

Chapter 12  
LOTTERY

Article 1. Municipal Lottery

**§12-101 MUNICIPAL LOTTERY.**

- 1. AUTHORIZATION.** Approval by a majority of the registered voters of the City of Waverly, having been received in accordance with Neb. Rev. Stat. 9-625 (Reissue 1991), the City Council is authorized to establish and conduct a lottery, as defined in Neb. Rev. Stat. 9-607 (Reissue 1991). The lottery shall be conducted by a lottery operator pursuant to contract and subject to the provisions of the Nebraska County and City Lottery Act (the NCCLA"). Gross proceeds of the lottery shall be used solely for the awarding of prizes, taxes, authorized expenses and for community betterment purposes, as defined in the NCCLA.
  
- 2. LOTTERY OPERATOR**
  - A. The lottery shall be operated by a Lottery Operator. "Lottery Operator" shall mean any individual, sole proprietorship, partnership, or corporation which operates the lottery on behalf of the City pursuant to a written contract.
  
  - B. Lottery Operator Selection.
    1. The selection of the Lottery Operator shall be at the sole discretion of the Governing Body.
    2. The Lottery Operator shall (a) be a resident of Nebraska, or if a partnership or corporation, shall be organized under the laws of this state as a partnership or incorporated under the Nebraska Business Corporation Act, and (b) be licensed to conduct a lottery by the Nebraska Department of Revenue pursuant to the NCCLA.
    3. The rights and obligations of the Lottery Operator shall be set forth in a contract between the Governing Body and the Lottery Operator which shall include terms and conditions as required by the Waverly Municipal Code and the NCCLA.
  
  - C. Lottery Facilities
    1. The Lottery Operator selected by the Governing Body shall not operate the lottery at a sales outlet location other than the location of the Lottery Operator without prior approval of the sales outlet location by the Governing Body. The Governing Body shall approve or disapprove each sales outlet location and individual, sole proprietorship, partnership, or corporation which desires to conduct the lottery at its sales outlet location solely on the basis of the qualification standards prescribed in subsection 2. below.

2. Any individual, sole proprietorship, partnership, or corporation which seeks to have its location approved as an authorized sales outlet location shall: (a) be subject to the same qualification standards as the Lottery Operator, including the provisions of the Waverly Municipal Code; (b) not have been convicted of, forfeited bond upon a charge of, or pleaded guilty to forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payments or reports to a governmental agency at any level, filing false reports with any such agency, or any similar offense or offenses or any crime, whether felony or misdemeanor, involving gambling activity or moral turpitude; (c) not have had a gaming license revoked or canceled 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; and (d) be fit, willing, and able to properly provide the service proposed in conformance with all provisions and requirements of the Nebraska County and City Lottery Act and the rules and regulations adopted and promulgated pursuant to the act.
  3. If the person seeking to have its location approved as an authorized sales outlet location is a partnership or corporation, the qualification standards shall apply to every partner of such partnership, every office of such corporation, and stockholder owning more than ten percent (10%) of the stock of such corporation.
  4. The Governing Body shall notify the Department of Revenue of all approved lottery locations within thirty (30) days of approval. (*Ref. 9-642.01 RS Neb.*)
- D. Security. The Lottery Operator shall be required to install and maintain security devices and measures to ensure the integrity, honesty, and fairness of the lottery operation. Any such security system is subject to the approval and inspection of the Governing Body and its representatives.
- E. Alcohol. The Lottery Operator may sell alcoholic liquor, provided that the Lottery Operator complies with all applicable federal, state and local laws, to include but not be limited to the Nebraska Liquor Control Act, Neb. Rev. Stat. 53-101 et seq. (Reissue 1988). Authorized sales outlets shall be authorized to sell alcoholic liquor subject the same provisions.
- ### 3. MONITORING AND CONTROL
- A. The ultimate responsibility for the establishment and operation of the lottery rests with the Governing Body. The Mayor, subject to confirmation by the Governing Body, shall appoint a Lottery Auditor to supervise the day to day operation of the lottery.
- B. Lottery Auditor
1. Cost of the position of Lottery Auditor shall be the responsibility of the City of Waverly; Provided, however, to the extent permitted by the NCCLA, such costs shall be paid from the proceeds of the lottery.

2. The Lottery Auditor shall (a) keep and maintain complete and accurate records of all receipts and disbursement of lottery funds, including an accurate accounting of gross proceeds less the amount awarded in prizes and fees to the Lottery Operator in a segregated account in accordance with the NCCLA and rules and regulations promulgated in accordance there with; (b) periodically audit, examine, or cause to have examined by an independent agent any books, papers, records, or memoranda relating to the conduct of the lottery including the books and records of the Lottery Operator; (c) provide for application and renewal of the license to conduct a lottery pursuant to the NCCLA; (d) act as a liaison between the City of Waverly and the Department of Revenue; (e) act as a liaison between the City of Waverly and the Lottery Operator; (f) perform such other and further acts related to the operation and supervision of the lottery as a Mayor shall reasonably direct from time to time; and (g) provide for the termination, filing, and payment of the state lottery tax, in accordance with Neb. Rev. Stat. 9-610 (Reissue 1991).

#### 4. RESTRICTIONS

##### A. Certain Individuals.

1. No lottery operator whom the Governing Body contracts to conduct its lottery or the officers, directors, shareholders, partners, members, or other owner, howsoever designated, of the lottery operator, or the immediate family of any of the foregoing.
2. No employee or agent of either the lottery operator or the City of Waverly while performing work for or being on duty for his/her respective employer.
3. No person having an ownership interest in a sales or outlet location or employee thereof shall play, directly or indirectly, in the lottery established and conducted by the Governing Body.

##### B. Immediate Family Defined. For purposes of this section, immediate family shall mean a spouse or child.

##### C. Age. No person under nineteen (19) years of age shall play or participate in any way in the lottery established and conducted by the Governing Body. (*Ord. No. 92-7, 7/6/92*) (*Amended by Ord. Nos. 96-2, 2/19/96; 97-7, 8/19/97*)