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SENATOR BAKER: Thank you, Madam Chairman, members of the body. I got to catch my breath here, I wasn't ready for this. And I'm certainly at a loss here. Stan had all...Senator Schellpeper had all these things in his head, and I don't. So I'm going to read an opening here. The State Lottery was originally established for the purpose of providing funds for education and environment. To date more than \$100 million has been generated by the State Lottery for this purpose. However, lottery sales have been declining in recent years. Total lottery sales have declined from a high point of \$81.8 million, in fiscal year '95-96, to \$73.8 million in '97-98. Sales for the current fiscal year are projected to decline to approximately \$70 million, so we need to change the way the lottery operates if we are to prevent going...to prevent this decline from continuing. LB 791 is intended to provide some flexibility in the allocation of ticket sales in order to increase the amount of money available to education and environment. Studies in other states have shown that increased prize payouts resulted in increased sales. In addition, motivated retail sellers are an important factor in lottery ticket sales. Current law requires a fixed percentage from sales of lottery tickets to be paid to the beneficiary funds. This makes it difficult to make any changes in prize payouts or retailer compensations. Eliminating this fixed percentage is intended to provide flexibility to establish increased prize payouts. It is also intended to give the lottery the ability to develop additional incentives for retailers. I want to generate more money for the lottery. I know that there are concerns and reservations about this approach by many of the beneficiaries of the lottery. I can explain a little bit about it, I have to grab some notes, I'm afraid. But right now the lottery is currently restricted to a maximum prize payout of 53 percent, and states surrounding us are higher than that. What this bill does is it allows the lottery to increase that percentage payout up to 65, I believe. And it does...of course, right now the lottery is required, by statute, to take 25 percent of the gross proceeds from lottery sales, ticket sales and distribute them 49.5 percent to the Educational Fund, 49.5 percent to the Environmental Trust Fund, and 1 percent to the Gamblers Fund. What this bill will do is allow some flexibility to the Lottery Commission to adjust the payouts. And it has been demonstrated in state after state that, if you increase the payouts, play will increase. And the