Nebraska

Regulatory Oversight

COMMERCIAL GAMING

Governing Body: In November 2020, following passage of ballot initiatives, Nebraska voters approved casino gaming at licensed racetracks within the state. Furthermore, in October 2022, sports wagering rules were approved and betting officially launched in June 2023 at Warhorse Casino Lincoln.

The Nebraska Racing & Gaming Commission (NRGC) is responsible for the oversight of gaming within the state.

Licensing

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Operator: Operators must obtain an Authorized Gaming Operator License for a fee of $1m and minimum duration of 20 years. A Gaming Facility License must also be obtained to conduct casino operations. This license is to be renewed annually and paid for through annual assessments determined by the NRGC. There are no assessment fees during the first year of operation.

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Supplier License: Suppliers of gaming-related equipment are required to obtain a Gaming-Related Vendor License. The term of the license is for 3 years and requires an initial fee of $5,000 and annual license fee payable after the first year of $2,000.

Taxation & Tribal Revenue Sharing

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Gaming Tax Rate: Initiative 431 establishes a 20 percent tax on all gross gaming revenue generated within licensed racetracks. Gross gaming revenue is defined as the amount of money players gamble minus the amount won, federal taxes, and any promotional gaming credits received from the operator and redeemed by the player.

Tax Allocation: Under Initiative 431, tax revenue generated from the operation of games of chance at licensed racetracks must be distributed as follows:

- 70 percent to the state's existing property tax relief fund;
- 2.5 percent to the state's general fund;
- 2.5 percent to the state's Compulsive Gamblers Assistance Fund; and
- 25 percent to the city or county where the racetrack is located.

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Promotional Credits: In Nebraska, promotional credits may be deducted from the operator's gross gaming revenue.

Withholding on Gambling Winnings: Gambling winnings are treated as taxable income and withheld at a rate of 5 percent.



Responsible Gaming

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Statutory Funding Requirement: 2.5 percent of the tax revenues generated from games of chance operated at licensed racetrack locations must be distributed to the state's Compulsive Gamblers Assistance Fund.

Self-Exclusion: NRGC regulations require the establishment of a voluntary Self-Exclusion Program where individuals may request to have their name placed on a state-wide self-exclusion list pursuant to enacted Commission procedures. The NRGC does not require an individual to admit to being a problem gambler in order to be added to the self-exclusion list. An individual may seek to be placed on the Self-Exclusion list for (1) 1 year; (2) 18 months; (3) 5 years, or; (4) lifetime. An individual may only select a lifetime duration if said individual's name has already appeared on the list for at least 6 months. Further, upon completion of the duration of the self-exclusion, an individual will not be removed from the list until such a time as a petition for removal is submitted and approved by the Commission.

Alcohol Use: Under Nebraska regulations, Authorized Gaming Operators or Sports Wagering Services Providers must comply with all federal, state, and local laws and rules pertaining to alcohol beverage laws and regulations.TBD. Regulations are forthcoming.

Advertising Restrictions: Nebraska's regulations do not currently set forth advertising restrictions. However, as part of the application process for an Authorized Gaming Operator License, applicants are required to submit a proposed operations plan for the conduct of gaming, including a general promotion and advertising plan.

This plan must set forth a general description of the amounts, kinds and types of general promotion and advertising campaign(s) which will likely be undertaken by the applicant including information whether any national or regional advertising will occur, the medium(s) which may be used, the proposed market and whether any other facility or activity except the Gaming Facility will be included in such advertising.

On-Premise Display Requirement: As part of operators' Compulsive Gambling Assistance Plan, operators are required to include printed materials to educate Patrons about compulsive gambling and inform them of local and Statewide resources available to compulsive gamblers and their families. The materials may also include signs and posters located inside the licensed premises and brochures discussing compulsive gambling issues and sources of treatment and information.

Restrictions on Minors on the Gambling Premises: Individuals must be at least 21 years of age to participate in any game of chance or use any gaming device at the state's forthcoming racetrack casinos.

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Other Regulations

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Testing Requirements: All gaming related equipment used for the conduct of licensed operations under the NRGC are required to be tested by an independent testing laboratory accredited by the Commission.

AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: Shipment of gaming equipment into the state requires a 5 business day notice to the NRGC.

Credit Offered to Patrons: Credit is not offered to patrons.

Political Contributions: Nebraska's statute and regulations do not address political contributions.

Smoking Bans: Gaming Facilities are required to abide by the provisions of the Nebraska Clean Indoor Air Act. As such, smoking is prohibited.

Cashless Gaming & Alternative Payments: Cashless gaming, provided systems have been tested and determined to meet the technical standards within the Minimum Internal Control Standards and approved by the Executive Director, is permitted. However, cryptocurrencies are not currently accepted as a form of payment for gambling transactions.

Sports Betting

Authorized Operators: Only an Authorized Gaming Operator or its Sports Wagering Services Provider may offer sports wagers.

Mobile/Online: Mobile/online sports betting is currently prohibited.

Taxes and Fees: There are no additional fees associated with the provision of sports wagering offerings by Authorized Gaming Operators within Nebraska.

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Amateur Restrictions: Operators are prohibited from accepting the following types of wagers:

- Wagers on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a Nebraska collegiate team is participating;
- In-game wagers on any game or match of a collegiate sporting event in which a Nebraska collegiate team is participating;
- Wagers on the performance or nonperformance of any individual athlete under eighteen years of age participating in a professional or international sporting event.

Tax on Promotional Credits: No.

Age Restrictions: Patrons must be 21 years old to participate in sports wagering.