

SENATOR HALL: Well, Senator Schmit, currently in the bill it is 20 percent. This is 16, so this is just a nub of an ear I guess. I'm not...I would prefer that it be a wash. I don't like the tax increase at all, but 16 is better than 20 at this point.

SENATOR SCHMIT: Why did the tax come out of the charity's share and at the same time we increased the operator's commission?

SENATOR HALL: It is because of the way the definite profit system works. When you use a 32 percent operator commission on a 65 payout, you're using it based on the definite profit, and when you do that, if you just look at those first three columns and follow it along on the 65, 70, 72 and 75, you're taking 32 percent of that definite profit and that 403.20 is 32 percent of that \$1,260, and you follow it along. Where as down below in the old 3 percent gross where we had the specific payout, the operator's commission was just...was locked in all the way across at 285 no matter what the payout.

SENATOR SCHMIT: But the operator does better in every single instance, 65 through 75 percent payout here than he did before.

SENATOR HALL: That is correct.

SENATOR SCHMIT: Well, ladies and gentlemen, I'm not going to argue...

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...about the percentage of payouts or the percentage of tax paid or who gets what. It was my understanding that the reason for rewriting the pickle laws, number one, was to stop the abuse; number two, to guarantee there be no rip-off of the charities; and, number three, to guarantee that the state got their share; number four, to try to wipe out the bootlegging of pickles. Ladies and gentlemen, what you have here does none of those things. In fact, if it does anything, it will encourage additional bootlegging, it will encourage additional rip-offs. You have here a half a billion dollar cash business, no records kept, no numbers, only what someone decides to give you out of a cigar box. You act on the premise that all of the tickets are sold. That is not true. We