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LB 973

by the commission and provide that for the first offense a license (sic) may have their liquor license suspended for 20 days; a second time a license is found to have an illegal gambling device on the premises, their license will be cancelled. The penalty for a second offense will remain the same as the commission's current penalty guidelines. It is estimated that bar owners can make as much as \$2,000 per month out of these illegal machines. This makes the current system of opting out of the suspension for a fine a mere slap on the wrist. AM2770 would change this. The Liquor Control Commission will have the authority to apply the suspension only after the licensee has been convicted of possession of a gambling device on a licensee's premises. AM2770 is intended to protect the citizens of Nebraska from this unregulated form of gambling. Legal forms of gambling within state are closely monitored and, of course, taxed. It is not fair that the liquor licensees with illegal gambling devices do not have to pay proper licensing fees for the machines or taxes on the revenue that the machines generate. They are profiteering at the expense of the legal forms of gambling within this state. You may or may not be against gambling in our state, but at least the Nebraska lottery gives some of the money back it generates, back to the state. The money that is generated by illegal machines only benefits those who are breaking the law. You may ask how prevalent the illegal machines are in Nebraska. And it is worth noting your time to consider this amendment. Sergeant Costello, the coordinator of the Alcohol and Tobacco Enforcement for Nebraska State Patrol, was quoted in a November news article as estimating that there are thousands of illegal machines in the state, most of them in the central and western Nebraska. The Department of Revenue reported that more than 10 percent of the businesses that the department inspected between May and September had illegal devices. This is definitely a problem; it needs to be addressed. The Supreme Court has made it clear that possessing a video gambling device is illegal. According to the court's decision in the State v. Strawberries, a video device is illegal when three elements are present: (1) the customer pays to play; (2) no skill is involved; and (3) you win something. The prize does not have to be a big win. Winning an additional game is sufficient, under the Strawberries case, to classify the machine as an illegal gambling device. I would urge the body's consideration of AM2770 and to amend it into LB 973. Thank you,