 2005.)

REG-35-222 SPECIAL EVENT BINGO: ELIGIBILITY; CONDUCT; AND RESTRICTIONS

222.01 Special event bingo means the conduct of bingo games in conjunction with a special event at which bingo is not the primary reason or function for the event such as, but not limited to, a town celebration or a school fun night. Qualifying nonprofit organizations conducting bingo pursuant to a special event bingo permit issued by the Department shall be exempt from the licensing, record keeping, reporting, and bingo tax requirements that otherwise apply to bingo conducted by Class I and Class II bingo licensees.

222.02 A Class I or Class II bingo licensee is not eligible to obtain a special event bingo permit. To qualify for a special event bingo permit, an organization must:

222.02A Be a nonprofit organization or a nonprofit corporation which holds a certificate of exemption under section 501 of the Internal Revenue Code, or be an organization whose major activities, exclusive of conducting gaming activities, are conducted for charitable or community betterment purposes; and

222.02B Have been in existence in Nebraska for at least five years prior to submitting the application.

222.03 A qualifying nonprofit organization must apply for a special event bingo permit on a form prescribed by the Department and be issued the permit prior to conducting special event bingo. An application for a special event bingo permit must be submitted to the Department along with the statutorily required permit fee, at least ten (10) days

prior to the desired starting date of the special event bingo. The application shall contain, at a minimum, the following information:

222.03A The organization's name, federal and state identification numbers if applicable, complete location address including the county in which the organization is located and, if different from the location address, the organization's complete mailing address;

222.03B The number of years the organization has been in existence in Nebraska;

222.03C An indication of whether or not the organization is exempt under section 501 of the Internal Revenue Code and:

222.03C(1) If the organization is exempt under section 501 of the Internal Revenue Code, a copy of the organization's exemption determination letter or an indication of the group exemption number issued by the Internal Revenue Service; or

222.03C(2) If the organization is not exempt under section 501 of the Internal Revenue Code, a brief explanation of the purpose for which the organization was created, a copy of the organization's Articles of Incorporation or bylaws, and examples of the types of activities conducted by the organization;

222.03D A brief description of the special event at which bingo is to be conducted;

222.03E An indication as to whether individuals under 18 years of age will be permitted to play bingo;

222.03F The location name and complete address where the special event bingo is to be conducted;

222.03G The date(s) and beginning and ending times of the special event bingo;

222.03H The name, complete address, and telephone number of a member of the organization who will be in charge of the special event bingo; and

222.03I The signature, title, and telephone number of an officer of the organization.

222.04 There are no time restrictions on the length of a particular special event bingo session; however, a qualifying nonprofit organization may be issued only two special event bingo permits per calendar year for an aggregate total of not more than fourteen calendar days. A separate permit fee must be submitted for each special event bingo.

222.04A The qualifying nonprofit organization may use all fourteen days for one special event bingo but, in doing so, would not be eligible for a second special event bingo permit within the same calendar year.

222.04B In the event that a special event bingo begins in one calendar year and extends into the next, the beginning date stated on the special event bingo permit shall be the determining factor as to which year the permit and number of days of the special event bingo shall be attributed to.

222.05 Special event bingo is subject to the following restrictions:

222.05A Bingo cannot be the primary function of the special event;

222.05B It must be conducted within the county in which the qualifying nonprofit organization has its principal office;

222.05B(1) For purposes of this regulation, principal office means the place where the principal affairs and business of the qualifying nonprofit organization are transacted, including where the officers and members assemble to discuss and transact the business of the organization, where its meetings are held, and generally where the organization's records are kept.

222.05C The qualifying nonprofit organization must post the special event bingo permit issued by the Department at the location where bingo is to be conducted. The permit must be located so that it can be reasonably seen by participants;

222.05D There are no age restrictions for the playing of special event bingo; however, all individuals assisting with the operation or conduct of bingo must be at least 18 years of age. This would include individuals selling or distributing bingo cards, acting as a floor worker to verify or pay winners, the bingo caller, and any individual supervising the bingo activity. It would not include concession workers who may be working at the special event bingo.

222.05D(1) Special event bingo workers must be volunteers who receive no wage, commission, or salary for working at the special event bingo occasion except that nothing in this regulation shall prohibit a qualifying nonprofit organization from providing special event bingo workers with free concession items such as soft drinks or other food items of a minimal value to be consumed immediately before, during, or after the special event bingo, as a reward for volunteering as workers;

222.05E If individuals under 18 years of age are permitted by the qualifying nonprofit organization to play bingo, no alcoholic beverages shall be served, sold, or consumed in the immediate vicinity of the special event bingo game;

222.05F Only traditional 75-number reusable hard bingo cards, shutter cards, or disposable paper bingo cards can be used to conduct special event bingo;

222.05G Bingo cards cannot be sold, rented, or leased to players for more than twenty-five cents per card. At the qualifying nonprofit organization's discretion, players may be permitted to purchase more than one bingo card per game or per occasion. In addition, at the qualifying nonprofit organization's discretion, the twenty-five cent limitation may be applied as follows:

222.05G(1) Twenty-five cents per card for each individual bingo game; or

222.05G(2) Twenty-five cents per card to play all bingo games of the occasion; and

222.05H No single bingo prize offered or awarded, whether cash or merchandise, shall exceed \$25.00 in value. Bingo prizes are also subject to the following:

222.05H(1) Prizes may only be items which can be legally owned and possessed;

222.05H(2) Merchandise awarded as a bingo prize shall be valued at its fair market value and shall not be redeemable or convertible into cash directly or indirectly by the qualifying nonprofit organization. Fair market value means the price that one would normally pay for an item in an arm's length transaction with a retail business; and

222.05H(3) Gift certificates to be awarded as prizes are to be valued at their face value.

222.06 A qualifying nonprofit organization conducting special event bingo may obtain the equipment necessary to conduct bingo, except for disposable paper bingo cards, from any source, including, but not limited to, a licensed manufacturer, a licensed distributor, or a Class I or Class II bingo licensee. Disposable paper bingo cards may be obtained only from a licensed distributor or, upon receiving specific authorization from the Department, from a Class I or Class II bingo licensee. A qualifying nonprofit organization may also conduct special event bingo utilizing a bingo game set obtained from a retail store.

222.06A Within ten (10) days of the conclusion of the special event bingo, the qualifying nonprofit organization shall notify the Department, in writing, regarding the disposition of any unused disposable paper bingo cards.

222.06B If the organization does not intend to conduct a future special event bingo, it may (a) attempt to return any unused disposable paper bingo cards to the licensed distributor from whom they were purchased; (b) obtain permission from the Department to sell or donate the unused disposable paper bingo cards to another special event bingo permittee or to a licensed Class I or Class II bingo licensee, or (c) relinquish possession of the unused disposable paper bingo cards to the Department.

222.07 The gross receipts from the conduct of a special event bingo must be used solely for the awarding of prizes and expenses associated with the special event bingo. Any remaining profit must be used solely for a charitable or community betterment purpose as provided in Nebraska Bingo Regulation 35-203.

(Sections 9-202, 9-204, 9-209, 9-215.01, 9-217, 9-217.01, 9-224, 9-241.02, 9-241.03, 9-241.06, 9-241.07, 9-241.08, 9-255.01, and 9-255.10, R.R.S. 1997. Sections 9-214.01, 9-226, 9-230.01, 9-241.05, and 9-255.08, R.S.Supp., 2002. November 12, 2002.)

REG-35-223 PRORATION AND REFUND OF LICENSE FEES

223.01 The fees paid pursuant to the Nebraska Bingo Act for any license issued to a manufacturer, distributor, nonprofit organization, volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad, utilization of funds member, gaming manager, or commercial lessor are due in full for the biennial licensing period. A license fee may be prorated or refunded by the Department on an annual basis under the following circumstances:

223.01A If a new application is received by the Department for a license which will become effective on or after October 1 of the second year of the biennial licensing period, the applicable license fee shall be one-half of the biennial fee.

223.01B If a new application is received by the Department for a license which will become effective prior to October 1 of the second year of the biennial licensing period, no proration of the license fee shall be allowed.

223.01C No license fee may be refunded for any portion of the licensing period in which a license was not used unless otherwise authorized by the Department.

223.01D If an application to downgrade a Class II license to a Class I license for the second year of the biennial licensing period is received and approved by the Department prior to October 1 of the second year of the biennial licensing period, such license may be downgraded; however, no portion of the Class II license fee shall be refunded unless otherwise authorized by the Department.

223.01E In the event a license issued pursuant to the Nebraska Bingo Act is suspended, cancelled, or revoked by the Department, no portion of the license fee shall be refunded unless otherwise authorized by the Department.

223.01F In the event a license application is denied and a temporary license was issued to the applicant prior to the effective date of the license application denial, one-half of the biennial license fee paid by the applicant may be refunded, provided the effective date of the license application denial is prior to October 1 of the second year of the biennial licensing period. In the event a license application is denied and a temporary license was not issued or a license application is withdrawn, the license fees paid by the applicant may be refunded.

223.01F(1) In the case of a manufacturer or distributor, the Department may apply the portion of any license fee to be refunded to any amount owed by the licensee or applicant with respect to a background investigation or facility inspection conducted by the Department.

223.01G Upon the death of a person licensed as a utilization of funds member or gaming manager, or in the event any such licensee becomes disabled in such a manner as to render him or her unable to perform or fulfil his or her duties as a utilization of funds member or gaming manager, a licensed organization may submit an application to replace the utilization of funds member or gaming manager with a new individual for the remainder of the licensing period for no additional fee. Any such application shall be accompanied by the original utilization of funds member or gaming manager license and a written statement signed by an officer of the licensed organization explaining the circumstances under which the request for replacement of the licensee is being made.

(Sections 9-202, 9-207, 9-208, 9-209, 9-209.01, 9-212, 9-220, 9-225, 9-225.01, 9-255.07, and 9-255.09, R.R.S. 1997. Sections 9-213, 9-214.01, 9-226, 9-232.01, 9-232.02, 9-233, 9-255.06, R.S.Supp., 2002. November 12, 2002.)



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