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Floor Debate
March 06, 2013

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LB426 LB429 LB590 LB607 LB648 LR41CA LR67 LR68 LR69 LR70 LR71 LR72 LR73
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SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-eighth day of the One Hundred Third Legislature, First Session. Our chaplain for today is Senator Campbell. Please rise.

SENATOR CAMPBELL: (Prayer offered.)

SPEAKER ADAMS: Thank you, Senator Campbell. I call to order the thirty-eighth day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Please record, Mr. Clerk.

CLERK: I have a quorum present, Mr. President.

SPEAKER ADAMS: Are there corrections for the Journal?

CLERK: I have no corrections.

SPEAKER ADAMS: Are there any messages, reports, or announcements?

CLERK: Mr. President, your Committee on Enrollment and Review reports LB27, LB117, LB165, LB211, LB211A, LB337, LB398, and LB426 as correctly engrossed. Health and Human Services Committee, chaired by Senator Campbell, reports LB265 and LB326 to General File with committee amendments attached. I have a motion from Senator Pirsch to withdraw LB648. That will be laid over at this time. An amendment from Senator McCoy to LR41CA to be printed. New resolutions: Senator Bolz, LR84; Senator Karpisek, LR85, both those will be laid over, Mr. President. That's all that I have. (Legislative Journal pages 623-631.) [LB27 LB117 LB165 LB211 LB211A LB337 LB398 LB426 LB265 LB326 LB648 LR41CA LR84 LR85]

SPEAKER ADAMS: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign: LR67, LR68, LR69, LR70, LR71, LR72, LR73, LR74, LR75, LR76, LR77, LR78, LR79, LR80, LR81, and LR82. Let's move on with the agenda, Mr. Clerk. [LR67 LR68 LR69 LR70 LR71 LR72 LR73 LR74 LR75 LR76 LR77 LR78 LR79 LR80 LR81 LR82]

CLERK: Mr. President, the first item this morning is a confirmation report. The General Affairs Committee, chaired by Senator Karpisek, reports on four appointments to the

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Nebraska Arts Council. (Legislative Journal page 588.)

SPEAKER ADAMS: Senator Karpisek, you are recognized to open on the confirmation report.

SENATOR KARPISEK: Thank you, Mr. President and members of the body. The General Affairs Committee voted eight to zero to confirm four appointments to the Nebraska Arts Council. The Arts Council was established by the Legislature in 1974 to promote the arts in Nebraska and provide grants and services to artists, organizations, and communities. The council is made up of 15 members from across the state who serve three-year terms. Stephanie Metz O'Keefe of Omaha is being reappointed. She is a retired trust company manager who is now a board member for O'Keefe Elevator Company where her late husband was president. She is a cancer survivor and has gained a great appreciation for the role of art in enriching everyday life. As part of her active life, she serves on several arts and education-related boards, and her interests include teaching special Olympics children to ride horses. Kathy LeBaron of Lincoln is a new appointment to the council. She would replace Sandra Shroeder whose term has expired. Kathy works as a community affairs coordinator at Lincoln Industries. She has a great deal of volunteer and fund-raising experience in the art scene across Lincoln. She also served as chair of the capital campaign for the Child Advocacy Center, a nonprofit that provides services and support for victims of child abuse and their families. Sherry McClymont of Holdrege is also a new appointment. She replaces Joanne Medlock whose term has expired. Mrs. McClymont is a retired graphic designer who now serves on the board of the Holdrege Housing Authority. Her husband is co-owner of a farm implement business that has been managed by the McClymont family since it was founded by his father in 1947. Mrs. McClymont has also served on the boards of the Friends of Lied and Nebraska Prairie Museum in Holdrege. Patrick Drickey of Omaha is the final new appointment to the council. He replaces Dave Gardels whose term expired. Mr. Drickey is a respected and accomplished photographer whose passion for the art began in 1968 during his service with the U.S. Navy in Vietnam. Having observed the power of photography to capture and then share the images of the war, he came home and began his photography career. He pioneered the use of panoramic lenses in golf course photography, and in 1995, founded Stonehouse Publishing Company which makes panoramic images of distinctive golf courses around the world. He also organized Gallery 1510 in Omaha to provide exhibition space for local and regional artists and is a founding member of the Artists' Co-op in Omaha. I urge your support for all four of these appointments. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Karpisek. The floor is now open for discussion on the report. Senator Nelson, you're recognized.

SENATOR NELSON: Thank you, Mr. President, members of the body. I want to stand just very briefly and stand in support of Stephanie O'Keefe who is being reappointed to

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the Arts Council and is a constituent of mine. I've known both her and her late husband for a long time. She's an excellent example of someone involved in the arts, very interested, and I'm glad she's being reappointed because she has served well and I heartily endorse her reappointment. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Nelson. Senator Karpisek, there are no other lights. Senator Karpisek waives closing. The question is the adoption of the report offered by the General Affairs Committee. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 632.) 37 ayes, 0 nays, Mr. President, on the adoption of the confirmation report as offered by General Affairs.

SPEAKER ADAMS: The report is adopted. Next item.

CLERK: Mr. President, the General Affairs Committee reports on a confirmation hearing for Helen Feller to the State Racing Commission. (Legislative Journal page 588.)

SPEAKER ADAMS: Senator Karpisek, you're recognized to open on the report.

SENATOR KARPISEK: Thank you, Mr. President, members of the body. The General Affairs Committee also voted eight-zero to confirm the reappointment of Helen Abbott Feller to the Nebraska Racing Commission. She is one of five members of this commission which is tasked with providing oversight of the industry, and attends to the questions and concerns of racing, licenses, and the public. Ms. Feller has been in the thoroughbred business since 1980, and she now operates a cattle business in Wisner with her husband. She is also a partial owner of a thoroughbred racehorse. In addition to thoroughbred racing boards, Ms. Feller has served on the Lower Elkhorn NRD Board for 14 years. She is very driven and has experience with many aspects of the horse racing industry, and I believe she will continue to do a good job on the commission. I'd appreciate your support for her appointment. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Karpisek. The floor is now open for discussion on the report. Senator Karpisek? Senator Karpisek waives closing. Question before the body is the adoption of the report offered by the General Affairs Committee. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 633.) 33 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. Next item.

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CLERK: A third report from General Affairs involves the appointment of John Hiller to the State Electrical Board. (Legislative Journal page 588.)

SPEAKER ADAMS: Senator Karpisek, as Chair of General Affairs, you're recognized.

SENATOR KARPISEK: Thank you, Mr. President, members of the body. The final General Affairs appointment today, we also voted eight-zero to confirm the reappointment of John Hiller to the State Electrical Board. Mr. Hiller is currently the president of the seven-member board which sets out rules to enhance public safety through electrical licensing and inspection. Mr. Hiller owns and operates Hiller Electric Company in Omaha. He has served on the Electrical Board since 2007, and is a past-president of the Nebraska Iowa Electrical Council and the Nebraska chapter of the National Electrical Contractors Association. He will continue to provide valuable leadership and expertise to the board, and I would appreciate your support of his appointment. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Karpisek. The floor is now open for discussion on the committee report. Seeing none, Senator Karpisek waives closing. The question is the adoption of the report offered by the General Affairs Committee. Those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 633-634.) 34 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. Next item.

CLERK: Mr. President, I have a report from the Natural Resources Committee, chaired by Senator Carlson. It involves the appointment of Kent Forney to the Game and Parks Commission. (Legislative Journal page 589.)

SPEAKER ADAMS: Senator Carlson, as Chair of the Natural Resources Committee, you are recognized.

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. The Natural Resources Committee had a hearing on the confirmation of Dr. Kent Forney, a reappointment to the Game and Parks Commission. Dr. Forney is from Lincoln. He's a veterinarian, and he's the owner of the Nebraska Animal Medical Center. He was born in Rushville, still has ties to rural Nebraska with ownership of farm and ranchland. It was evident in the confirmation hearing he's very passionate about what Game and Parks Commission does. He's very concerned about the funding for Game and Parks Commission. And the committee appreciated his attitude and what he had to offer in terms of what the commission should be doing, and we highly recommend Dr. Kent Forney. I would ask for your support for this confirmation. Thank you.

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SPEAKER ADAMS: Thank you, Senator Carlson. The floor is now open for discussion on the report. There are no lights on. Senator Carlson? Senator Carlson waives closing. The question is the adoption of the report offered by the Natural Resources Committee. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 634.) 36 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. Next item.

CLERK: The Government, Military and Veterans Affairs Committee, chaired by Senator Avery, reports on two appointments to the State Emergency Response Commission. (Legislative Journal page 607.)

SPEAKER ADAMS: Senator Avery, as Chair of the committee, you are recognized.

SENATOR AVERY: Thank you, Mr. President. The Government, Military and Veterans Affairs Committee met on...I'm trying to find that, well, we met (laugh), and we took up two nominees to the State Emergency Response Commission: Steven Danon and Don Eisenhower. These are reappointments. The hearing was actually March 1 of this year. And we voted unanimously with one person absent to recommend the appointment of both of these individuals. Just briefly, we felt that the qualifications were, in both cases, exemplary because of their...not only their prior service on this commission, but because of their deep involvement in risk management and emergency planning. Mr. Danon has about 22 years in the field of occupational safety and is...would be starting his second term on that commission. Mr. Eisenhower also has 22 years experience in safety programs and compliance, with a lot of experience with the federal jurisdictional regulations. We recommend that you support these two nominations of highly-qualified individuals, Mr. Steve Danon and Mr. Don Eisenhower. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Avery. The floor is now open for discussion on the committee report. Senator Avery, there are no lights on. Senator Avery waives closing. The question is the adoption of the report offered by the Government, Military and Veterans Affairs Committee. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 635.) 31 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. Next item.

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CLERK: Mr. President, the final confirmation report this morning is from Health and Human Services chaired by Senator Campbell. It involves the appointment of Mark Goodman to the Nebraska Rural Health Advisory Commission. (Legislative Journal page 612.)

SPEAKER ADAMS: Senator Campbell, as the Chair of Health and Human Services Committee, you are recognized to open.

SENATOR CAMPBELL: Thank you, Mr. President, and good morning, colleagues. The Health and Human Services Committee held a confirmation hearing on Thursday, February 22 on the appointment of Dr. Mark Goodman to the Nebraska Rural Health Advisory Commission. Dr. Goodman is a reappointment. Each medical school in the state involved in training family physicians is to have a representative on the commission, and Dr. Goodman represents Creighton University. He is currently the associate professor of family medicine and is a clinical associate at the Center for Health Policy and Ethics at Creighton University. Members of the Health and Human Services Committee enjoyed a relatively lengthy conversation with Dr. Goodman. He was a recipient...and this is where the committee was really impressed, Dr. Goodman was a recipient of the Rural Health Advisory Commission student loan when in medical school at UNMC. He told the Health and Human Services Committee that's where his interest in the commission began. He has come full circle, now serving as a member of the commission. It was very nice to know out of the committee that to see someone come forward that we had given a loan to, to serve again on the commission. Dr. Goodman said he is a grow-your-own proponent, believing Nebraska students should be encouraged to pursue careers in the field of medicine, possibly returning to their hometowns to practice and raise their families. The committee voted unanimously to recommend Dr. Goodman's reappointment, and we ask that our colleagues in the Legislature confirm the reappointment of this essential advocate on the Rural Health Advisory Commission. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Campbell. Senator Krist, you're recognized.

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues, and good morning, Nebraska. I rise to ask for your wholehearted support for Dr. Goodman. I have known him for many years. A very good friend of mine, lifelong friend, recently passed away a few years ago, Dr. Michael Haller, pioneered family medicine at Creighton University. He set the department up in the specialty of family medicine and taking care holistically of the family was a design that Creighton pioneered in the Midwest, and Dr. Goodman has carried on that tradition. He is definitely the doctor of all seasons. He speaks not only to the rural but to the suburban areas, and I would ask for your support. This is a unique individual who brings much to the table, and I will offer my support. Thank you.

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SPEAKER ADAMS: Thank you, Senator Krist. Are there any other senators wishing to speak to the report? Seeing none, Senator Campbell? Senator Campbell waives her opportunity to close. The question is the adoption of the report offered by Health and Human Services Committee. Those in favor vote aye; opposed, nay. Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 635-636.) 35 ayes, 0 nays, Mr. President, on the adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. (Visitors introduced.) Mr. Clerk.

CLERK: Mr. President, some items. Senator Larson offers LR86 and LR87. Those will both be laid over at this time. I have hearing notices from the Judiciary Committee, signed by Senator Ashford. That's all that I have, Mr. President. (Legislative Journal pages 636-637.) [LR86 LR87]

SPEAKER ADAMS: Thank you, Mr. Clerk. Let's move to the first item in General File.

CLERK: LB170, a bill by Senator Gloor. (Read title.) The bill was introduced on January 14, referred to Banking, Commerce and Insurance. The bill was advanced to General File. There are committee amendments pending, Mr. President. (AM213, Legislative Journal page 441.) [LB170]

SPEAKER ADAMS: Thank you, Mr. Clerk. Senator Gloor, you are recognized to open on LB170. [LB170]

SENATOR GLOOR: Good morning, Mr. President. Good morning, members. This bill relates to the Nebraska Educational Finance Authority, acronym of which is N-E-F-A, "nee-fa". It is not "knif-a" which is in many ways a companion sort of approach towards, in NIFA's case, housing. NEFA is different than that, although it was first enacted around the same time, that being in 1981. So NEFA has been in place now for over three decades. All that time, there has been only one type of project financed or refinanced, and that's...are...those projects are for private institutions of higher education. So this is a conduit issuer for organizations that have used it in the past: Creighton, familiar name; Wesleyan, familiar name; Hastings College, my alma mater. For all the verbiage in the bill if you're looking at it, there's a lot of amending in language, it's really intended to accomplish just one objective, and that's the addition of two more types of projects that could be issued by NEFA. Those projects are for private healthcare institutions and private social service institutions. An example might be Goodwill Industries is an example. They have to be not-for-profit. So any of these projects, any of these institutions that would seek bonds through NEFA would have to be not-for-profit. Mechanics of the act will remain the same. Again, NEFA has been in place since 1981, has its own board appointed by the Governor, has a director. Mechanics of this bill remain the same. The authority will continue issuing bonds as it

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has been for the past 30 years, the only difference being that it will issue bonds to finance or refinance three types of programs instead of one. There was a unanimous vote to advance this bill out of committee. The only objection was a couched vote by the Nebraska Bankers Association who said that they were reconsidering based upon some additional information, and in fact their board met and reversed their objection several days later. So there are no objections to this bill currently on file. I would ask for your approval of LB170. Thank you, Mr. President. [LB170]

SPEAKER ADAMS: Thank you, Senator Gloor. As the Clerk stated, there are amendments from the Banking, Insurance Committee. Senator Gloor, as Chair of the committee, you're recognized to open on the committee amendment. [LB170]

SENATOR GLOOR: Thank you, Mr. President. The first part of the committee amendments adds more specifics to the...defined terms private, social service institution, and project. The definition of a project is a central piece of the existing act this bill would amend. Green copy of the bill expands the kind of projects, as I talked about, to be funded with bond issuances to include those connected with private healthcare institutions or private social service institution. A committee amendment would tweak those provisions by adding--and this may help you understand what NEFA does--assisted living facilities, skilled nursing facilities, as well as nursing facilities or what we traditionally call nursing homes, and senior retirement or home care service facilities. Again, all of these facilities must be not-for-profit. Committee amendments would further expand the definition of project to include the financing of eligible swap termination payments. What's a swap termination payment? First, a swap is the exchange of a fixed rate security for a variable rate security, and it's a hedge to protect against interest rate swings, as an example. Then an eligible swap termination payment is the ability of an entity that has issued bonds financed with swap instruments to refinance by terminating those swaps. So when the bond issue is refinanced--and they'll do this obviously to get a better interest rate, make lower payments--the entity would then terminate or sell the hedge, that is the swap, and new bonds would then be sold. Committee amendments would also provide that if the authority wants to issue bonds, it needs to receive a written letter of intent to underwrite, place, or purchase the bonds from a financial institution having the powers of an investment bank, commercial bank, or trust company. We had quite a bit of discussion about this. The language that we have was written by bond counsel and is in response to questions that were raised by Senator Schumacher, specifically making sure that there was a deal in the offing, a place to sell those bonds. We want to make sure that there's a commitment to the bond issuance coming together. Those are the committee amendments and I would urge their adoption and the underlying bill, LB170. Thank you, Mr. President. [LB170]

SPEAKER ADAMS: Thank you, Senator Gloor. Senator Campbell, you're recognized. [LB170]

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SENATOR CAMPBELL: Thank you, Mr. President and again members of the Legislature. I will be very brief, but I do want to thank Senator Gloor for the introduction of this bill and to give you a real-life example of how this could have been used several years ago. In the other life that I have outside the Legislature, I raise money for a child-serving agency here in Lincoln. And about five years ago, we began looking at a building project to add on and update our offices that serve foster parents and our offices that...and shelter for children and youth. We searched everywhere we could, went through very rigorous financial investigation, but we just did not have an avenue in the existing statutes to take advantage of what this bill would afford some of our social service agencies across the state of Nebraska. So I think it will be used, it's very necessary as these projects are build across the state of Nebraska. Thank you, Mr. President, and thank you, colleagues. [LB170]

SPEAKER ADAMS: Thank you, Senator Campbell. The floor is now open for discussion on the committee amendment. Senator Gloor, there are no lights on. Senator Gloor waives his closing. The question is, shall the committee amendments to LB170 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk. [LB170]

CLERK: 29 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB170]

SPEAKER ADAMS: The amendment is adopted. Discussion on the advancement of LB170 to E&R Initial continues. Senator Brasch, you're recognized. Senator Brasch waives her opportunity. Senator Nelson, you're recognized. [LB170]

SENATOR NELSON: Thank you, Mr. President, members of the body. I'm familiar somewhat with NEFA and I do have a question or two of Senator Gloor if he would yield. [LB170]

SPEAKER ADAMS: Senator Gloor, do you yield to a question? [LB170]

SENATOR GLOOR: Certainly. [LB170]

SENATOR NELSON: Thank you, Senator. Up to this point, NEFA has been confined to educational institutions. Is that correct? [LB170]

SENATOR GLOOR: Correct. [LB170]

SENATOR NELSON: All right. And so it appears we're...and I have no objections to this necessarily, I'm just...would like a little background on why--maybe you've already discussed this, is there a need to expand into health--hospitals and healthcare? What's the rationale behind that? [LB170]

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SENATOR GLOOR: Well, the best example I can get for you was the one that when I was approached by NEFA and they had been mulling this over was an example that would be near and dear to folks in Omaha. And that is Methodist Hospital had a location both south of Dodge and north on Dodge. And they had to go to two different bonding entities which of course adds to your cost, adds to time delays, adds to a hassle factor with compliance and monitoring two separate bond offerings. NEFA, the way we established it over 30 years ago, has statewide bonding authority. So here's an example where an entity, hospital, organization like Goodwill, that is going to be far more expansive and cover perhaps multiple counties, multiple hospital authorities would be able to go to one entity and realize the savings inherent in being able to go one statewide entity. [LB170]

SENATOR NELSON: All right. Well, that's helpful. And I think probably you answered my second question as far as private social service institutions. Goodwill would be an example of that. [LB170]

SENATOR GLOOR: Yes. Goodwill would be an example of that. Senator Campbell gave an example of her own. I'd see Red Cross having the potential of being large enough. I'd wondered about organizations like the Salvation Army, but frankly the ability or the necessity to be a large enough entity so that it makes sense for you to be building a building where you would need to go through bonding would strike me as being a pretty small subset of social service agencies in the state. [LB170]

SENATOR NELSON: Okay. You...there are other representatives coming on the board representing hospitals and other, you know, institutions here. Are you expanding the board at all or leaving it the same? [LB170]

SENATOR GLOOR: I don't believe the board is expanding. These are gubernatorial appointees. That's a good question and frankly I'm sure somewhere along the lines somebody explained that to me, but I can get an answer for that. [LB170]

SENATOR NELSON: All right. [LB170]

SENATOR GLOOR: But I don't recall that the board is becoming more expansive. I would see that as this happens, the board's structure would obviously change if hospitals or not-for-profit agencies were to decide to use it. If it remains educational, mired in an educational loan basis, it probably wouldn't change. But if people start to use this, and I expect they will, that that board structure would change. Makes sense to me. [LB170]

SENATOR NELSON: All right. And perhaps the name might change as well if we're moving out of educational area. [LB170]

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SENATOR GLOOR: Yes. In fact, the trade association for entities--and there are a number of states that do this, almost every state that does this--is the National Association of Health and Educational Facilities Finance Authority. So that's their national association. But as is the case with acronyms, my guess is we'll probably keep the same name just because of its recognizability. [LB170]

SENATOR NELSON: Only one final question, Senator, and I thank you for your information. [LB170]

SPEAKER ADAMS: One minute. [LB170]

SENATOR NELSON: I noticed that the Nebraska Bankers Association spoke in opposition. Do you recall what their opposition was? [LB170]

SENATOR GLOOR: Actually I don't recall what their opposition was because in their testimony, they said based upon additional information they had, they were meeting to reconsider that vote, that opposition, and in fact I have an e-mail that I'd be glad to give you that came about 48 hours later. The board withdrew their objections based upon the new information they had available to them about this. So there were no objections. [LB170]

SENATOR NELSON: Well, thank you very much, Senator, for your answers. Thank you, Mr. President. [LB170]

SPEAKER ADAMS: Thank you, Senator Nelson. Are there other senators wishing to speak to the advancement of LB170? Senator Gloor, there are no other lights on. You're recognized to close. Senator Gloor waives his closing. Question is the advancement of LB170 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB170]

CLERK: 41 ayes, 0 nays, Mr. President, on the advancement of LB170. [LB170]

SPEAKER ADAMS: The bill advances. Next item on the agenda. [LB170]

CLERK: Mr. President, LR41CA, is a resolution proposed by Senator Lautenbaugh. It proposes an amendment to Article III, Section 24 of the Nebraska Constitution. The resolution was introduced on January 23 of this year, referred to the General Affairs Committee. The resolution was advanced to General File. I have no committee amendments to the bill, Mr. President. I do have other motions and amendments. [LR41CA]

SPEAKER ADAMS: Thank you, Mr. Clerk. Senator Lautenbaugh, you are recognized to

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open on LR41CA. [LR41CA]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. Longtime members of the Legislature may recall that we have discussed this before on occasion, though not in this specific form. In prior years, I had proposed legislation and/or prioritized legislation that would have authorized historic horse racing machines at licensed race facilities. What these machines do very simply put is allow people at the casinos...excuse me, at the racetracks to wager on historic horse races. This is not casino gambling. These are not slots machines. These are terminals which display a race which has previously been run, and the wagering is in the pari-mutuel mode, if you will. And the people using these terminals are provided information regarding the horse, the jockey, etcetera, everything except information which would allow a person to remember the specific race when it was run. You do not know the time, place, real names, etcetera. And what this simply is, as I have explained it before, is like simulcasting that is arguable instead of races being run in a different place, they're being run in a different time. In all other respects, it is pari-mutuel wagering and it is the same as what is allowed currently, I would argue. We've had debate over the years when I've had just a proposed bill that would authorize this. Some have said this is unconstitutional because our constitutional does not allow the races to have taken place at a different point in time. This amendment is allowed or authorized and authored to address that issue. What it would simply provide is that the races can't have been run at a different time and wagering would still be allowed on them in the pari-mutuel method. This would address the constitutional concern that has been raised on this issue year after year. So simply put, that is what this constitutional amendment is designed to do. Let the citizens of Nebraska vote on whether or not they want this or not, and we will move on from the issue. And I would appreciate your support. Thank you, Mr. President. [LR41CA]

SPEAKER ADAMS: Thank you, Senator Lautenbaugh. Mr. Clerk. [LR41CA]

CLERK: Mr. President, I have a priority motion. Senator McCoy would move to recommit LR41CA to the General Affairs Committee. [LR41CA]

SPEAKER ADAMS: Senator McCoy, you are recognized to open on your motion. [LR41CA]

SENATOR McCOY: Thank you, Mr. President and members. Good morning. You know, this debate this morning reminds me of a story from when I was a small boy. I had a great-grandma who lived to be one week shy of her 105th birthday. She had immigrated from Switzerland and raised nine children in the original ranch sod house that I spent my early years in. So my earliest memories as a boy were of my great-grandma, sitting in her rocking chair at a very, very elderly age, telling us great-grandkids stories. Well, one of the stories that she loved to tell us was of the Trojan horse. Now this

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great-grandma, keep in mind, had a fourth grade education but was one of the most intelligent people I've ever met and was very well read and was very learned in classical history. That story, I think, is applicable this morning because I think LR41CA is a Trojan horse to hide and obscure the enabling legislation which is the phrasing used in LB590, which is next on the agenda, in the committee statement. I think that enabling legislation is unconstitutional, problematic, and fatally flawed. Senator Lautenbaugh testified in his opening, in the joint hearing of LR41CA and LB590, on February 11 of this year, that, quote, the companion constitutional amendment would remove any--any--possible constitutional questions regarding the bill by working in concert with it, unquote. Senator Lautenbaugh went on during questioning to acknowledge that putting forth a constitutional amendment and a bill together without waiting for the constitutional amendment to be voted on and either passed or not passed before introducing enabling legislation is, quote, an usual circumstance, from our research perhaps unprecedented in our legislative history. Senator Lautenbaugh went on to elaborate, saying, with the passage of LB590 the instant racing terminals could immediately be placed. The bill, LB590, is constitutional without the constitutional amendment, but, quote, there would be no risk in letting the people vote on it and see if they really would like to save this industry, unquote. In his closing on the combined LR41CA and LB590 hearing on February 11, Senator Lautenbaugh talked about opponents to these measures and opined, quote, is it more likely that you have a very committed group of extremists who don't want the industry to succeed, unquote. Now I would ask this morning to you colleagues, consider coach Tom Osborne, who the Legislature just honored with a resolution on Monday for his lifetime of service to the university and to our state. Would you consider him an extremist? What about Warren Buffett, one of the most revered businessmen and philanthropists in the world? Would you consider him an extremist? How about the hundreds of thousands of Nebraskans who have let their voices in opposition to expanded gambling be known at the ballot over the years? Do you consider them to be extremists? I most certainly do not consider Tom Osborne, Warren Buffett, and many other Nebraskans, including myself, to be extremists. We merely have a common belief in Nebraska, the good life, unspoiled and untarnished by expanded gambling within the borders of our state. Since Nebraska became a state, our people have voted down expanded gambling numerous times, including all the way back in 1938 with slot machines. Colleagues, LR41CA does not remove all constitutional questions regarding LB590, and it opens up a great number of constitutional questions on the underlying constitutional amendment. During the course of this debate, we will first detail the serious shortcomings of LR41CA. And in subsequent days of debate here on the floor of the Legislature, we will detail the fatal constitutional flaws of LB590. LR41CA should, very simply, be recommitted to the General Affairs Committee for a myriad of valid and legitimate reasons which will be laid out in due course. LR41CA cannot and should not be forwarded through the Legislature and on to the people of Nebraska without major revisions first. We have plenty of time before the 2014 general election, and we have the responsibility to make sure any constitutional amendment sent to the voters is in the best form possible. Quite honestly,

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in my opinion, LR41CA should not have been passed out of the General Affairs Committee with the host of alarming constitutional concerns it presents, starting with: Why wasn't LR41CA brought to us as a constitutional amendment, to be presented to the people of Nebraska at a special election to be held this year, in 2013? Why not the 2014 primary election? Senator Lautenbaugh was quoted in the Omaha World-Herald on the 13th of February saying, quote, every year we wait, horse racing suffers a little bit more. Not one senator on this floor, except for Senator Chambers, was here to see this issue of instant racing terminals come out of the starting gate in the 2005 Legislative Session with Senator John Synowiecki's LB745. Why aren't we hearing calls for special session to be held later this year, after the special election, so proper and legal enabling legislation could be passed to follow along behind the constitutional amendment if it were to be passed by the people? After the voters approve a constitutional amendment, it's the historically and correct method to pass enabling legislation. Why did it take Senator Lautenbaugh and the other supporters of this issue eight years, members, eight years, to introduce a constitutional amendment? As proposed, LR41CA, if advanced through this body, won't go before the voters of Nebraska until just shy of a decade since its introduction in the Legislature as a measure to save the horse racing industry. Senator Lautenbaugh was approached by myself and others four years ago and encouraged to bring this issue to the Legislature as a free and standalone constitutional amendment. LR41CA, poorly written and constitutionally suspect as it is, in combination with LB590, still does not pass muster as a true constitutional amendment that respects the intelligence of the people of Nebraska. Why is the phrase "wherever run"--that's been in our constitution since the passage of simulcasting since 1988--being stricken from line 16 of page 3 of LR41CA? And why isn't the phrase "whenever run" being added on the same line? Why is the phrase "the pari-mutuel method" being stricken on line 17 of page 3 and the phrase "a pari-mutuel method" being added back in on line 19 of page 3? What is the definition of "the method" versus "a method" of pari-mutuel wagering? Why is the phrase "wagering is conducted" on line 17 of page 3 being stricken and replaced with the phrase "such wagering occurs" on line 18 of page 3? The Nebraska Racing Commission had to change its definition of pari-mutuel wagering when the constitutional amendment to legalize simulcasting was voted on by the people of Nebraska in 1988. Could all of these changes be because the companion legislation, LB590, actually isn't pari-mutuel wagering, currently allowed constitutionally, as Senator Lautenbaugh and the other supporters contend? [LR41CA LB590]

SPEAKER ADAMS: One minute. [LR41CA]

SENATOR McCOY: Thank you, Mr. President. These subtle yet critically significant constitutional changes are a clear recognition that LB590 is not pari-mutuel wagering. Why is the phrase "the licensees" being stricken from line 17 of page 3? What is the definition of a licensee? Is this because the supporters of this measure want to make employees that handle wagers in racetracks be unlicensed? Is this to allow instant

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racing terminals and simulcast wagering at the yet-to-be-built Lincoln racetrack/simulcast facility be without conducting horse racing? A member of my staff has been at every meeting of the Nebraska Racing Commission the last year, and at almost every meeting disciplinary actions and mutual employee licensure revocation proceedings are discussed. And with that, I'll close at this time. Thank you, Mr. President. [LR41CA LB590]

SPEAKER ADAMS: Thank you, Senator McCoy. The floor is now open for discussion on the motion to recommit to committee. Senator Christensen, you're next. [LR41CA]

SENATOR CHRISTENSEN: Thank you, Mr. President. I stand in opposition to this bill. I don't believe this is the direction that the people of Nebraska have told us that they believe we should go. It's been on ballot many of times far as gambling part of it. I realize it's not been there on the historic racing part, but I think the people have been very clear. And I know I get people that ask me, are you going to do your job on this one. Are you going to send it to us again? And I hope that we listen to what the people have said. But, anyway, Senator Lautenbaugh, would you yield to a question? [LR41CA]

SENATOR LAUTENBAUGH: Yes, I will. [LR41CA]

SENATOR CHRISTENSEN: Senator Lautenbaugh, if this constitutional amendment would pass the people's vote, what length of clip would play of the horse race? Does the whole horse race play? [LR41CA]

SENATOR LAUTENBAUGH: That is not specified in the amendment. [LR41CA]

SENATOR CHRISTENSEN: So how would you expect it to be? [LR41CA]

SENATOR LAUTENBAUGH: Well, again, that would be something that would be handled presumably with rules and regs by the Racing Commission. I mean, under existing law, we do have live races and we do have simulcasting. But I can't help but notice that we don't lock people to the front of the simulcasting TVs or make them sit in the grandstands and focus on the race from beginning to end. So I don't see how any amount of observing this race would differ, depending on how much people want to watch it. [LR41CA]

SENATOR CHRISTENSEN: Thank you for that. I got another question though. How do you place the bet? You know, when you go to a regular horse race, you go up to a window or a desk and you place the bet. This would be on a machine, correct? [LR41CA]

SENATOR LAUTENBAUGH: Well, actually these are pretty much the same terminals

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that are used now for betting at the racetracks. So it would be very similar to what occurs now because as I understand it, these terminals are the same, just programmed to show historic races rather than current options. [LR41CA]

SENATOR CHRISTENSEN: So you're telling me that...I haven't been to the horse races since I was in my 20s, so you're telling me no longer do you go up to a window at a live horse race and lay down money and say I want to bet on such-and-such horse. It's now all done at a terminal and the credit care and things that way. [LR41CA]

SENATOR LAUTENBAUGH: Well, Senator, I'd recommend that you go to the track considering your passion for this issue. I'd expect you to be well-informed on it. But that said, I believe you can still go to a window. I believe you can use these terminals as they currently exist. [LR41CA]

SENATOR CHRISTENSEN: So the...I know we had a year ago or two years ago pictures of terminals handed out that looked like they had a handle on them like they was a slot machine, things this way. So that wouldn't be the case this time? [LR41CA]

SENATOR LAUTENBAUGH: Well, as I explained last year and in committee this year, there's a little kiosk out in the lobby that shows what amendments are up next. We could program that to show historic horse racing if we wanted to. You can make it look like a slot machine. You could make it look like an ATM. You could make it look like a '57 Buick if you wanted to. That really doesn't change the function of it. [LR41CA]

SENATOR CHRISTENSEN: All right. Thank you, Senator Lautenbaugh. I'll go back though and share my views on gambling though. I've always looked at gambling being a voluntary tax. I've always choose the tax rate of zero. I have never played the lottery we have. I've never went up and bought a pickle card. I've not went up and bought any of these because I know the odds of winning are less than losing. And so I look at it as why should I place that bet. I... [LR41CA]

SPEAKER ADAMS: One minute. [LR41CA]

SENATOR CHRISTENSEN: Thank you. I select the voluntary tax of zero. But I also turn around. You know, the people that have money can afford to do it. They go do it instead of going to a movie or something that way. It doesn't harm. And that's the...and that's okay for them if that's what they choose to do. But how about the people that can't afford to be there, but they choose to go and then they maybe can't put food on their table or they can't provide necessities? That's the ones I feel sorry for. And unfortunately it's a voluntary choice. They went there. They didn't have to. I understand that. But we open up the opportunity for them to have that opportunity to... [LR41CA]

SPEAKER ADAMS: Time, Senator. [LR41CA]

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SENATOR CHRISTENSEN: Thank you. [LR41CA]

SPEAKER ADAMS: (Visitors introduced.) Senator Chambers, you are recognized. [LR41CA]

SENATOR CHAMBERS: Mr. President, members of the Legislature, this is a shell game. It's going to be a bare-knuckles discussion. I was here when the gambling interests flew senators out to Las Vegas, wined them, dined them, I don't know what other kind of promises they made. But as you know, what happens in Vegas stays there. They're going to have to get 33 votes on this. I'm going to talk about the process. Senator Lautenbaugh was kind of snippish when he was responding to Senator Christensen. It does make a difference how these machines are designed and what they appear to be. Everything is designed to draw people to use their money on something that is not live. It has the same principle as a slot machine. And I would defy Senator Lautenbaugh with his great knowledge to draw a schematic of the inner workings of a slot machine, a schematic of the workings of this machine that deals not with live events. I say they basically are the same. We look at the result. You know about an object through its operations. The gambling interests would do anything to open up the field for more gambling in this state. They will lie. They will mislead. They will call people, I don't know if the term was radical or extremist. I'm one of those extremists. Tom Osborne and I collaborated in writing an essay to the Omaha World-Herald in opposition to casino gambling. I don't mind being called an extremist. Words don't mean anything. And when people speak in slogans and think in cliches, they are not thinking at all. Gambling appeals to people not only who are interested in a little bit of excitement, but those who develop a compulsion. And it is akin but not the same as alcohol addiction. And people addicted to alcohol will do things that they wouldn't ordinarily do. And when there's a compulsion to gamble, people do things they don't ordinarily do. You all had a member of your own body here who committed, based on the description of the conduct in the statute, Class IV felonies--lying and presenting reports to the commission that oversees elections. At least six Class IV felonies. Stealing campaign funds to gamble. People who are ordinarily responsible, whether they have a compulsion or an addiction, will do things that are hurtful to themselves and to the society, whether they're lawmakers or not. And some people who have those same compulsions and addictions will say, well, lawmakers are only human. Well, we're held to a much higher standard. We make the laws for people. And when we who make the laws breaks the laws, we should expect harsher condemnation. And I am prepared to keep us on this bill for eight hours by myself. [LR41CA]

SPEAKER ADAMS: One minute, Senator. [LR41CA]

SENATOR CHAMBERS: So I don't care too much what direction the progambling forces take on this matter. I will not be deterred. I will not be disheartened. I hope

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somebody tries to bully me. I welcome that. I know how to put bullies in their place. And we'll see whether a bully can put me in my place. Thank you, Mr. President. [LR41CA]

SPEAKER ADAMS: Thank you, Senator Chambers. Senator Harms, you're recognized. [LR41CA]

SENATOR HARMS: Thank you, Mr. President and colleagues. I rise in support of the recommit to the committee on LR41CA. I think there's just too many unanswered questions in regard to dealing with this particular issue. And the concern that I have is not only do we have a constitutional amendment in front of a bill, LB590, that takes on a whole nother issue, and my concern about this is are we going to be delegating the authority to the public to make our decisions that we should make right here on this floor? If this constitutional amendment would come out and we would decide after its corrected and fixed the way it ought to done and we decide to support it, and then also then would come by and address LB590, I think one of these need to go away. Either this constitutional amendment, it needs to go away or LB590 needs to go away because I don't think you can have both on there. I don't think you can have a bill sitting here that's going to cover and back up this legislative...this constitutional amendment. I think it's unconstitutional quite frankly. I'm not an attorney. I don't know. But it doesn't seem right and I don't favor that part of it. One of them has to go away, and I guess we have to decide if we're going to take this one on and go for the eight hours and do the cloture and one way or the other, get rid of one of these is going to have to go. That's my views. And I just don't like it the way that it's set now because what I think what happens to us is that if we approve both of these, then how does that work for us? I mean, who has the authority here? I mean, who's responsible for making these decisions? Are we turning it over to the electorate or are we going to allow the Legislature to do what I think is necessary? But I would urge you, colleagues, to support the recommitment to straighten this up, and then you can make your decision by talking to your public and whoever you like about having the public have a shot at making the decision about whether the times have changed and they want to expand gambling. To be very frank with you and I don't mean this in a pun, they're rolling the dice here. Because if this bill goes through and we pass the legislative...constitutional amendment LR41CA, it goes to the public and it fails, which I think it probably will, they're going to have a heck of a time coming back here next year in the next four or five years to address expanding gambling. So when you see this sort of thing, say, happen, we're getting to a point where we become desperate about gambling. And I'm not going to get in at this point to tell you all the bad things about gambling. We've been down that road for the last four or five years. But I can tell you when the next bill comes up, I'm going to lay a lot of this out for you. I can prove to you just exactly what happens to the public, how bad this can be for families, and all the things that occur here. And so I will give that some consideration if it's straightened up and cleaned up to where we think we can live with that in regard to whether or not it should go to the public for approval. I can tell you that I'm starting to get, which I haven't up until now, a lot of phone calls from my own district, and that's rural Nebraska, saying,

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you know, I don't think I like this. I mean, what part of "no" don't you understand, John? And that's a good question. I have been leaning towards if they clean it up, maybe it is time for the public to make a decision about whether you want to continue or not. I'm going to wait to see. But I would ask you, colleagues, to send this back to committee, get it straightened up. And I think Senator McCoy will come forward with some more information that will make it a little clearer for us in regard to what the problems are and the issues. And I know that Senator Chambers has definitely zeroed into this and has a pretty good background and understanding... [LR41CA LB590]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: One minute. [LR41CA]

SENATOR HARMS: ...thank you, Mr. President, in regard to this particular issue. So I want you to pay note to this very carefully of what's happening here and where we're going. As I said, one of these has to go away or both are going to have to go away. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Harms. Senator Schilz, you are recognized. [LR41CA]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Good morning. And historic horse racing is back once again. I actually sit on the committee that heard this amendment and heard LB590 that's coming up next. And I have to be honest with you. I didn't really see anything as nefarious as what Senator McCoy is saying. I see a pretty simple laid out LR that I believe came from Bill Drafters. And I don't think anybody meant anything or tried to do anything. And maybe Mr. McCoy or Senator McCoy can point out those situations where it is and what the different language actually means. But to me it's...I mean, it's three pages at most, and what it says is: hey, let's give the voters of the state of Nebraska the opportunity to decide whether or not historic horse racing fits in what they believe should be allowed within the state of Nebraska. And don't let it get any more difficult than that. Now we...I suppose we're going to spend eight hours and that's fine. But I think we need to remember, we're not just talking about outside interests that have brought in whatever outside influence and money. We're talking about Nebraskans. We're talking about people that own, train, and work around these racetracks, a way of life, true agricultural jobs in the state of Nebraska, 2,400 or so is what we hear. So it's okay for those folks to feel hardship and when it's actually in the constitution that this sort of racing is allowed and that we don't allow them the tools to benefit what they do. Don't forget. These races have all been run. And I would suggest that when it says either inside or outside of the state that it means that some of those races may have been run outside of the state. I'm not sure. I'm not a lawyer. But in my mind, that's how I look at it. Are they a slot machine? We've had that argument before too. Call it what you will. I can pull up just

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about anything on a computer screen anymore and turn that into whatever I want. So this idea that if it looks like and quacks like a duck that it's a slot machine, then I suppose just about anything could be. I even have...I've got a slot app on my phone. Does that make it a...I guess it's all about how you program something and how it works. So I understand that. In committee hearing, we heard from the antigaming folks, antigambling folks on another bill where they said that the people of the state of Nebraska should be able to vote on everything that we come out with. Not just on whether we should be able to expand gambling completely, but should we be able to vote, should the people of the state of Nebraska be able to vote on whether or not this becomes part of it. Senator Lautenbaugh heard those words and Senator Lautenbaugh brought this LR because of that. So as we sit here and we hear all of the rhetoric today, and there's going to be plenty on both sides, let's just remember what this is. We've all heard people around this floor talk about the citizens... [LR41CA LB590]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR SCHILZ: ...as the second house. The second house is being called upon today to be able to voice their opinion. I believe that we should allow that voice to be heard, and I believe that we shouldn't hold back and we should make sure that we trust that they know in what they do. Thank you very much. [LR41CA]

SENATOR GLOOR: Thank you, Senator Schilz. Senators in the queue include: Krist, McCoy, Price, Johnson, Bloomfield, and others. Senator Krist, you're recognized. [LR41CA]

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues, and good morning, Nebraska, Nebraska that I hope will have an opportunity to see a corrected version if it is incorrect of LR41CA on the ballot and vote on this issue. Senator Chambers said before that gamblers and people who like gambling and big money interests will say anything and do anything to bring gambling into the state. Senator Chambers, they are on one side of this conversation and I totally agree with you. I've been on the General Affairs Committee since I've been here. And I'm going to tell you, Senator and all of my colleagues, the other side of the house will say anything and do anything that they need to to tell you that gambling is evil. Some place in the middle with my god, there is probably a truth. Maybe I'll figure that out on the judgment day. But today it's up to 49 people who set policy to evaluate whether a historic horse racing machine is indeed a pari-mutuel device and whether the state of Nebraska wants that pari-mutuel device in the state or not. I'm tired of being lied to by the folks who come into the General Affairs Committee and say, it's a slot machine. It quacks like a goose or whatever they say. I want to evaluate whether or not that machine is indeed a pari-mutuel device or not. I'll spend eight hours researching, and at the end of the time I don't know how I'm going to vote. But I would invite my colleagues in the Chamber to make an educated decision about whether it's a pari-mutuel device and whether or not it

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is legal currently or it needs to be made legal or confirmed legal by a constitutional amendment. And let's make a policy decision once and for all because I don't want to deal with this next year or the year after or the year after, and I don't think you do either. I think this is a very simple matter. I think we need to weigh it, measure it, and judge it, and vote on it. And whether it takes eight hours to get to that vote or it takes the rest of the session, I'm willing to be here. I'd like to ask Senator McCoy a question if he'll yield. [LR41CA]

SENATOR GLOOR: Senator McCoy, would you yield? [LR41CA]

SENATOR McCOY: I would. [LR41CA]

SENATOR KRIST: Senator, the amendments that I think you have lined up, are any of them or all of them made to make this LR better or is it your intention to have the eight hours of debate and kill this discussion, kill the LR? [LR41CA]

SENATOR McCOY: What amendments are you referring to, Senator? [LR41CA]

SENATOR KRIST: Well, I think what you said in your dialogue on the mike just a few minutes ago this needs to be changed, this is wrong, why did you do this, why did you do that. So I would assume that you have some constructive criticism to change the LR to make it better. So if that's not the case, do we see all these amendments as just an attempt to kill LR41CA? [LR41CA]

SENATOR McCOY: Well, Senator Krist, if you'll look at your gadget, which I know that you have on your desk... [LR41CA]

SENATOR KRIST: Which I have. [LR41CA]

SENATOR McCOY: ...you'll find that I have a motion that we are currently debating to recommit to committee to take care of the issues that I am in the process of outlining, and you will see I have a placeholder amendment on Select File. Other than that, I do not have any amendments on this legislative resolution. [LR41CA]

SENATOR KRIST: Okay. Thank you. I think Senator Schilz said it pretty well. We heard it. We debated on it. We heard it in committee. If it needs to be changed or amended on this floor...thank you, Senator McCoy, if it needs to be amended on this floor, then I think we need to do that and move forward. I will not support the recommit. The last thing I'd like to say, members, is it is definitely a polarizing issue. And I think as policymakers, you need to keep an open mind and decide for yourselves and ultimately the 49 of us will decide which way we go on the LR or the bill that will be next that we will hear. I will take time on this mike in the future to give my viewpoint on whether this is a pari-mutuel device... [LR41CA]

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SENATOR GLOOR: Thirty seconds. [LR41CA]

SENATOR KRIST: ...whether it can be used...thirty seconds? That's a new call. Thank you, Mr. President. (Laugh) Bottom line is that I do believe that it deserves our full attention and our openmindedness. Thank you. [LR41CA]

SENATOR GLOOR: Thank you, Senator Krist. Senator McCoy, you are recognized. [LR41CA]

SENATOR McCOY: Thank you, Mr. President. Before I continue with concerns that I have on this constitutional amendment, I'm going to address a couple of things. Number one, Senator Lautenbaugh said during the hearing on both LR41CA and LB590: You don't see, hopefully, parents taking their kids to the keno parlor while they sit there and play keno or that's not what you would think of as a family activity. Horse racing is different. Horse racing is an event. I would agree with that. However, sitting at an instant racing terminal is not a family event, colleagues. They are two diametrically opposed things. I also want to address something that I've heard of on the floor this morning, and that is that supporters of this constitutional amendment are running around saying, if this is to pass then we wouldn't need the underlying enabling legislation LB590. So go ahead, vote for LR41CA because then, you know, we really don't need the bill. Well, if that's the case, members, I expect Senator Lautenbaugh as the introducer of LB590 to stand up tomorrow morning and withdraw LB590 or provide a letter to all the members that he would have sent to Speaker Greg Adams saying that if LR41CA, after it is recommitted to committee and fixed, then LB590 would go away. I highly, highly doubt those actions will occur. You know, Senator Schilz said don't let it become more difficult than it is. Well, ladies and gentlemen, this is an amendment to the Nebraska Constitution. That in and of itself should give us pause to look and see what we're doing. I mention to you that the constitutional amendment seeks to strike the licensure for all pari-mutuel employees in the state of Nebraska which by the way, ladies and gentlemen, if you pull up on your gadgets, for some interesting reason the Web sites of the racetracks across Nebraska are down this morning. But there are 26 statutes, members, governing the licensure of pari-mutuel employees at the racetrack in Nebraska. This constitutional amendment seeks to strike the licensure. I've yet to hear a supporter stand up and tell us why that is. I'd be curious why Senator Krist says all the questions were taken care of in committee. I can tell you right now because I have the transcript sitting here, that was never discussed. Why does LR41CA seek to break Nebraska's longstanding commitment to the interstate compact on licensure participants in horse racing with pari-mutuel wagering? Thirteen states are part of that compact; twelve are participating members. You know what the first and fundamental requirement of that interstate compact is? Licensure of pari-mutuel employees. Why does LR41CA expressly confirm...why doesn't it expressly confirm and ratify the companion unconstitutional proposed statute, which is LB590? You got handouts, AG's Opinion

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from 1992, that talks about that if you're going to have a constitutional amendment to shore up an unconstitutional statute, it has to expressly ratify it. Was that talked about in committee, ladies and gentlemen? No, it was not. Is that in the constitutional amendment? No, it is not. [LR41CA LB590]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR McCOY: Thank you, Mr. President. Why doesn't LR41CA expressly note that reenacting legislation, presumably in the 2015 session, will not be necessary if this constitutional amendment were to advance? Because to do so admits what I already said. LR41CA is in fact a Trojan horse and means nothing. What the supporters of both of these measures really want is LB590 now. LR41CA exists to lend a shred of credibility in the future in funding to a truly unconstitutional bill, LB590. The dollars generated from instant racing terminals legalized from passed into law, LB590 in 2013 would finance the push statewide to pass LR41CA in 2014. Thank you, Mr. President. [LR41CA LB590]

SENATOR GLOOR: Thank you, Senator McCoy. The Chair recognizes Senator Price. [LR41CA]

SENATOR PRICE: Thank you, Mr. President, members of the body. For those of us who have been here a couple years, we've heard a lot of this discussion; for those who are new, welcome to racetrack days. As it stands right now, I'll support the recommit and I'm not supporting the underlying bills. And as I read the amendment that's presented to us, I'm reminded of the concept of the time between the races and I think about addictions and I think about what is known and accepted about addictive behaviors, particularly. And then let me caveat this discussion: Not everybody, not even half of...not even most of everybody is addicted to gambling who go to these establishments. I want to lay that out first and preface that. But when we do have to consider the issue with problem gambling, and we did have a bill earlier in the week to talk about gambling addiction, how the state is going to handle that. But when we look at the stimulation that is received by a person who has an addiction and we do it quicker, you know, I'm reminded of days when we would study and we'd have the...most of you probably did this or maybe you in Nebraska and other, where they'd have the lab rats have an opportunity to push a button to get food or to get shocked or some type of stimulation and how they would go back more and more. If they increase the rate of ability to get the stimulation, they would do so. So if we're talking about an addictive behavior and I'm sitting basically at, if you would, a reverse ATM, it's just going to take the money right out of your account, just sit there, plug in, hook up, and watch your account go down, if you're an addictive-behavior-type person. But I also would like to talk about the logic and I'm struggling with that and I will definitely take some input on that. Maybe Senator Chambers can help me. What we're doing, as we said before, the current law said that if you have...if you want to do this and you have to have

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pari-mutuel run...you have to run races with the pari-mutuel method. But now what we're saying is, as long as you have a pari-mutuel method, you can do other things. This is very important to look at. So it's not...before, the statute was if you run races you can then also use this pari-mutuel method. And now we've twisted it, it seems to me, to say as long as you have pari-mutuel there, you can do these other things, all things under the sun. So if we apply it somewhere else, if I have a childcare center, now I can do child mental health services. I don't know how the two blend together. It's kind of like an ice cream shop or something--we're just throwing things together here. But...so I'm concerned about the logic of that. And to address...the other thing is, and I want to be careful for myself in this debate and I urge members of the Legislature, today I've heard a lot of attributions being used. We're saying senator X or senator Y before each statement and it tends to get...I know this is a tough subject and a polarizing subject, but I think we could use third person here and keep elevated out of the passion, if we could. We all know who's carrying a bill and everything. I'm not trying to tell you how to do your job and be effective in the way you want to be but that we have to elevate. This subject, by the way, will not go away. [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR PRICE: Thank you, Mr. President. This subject will not go away, I feel, until the proponents get what they want. And I struggle because I want to say both sides of that argument, but in the years that I've been here, limited as they have been, I haven't seen motions and movements to repeal what we already have in statute for gambling. There are no big pushes to repeal it. What we have every year is a situation to increase gambling, and it will not stop until they get what they want. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Price. Senator Johnson, you are recognized. [LR41CA]

SENATOR JOHNSON: Thank you, Mr. Chairman. Thank you, Legislature, for this time. Until January 9 of 2013, I was part of that second house. I was not part of this body. That changed when I was sworn in as a state senator. I am a member of the General Affairs Committee. I'm probably one of the opposing members. I don't share the same views as several on that committee. I am opposed to gambling. I'm opposed to expanded gambling. I do have concerns with the horse racing industry. I have a lot of constituents in my district that raise horses, that feed horses, that grow grain for the livestock for the horses, so I have a concern for that. If we're trying to add something to sustain that industry, I can understand that, but I'm not sure that this is the last step that we'll have to take in order to continue to sustain that industry. So then the question comes up, voting on the committee. I voted in favor to bring this out to the floor. I voted for both of them because I wanted a larger voice to hear the concerns, hear the bills, and I also think it's probably time to take it out to the second house in order for them to

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vote again on these issues. I support going back to the committee. I hope the committee can correct what needs to be corrected. And I would probably vote again to take it out to the floor and at least take it out to the citizens to vote. If I was voting strictly on LB590, at this point, for expanded gambling, I will probably vote against that. Thank you for your time. [LR41CA LB590]

SENATOR GLOOR: Thank you, Senator Johnson. Chair recognizes Senator Bloomfield. [LR41CA]

SENATOR BLOOMFIELD: Thank you, Mr. President. Good morning, colleagues. I assume most of you have looked at your gadget by now and have seen that I was the only no vote on LR41CA. I would like to stand up here and tell you that I saw all these constitutional issues and that's why I voted against it. I'm not that sharp on constitutional issues. I voted against it because I do feel that it is expanded gambling. People have kind of wondered why I didn't speak a little longer at the mike when we were talking about keno issues. I did speak about removing the license from the casino writers. I did not speak when we were talking about speeding up the time. Keno is here. Speeding up the time is increased gambling. I don't see it necessarily as expanded gambling. I do see issues with removing the licensing and again in this bill that's what we're doing. We're removing licensing. I don't like handing things over to people that don't think we ought to at least look at what we're doing. So I'm going to support the amendment to recommit. And if it comes back to the committee, I will probably vote again to oppose LR41CA because I do believe it is expanded gambling. Thank you. [LR41CA]

SENATOR GLOOR: Thank you, Senator Bloomfield. Chair recognizes Senator Chambers. [LR41CA]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I don't care whether it's a slot machine. I don't care about any of that. This is wrong. This is something that is hurtful to society. Some of you all may not know any problem gamblers, but I do. I've even be stung by them. I'm an easy touch. People come to me, if I know them. They have a sob story--this is when they had live horse racing--and they needed money for this and that and told me when they'd pay me back. And then when time come to pay, they'd say, well, I have to be honest with you, I went out to the track. I'd say, well, I'm going to consider that money gone, you'll never pay me back, but you'll also never get a loan from me again. So when people stand on this floor and speak theoretically and academically, they don't deal with life, to use a cliché, where the rubber meets the road. I would wonder if there are 17 people who have a moral compass which will lead them to not support this gambling. Senator Johnson disappointed me. He doesn't think gambling is good but there are people in his district who do and they make a living gambling, taking care of these horses, so he will support that. That's the way we shilly-shally. We say, I'm not for this but here's why I'm for it. That's the way it goes. If I did that, I'm speaking of Ernie Chambers, whose name will be

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changed to Legislative and I will be Legislative Chambers. I'm speaking for Legislative Chambers this morning. If I did that, I would be hypocritical. If I brought a bill to deal...if I brought a bill to deal with compulsive gamblers and problem gambling, and then I support more gambling, I'd be a hypocrite. Everything I said would condemn me. But, see, those are the flexible so-called morals that people have. They stand up here one day and show you why you've got to do this, you've got to take this compulsive gambling out of one agency and put it in another because that agency is not doing right. Well, if it wasn't for you, there wouldn't be more gambling to add to the problems of the compulsive gamblers. So I don't pay much attention to people who talk about what they really believe and what they don't believe. I observe their actions. I think somebody you all pray to said you know a tree by the fruit it bears. Make the tree good or make the tree bad for you know the tree by the fruit it bears, and if it bears bad fruit you take an axe, you hew it down and cast it into the fire. That's what you all say you believe. You don't believe it. You don't even try to practice it. And as I've said before and I'll keep saying it, on this floor we have the opportunity to elevate the mind-set of the people in this society by the kind of business we conduct, the way we conduct it, and the way we practice what we preach. Now, back to how this is going to go. When I used to be in church, they would always have altar call, they called it. After the preacher has worn everybody out and you think that if some people go up go up there to the altar, well, church will be over quickly. So young people would go up there and he'd always say, is there another, is there another? So can I get 17,... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHAMBERS: ...including myself, are there 16 citizens, stalwart and righteous, who will push back against this wickedness of gambling? And it is wicked. It's evil. But those are terms I don't often use in seriousness but I will use it with reference to this monstrosity. If these machines are legal right now, why don't they install them and make use of them? Why don't they? They talk out of both sides of their mouth and you all listen to one side at a time. Put the two together and see the self-contradictions. This is a bill driven by greed and no concern for the societal damage that is done. So it gives me the opportunity to pontificate, to lecture, to sermonize. And since I've got eight hours, I don't have to do it all in one time. So I'll be very patient. [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Chambers. Senator Lautenbaugh, you are recognized. [LR41CA]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. And I do want to be clear on some things. LB590 would immediately authorize the installation

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of these additional terminals at the licensed tracks. If this amendment moves forward, it is not my intention to proceed with that bill, because we will have had this debate and we will have an end game in sight. But with all due respect, I don't think anyone that is a proponent of horse racing has been talking out of both sides of his or her mouth. What I've said consistently is I believe that these machines would be found constitutional under existing law. But without authorization from the Legislature, anyone who proceeded to install them could risk prosecution. If we passed a statute that authorized them and the commission authorized them as well, then there would certainly be a court challenge, but I think that might remove the threat of criminality, or criminal charges. That was my thought anyway. And I've articulated that every time we've had just a bill up. And again, we did hear that, well, others think this is unconstitutional. We had conflicting opinions as to whether or not it was constitutional. We've had differing results in differing states. Wyoming just authorized these machines and the Governor signed the bill I think last week or the week before. But understand if we are going to let the people vote on this, then that's fine and that's what we should do. And I thought that's what I heard from people who oppose the bill, that comes after this, when it was up last year. And I do think horse racing is different. I think I've been very clear that I do not support casinos. I have not supported expanded gambling in that way, but I see horse racing as different in that these are not-for-profit entities that operate the licensed tracks, and the proceeds go to promote live racing. These...currently with simulcasting, we had this debate or this discussion in committee and it was part of my frustration. There was an allegation that the simulcasting money isn't being spent to support live racing. And there was also a suggestion that people should just...they should just run more live races, without any regard for the economics or any knowledge with regard to what it costs to actually operate a live race. The horsemen exist to have live racing. And another distinction I drew last year was that...and I didn't mean to be flip with Senator Christensen earlier when I responded to him, but I think it is important that we go see what goes on at these tracks because, very simply put, there are literally thousands of Nebraskans who depend on these jobs. And we saw hundreds of them here last year filling the galleries, saying please help us save our industry. And I see that as different from keno and I see that as different from other forms of gaming that we may not favor and I may not favor. And I do believe that statistics show that problem gambling associated with horse racing is almost nil. And I will also tell you that there is one of these terminals down in Legislative Research and you can go look at it now if you want to and see what you think of it. Some of the constitutional issues or issues raised with this constitutional amendment I'm hearing for the first time. And, no, this is not an attempt to remove licensure from the process, but I believe the current provision is unartfully drafted to talk about wagering or gaming conducted by licensees. Well, does that mean that only licensed people can actually place the wager, actually bet at a racetrack? I don't think that was the intent. [LR41CA LB590]

SENATOR GLOOR: One minute. [LR41CA]

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SENATOR LAUTENBAUGH: Thank you, Mr. President. So there's no intent to try to do more than we're doing here, which is just authorize that not only is simulcasting authorized but historic simulcasting, if you will, which is what these terminals do, would be authorized. And that's the long and the short of it and that's the extent of my intent. I would point out that the voters have authorized pari-mutuel wagering in this state and the voters have authorized simulcasting in this state. I think the voters do see horse racing as something different and an important industry in our state. And that's what's led me to this conclusion, too, and this position, and I've been consistent on this and I hope you will look favorably on that. I had more to comment on and I hope you'll vote against this motion in the interim. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Lautenbaugh. Senators in the queue: Christensen, Schilz, Brasch, Harms, McCoy, and others. Senator Christensen, you are recognized. Senator Schilz, you are recognized. [LR41CA]

SENATOR SCHILZ: Thank you, Mr. President. I was intrigued so I grabbed my cell phone and I went out to some of the racing sites. I got on Lincoln Race Track. I got on the Nebraska Racing Commission. I was just...I don't understand where that came from. Sorry, Beau. But, guys, Senator Lautenbaugh said it correctly and said it just right. I think we are trying to make more of this than what it is. It's about Nebraska jobs. It's about something...and we talk about something that's within the constitution. I take that seriously, very seriously, but I don't try to make it more difficult than it is. The people of the state of Nebraska voted to put horse racing in their constitution. The question now becomes were they right in doing that? Obviously, they were. They voted it in. Are we being good stewards of their desires back then? Are we taking care of what they thought was important? Or are we telling everybody the Nebraska Constitution in this instance is wrong; horse racing should just go away? So if you want to talk about it, let's talk about it and let's talk about what it means when you pass a constitutional amendment. If it's passed, and I think we had a decent explanation from Senator Lautenbaugh, then it cannot be unconstitutional. So I look at it and I hear that there's a machine downstairs. There isn't anybody trying to hide anything here, folks. There's no conspiracies, nothing like that. Straight up, the horse racing industry of Nebraska is asking the Legislature for a hand up, asking the Legislature to give them the opportunity to bring more live racing back to the state of Nebraska's racetracks. My wife's family owned racehorses, raced them at Fonner Park, in Columbus, in Lincoln at times. I've been back in the barns. I've seen the lifestyles of those folks, that that is their everyday jobs and their livelihoods. They are good people, not this evil stuff that we hear about here on the floor, good, solid, working Nebraskans. They just want to do their job and their job is training and racing horses. Don't make it any more difficult than it is. This is about allowing historic horse racing machines in licensed racetracks around the state of Nebraska, and I believe the people of the state of Nebraska should have a vote. We entrust that the people of the state of Nebraska understand the gravity of this. We understand the gravity of this. Otherwise, both sides wouldn't be willing to go eight

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hours on it, but I suspect that's where we're going to end up. I do not support the recommit motion. We could fix it just the same right here on the floor if somebody wanted to put in an amendment here on the floor. So the recommit motion, in my opinion, is just a tactic, just a way to put more time on that eight-hour clock, and that's fine. [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR SCHILZ: But let's understand what that is. If they understand the issues with it and the opponents know what they are, then let's just do what we should do. Let's not recommit it then. Let's have the argument about just killing it, because recommitting is not what they actually want to do. Thank you very much, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Schilz. (Visitors introduced.) Continuing with floor debate, senators in the queue: Brasch, Harms, McCoy, Smith, Chambers, and Bloomfield. Senator Brasch, you're recognized. [LR41CA]

SENATOR BRASCH: Thank you, Mr. President, and thank you, colleagues. It is not my intent to belabor this LR41CA. I do suggest to recommit it to committee for more thoughtful reconsideration here. I rise with notes scribbled in front of me. I'm going to try to make sense of this to you in the most logical manner I can. First, I did pass out a color picture here. You can see what...if it looks like a slot, it acts...there's money, again, instantly going through this machine that is more often money lost than money gained. But what I'm concerned about is money lost for horses in the purest sense, the sport of kings, how horse racing intended to be. And first I want to speak with personal experience. As many of you colleagues that were here last year, I was the marketing director for the Nebraska State Fair about 20 years ago where it was a joy to give out blankets to people in the winner's circle, the flowers, the celebration, beautiful experiences. And you could visit the jockeys. You could admire and marvel at the majesty of these animals, these breathing animals that were such an inspiration to watch live. You know, these are the animals that, you know, they are athletes. You know, that I do support. However, when you go to the pari-mutuel side of racing, these again go down to machines where you are watching, you know, a race in another area. It indirectly supports the track there. But 20 years ago horse racing itself was declining. The industry was dying. I'd attend national meetings where they were trying to figure out how to get people back to the Kentucky Derby, back to the events. Again, the horse racing industry has had its struggles. Next, as I had a class reunion, visiting with a classmate of mine that her career has been in Nevada, in Vegas, and, boy, she wanted a way back home. She said that the casinos were all declining. They were not giving them full-time opportunities. They were not getting...giving them any of the benefits, that truly the casinos were suffering and so were the employees and it was time to come back to the good life in Nebraska. Next, I, last summer, I went to a leadership symposium during the interim where I had an opportunity to spend time visiting with a

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senator from Nevada. Again, back to what about gambling, and they said, well, we could not, you know, run the state on gambling; you know, that it's tourism; that there is...you know, all that glitters there is not gold; that people are...the machines are designed to produce more losers than winners. So that right there I kept pondering about, you know, what is the right thing for the state of Nebraska. Gambling is not economics. It is not designed to be our economic engine. Tourism, will they...will people come to Nebraska for the machines or do they come here for the horses? I do understand that it is very expensive to run a live race. I do realize it's very expensive... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR BRASCH: ...to have live horses. I have constituents also with horses. I have constituents who show horses. That's expensive. I also have constituents who race cars. That's an expense. Are we going to help subsidize car racing? Or what about the people who want to compete with horses and defer some of that cost? At a live track, they pay for the veterinarian, the feed, the stables, the cost to clean and repair, for security, on and on, on running a live race, where running a pari-mutuel race or running a...whatever this picture reflects, hardware costs, software costs. At the end of the day, you're the manager of that facility and every nickel and dime counts. So would you rather pay for the costs, the maintenance of the live track, the feed, the stables, the clean, repair, or would you rather enter into a machine contract with a vendor? I'm worried about... [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR BRASCH: ...horses and the luck taken... [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR BRASCH: Thank you. [LR41CA]

SENATOR GLOOR: Senator Harms, you are recognized. [LR41CA]

SENATOR HARMS: Thank you, Mr. President and colleagues. Would Senator Lautenbaugh yield just for one question, please? [LR41CA]

SENATOR GLOOR: Senator Lautenbaugh, would you yield? [LR41CA]

SENATOR LAUTENBAUGH: Yes, I will. [LR41CA]

SENATOR HARMS: Senator Lautenbaugh, in the legislation that we're looking at now and maybe the one next, right below this particular bill, are we looking for any kind of

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tax dollars to come in to support racing? Are there going to be any tax dollars eventually going to go in this to support horse racing? [LR41CA]

SENATOR LAUTENBAUGH: I don't see how they could, Senator. [LR41CA]

SENATOR HARMS: Well, thank you. Well, I don't...that's fine. Thank you. What I want to share with you is that the gambling commission, or the commission for gambling or whatever the title is, came before our Appropriations Committee asking for \$30,000 so they could, in fact, check the horses to make sure they were not drugged and...giving them some type of a stimulant to make them run faster. This is an industry, which I have said before, is an industry that is truly dying. It is an industry that cannot exist on its own. And even if you look at the large horse races nationally, many of those are in difficulty and trouble. And the only way they're able to survive this has been to get into casino gambling or tie gambling to it, because it can't make it happen. It's not about...just about jobs. What it's about is...and I quote from Zur Institute. It's a study that they've done that says today over 2 million in the United States are addicted to gambling to the extent that they have lost their jobs, their homes, their families. Nearly 5 million or more are pathological gamblers who have hit the bottom. According to the research, the cost of gambling addiction in the United States may reach \$5 billion per year or \$40 billion per lifetime. That's what this is about. And I don't mind taking this back and letting the public vote on it and decide what they want. But I don't know, maybe their views have changed. And if they have, who am I to be arguing with that? But make it right, make it correct, and make sure that we have no loopholes in regard to this constitutional amendment. I still tell you that I think one of these needs to go away. I don't think we should have both on this docket for discussion. Mr. President, I'd like to yield whatever time I have left. How much is that, please? [LR41CA]

SENATOR GLOOR: Two minutes twenty seconds. [LR41CA]

SENATOR HARMS: Thank you, Mr. President,...to Senator McCoy. [LR41CA]

SENATOR GLOOR: Senator McCoy, 2 minutes 18 seconds. [LR41CA]

SENATOR McCOY: Thank you, Mr. President, and thank you, Senator Harms. Like to ask Senator Schilz a question, if I may. [LR41CA]

SENATOR GLOOR: Senator Schilz, would you yield for a question from Senator McCoy? [LR41CA]

SENATOR SCHILZ: Yes. [LR41CA]

SENATOR McCOY: Thank you, Senator. This terminal that I look forward to viewing down in Legislative Research, I hold in my hands, members, to my knowledge, the only

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two U.S. patents on any historic horse racing machines. Senator, do you know which it is, Quick Trifecta or Thoroughbred Mania? [LR41CA]

SENATOR SCHILZ: I can't answer that. I don't know. I haven't seen it myself. I just heard that it was down there, saw a picture of it. [LR41CA]

SENATOR McCOY: Well, thank you, Senator. [LR41CA]

SENATOR SCHILZ: Sure. [LR41CA]

SENATOR McCOY: Members, we don't even know what patent this machine is. The constitutional amendment doesn't talk about what style or type or patent of machine that would be used, how big the screen is, how small the screen is, what it looks like, whether it's a '57 Buick, whether it's a kiosk behind the glass. No one knows what this is going to look like. Senator Lautenbaugh referenced the state of Wyoming, the legislature just passing a bill. Members, you've heard me talk about, this will be the third time now, 2006, Governor Freudenthal vetoed a bill authorizing historic horse racing. The Supreme Court... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR McCOY: Thank you, Mr. President,...then ruled against it. I'll read from their decision: We are dealing with a slot machine that attempts to mimic traditional pari-mutuel wagering. Although it may be a good try, we are not so easily beguiled. I would fairly well guarantee the legislation, which I hold in my hand that was just passed by the legislature with, I might add, a new Governor in the state of Wyoming, who is pro expanded gambling, I am certain this will end up back in the Nebraska...or, I mean, pardon me, the Wyoming Supreme Court. I'll go back to something Senator Schilz said a minute ago. It's not my job to fix this constitutional amendment on the floor. I don't sit on this committee. That's why it needs to be recommitted to committee. It needs... [LR41CA]

SENATOR GLOOR: Time, Senator,... [LR41CA]

SENATOR McCOY: Thank you. [LR41CA]

SENATOR GLOOR: ...but you are next in the queue and may continue. [LR41CA]

SENATOR McCOY: Thank you, Mr. President. It's not my job. It's not any individual member's job to fix this. Senator Lautenbaugh talked about this was unartfully written. Well, I would agree with that. It's not my job to bring amendments to fix this legislation. If the supporters of this constitutional amendment want this constitutional amendment to go before the people of Nebraska, then let's fix the problems. That can't be done on the

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floor. That's why this recommit motion is up. It's not an artful dodge, as Senator Schilz said, a tactic. Let's get it right for the people of Nebraska. I'm not even close to being done listing out what the constitutional concerns of this constitutional amendment, what they are. Have you heard one supporter of this measure address any of the concerns that I've outlined thus far this morning? No. They want this constitutional amendment, members, to advance as it is. They may say, well, it wasn't intended to strike licensure of pari-mutuel employees. Well, it may not have been intended, but it has. Why wasn't this put to the people of Nebraska to save a desperate, dying industry, as they have been quoted as saying? Why wasn't it put to a special election? Why are we going to wait for a year and a half, members, to put this to the people of Nebraska? Is it because it takes four-fifths of the members on Final Reading? I don't know. Why don't the supporters of this measure address that? They haven't. I dare say they probably won't. These problems must be fixed. They're too plentiful to be taking place on the floor. Look around us, members who are sitting here. There's barely 15 of us in the room. How do you go about fixing the problems in something this substantive in a Chamber when very few members are engaged in this issue? I have the transcript from the hearing. Not one of these issues was addressed. Why not? I don't know, I don't sit on that committee, but I can look at the transcript, as all of you can. Senator Krist mentioned, well, we ironed everything out in committee. Really? Then how come no one is saying...rising this morning and saying the issues that I'm bringing up are wrong? They're not. That's because, I believe, they are right, they're problems, they're too big of problems to take care of on the floor. That's why this is a recommit motion, not an IPP motion. Fix the major problems and flaws to this and bring it back to the people of Nebraska. Otherwise, we're going to spend an awful long time on this issue and we're going to spend an awful long time on the bill behind it. Again, I would draw your attention to the 1992 AG's Opinion that I've handed out, paragraph 4, page 5: The Nebraska Supreme Court has recognized, while constitutional amendment operates prospectively only, it may be given retrospective effect where the language employed expresses a clear intent for the amendment to operate retroactively. This constitutional amendment doesn't do that. Why not? I'd ask the supporters to stand up and give us reasons why not. I would dare say they didn't give enough thought to this issue, that's supposedly such a burning issue for our state, to write this constitutional amendment the right way. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator McCoy. Senator Smith, you are recognized. [LR41CA]

SENATOR SMITH: Thank you, Mr. President. And good morning, colleagues. I stand in support of the motion to recommit this to committee, and I stand in opposition to the underlying bill as well and for the reason that this is expanded gambling. The definition of "expand" is to open up, to increase the extent, the number, the volume, or the scope. And by extent, volume, and scope, this is expanded gambling. This expands gambling by the very definition of expand. And I've got a better idea, colleagues. If this goes

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forward, why not have historic legislative voting? Remove the bill number, remove the date, remove the name of the bill, and remove the introducer, and speed up the volume, and then allow people that are watching us on NET to wager on the number of green lights that are presented on the board. This basically is what we're voting for with this underlying bill. If you have a bucket called the gambling bucket, would this action potentially increase the volume of the contents of the bucket? If you believe so, colleagues, then this is expanded gambling. Colleagues, I ask you to please support the motion to recommit to committee. And I have nothing further to say on this. Mr. President, I'd like to, if Senator Chambers...I see he's standing there, he has his light on. Would you like my remaining time, Senator? [LR41CA]

SENATOR GLOOR: Senator Chambers, 3 minutes 15 seconds. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, my friend. I've been just pacing and pacing and waiting and waiting. I wish that I had...he's still there. I'm going to go ahead and give him his propers. I wish I had thought of what Senator Smith did to make an example of what we're dealing with. If you look at a machine, as you were invited by...I'd like to ask Senator Schilz a question. [LR41CA]

SENATOR GLOOR: Senator Schilz, would you yield? [LR41CA]

SENATOR SCHILZ: Yes. [LR41CA]

SENATOR CHAMBERS: Senator Schilz, are you the one who mentioned that there's a machine downstairs that people can go look at? [LR41CA]

SENATOR SCHILZ: Yes. [LR41CA]

SENATOR CHAMBERS: You hadn't looked at it yourself, had you? [LR41CA]

SENATOR SCHILZ: I have not, no. [LR41CA]

SENATOR CHAMBERS: So you don't know what kind of a machine it is or what it looks like or anything? [LR41CA]

SENATOR SCHILZ: I do know what it looks like. I've seen pictures of it, yes. [LR41CA]

SENATOR CHAMBERS: Okay. And you don't think it resembles a slot machine, in your opinion, from what you've seen. [LR41CA]

SENATOR SCHILZ: Well, I can tell you... [LR41CA]

SENATOR CHAMBERS: Well, let's forget that. Would it make any difference to you

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whether it's a slot machine or not? If it would take a slot machine to save those jobs that you're talking about, you would support slot machines, wouldn't you? [LR41CA]

SENATOR SCHILZ: I probably would, yes. [LR41CA]

SENATOR CHAMBERS: Thank you. That tells you where he is. And this is not just about jobs. It's gambling. And we're all adults. If you just want to make money--I don't have to go to a whorehouse to know what goes on there, and I haven't been to one and I wouldn't go to one--legalize them and let only the people who are of a certain age go. And all of the roads leading from all over the country, the surrounding areas, would be clogged with the cars coming into Omaha if that's where you put it, or into Lincoln or Scottsbluff or wherever. This is so much hypocrisy going on, on this floor. I'm not going to call out the senators and ask them because I know what their answer would have to be, because they don't want to look totally ridiculous, as they already look to me. I don't owe it to anybody on this floor to not call his name. Anybody on this floor speaks and is identified by his name. If he doesn't want to be identified, don't say anything. [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHAMBERS: But I will identify people. I will take issue with what they said, and that's what we're supposed to do. And if nobody else does it, I will. And they talk about being willing to go eight hours. I am and I'll stay on this floor. I know I'm far down in the speaking order. Do you see me leave the floor? Look at these empty chairs, look at them. And we're supposed to be doing the public's business and we can't stay to hear the discussion. But that makes me no difference. I'm responsible only for myself. But it tells me something about these people who on certain issues that mean something to them will be popping up and wants everybody to stay here and listen. I'll listen and I will participate. And when my amendments come up, they are designed to kill this bill. They're designed to wear everybody out and reach the point where I'm the only one on this floor and all of you are in your offices, and then I will have a call of the house and you don't even have to come... [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR CHAMBERS: ...because if we don't get 25 votes...thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Senator Chambers, you are next in the queue. This would be your third time, Senator Chambers. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President. Anybody else who has sprinklings of time that they don't mind giving to me, I'll take them, because I'm going to be talking anyway. We're all going to be talking anyway. But here's what the opponents realize

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and the proponents don't, who think we're talking only about eight hours. They've got to get 33 votes. Making a cloture motion does not guarantee that you'll get the 33 votes. So if they call for cloture and don't get the 33 votes, the bill goes to the bottom, it's deep-six and it's over. And if they don't ask for cloture, then the bill goes on and on and on. And I may do a duet with Senator Bloomfield. He may be persuaded to do his rendering of Johnny Cash and I'll do my rendering of whatever I can do the best that I can. But when I hear somebody talk about this bill being about jobs, I say that person is totally disconnected from reality. You don't see the union supporting this. The horse industry, the ones who make the money from the gambling are here, and he can't see that. You know why I'm saying "he"? I'm making a compromise with Senator Price. He said don't call him by name, but he knows who he is. Everybody loves Santa Claus. And what did Santa Claus do? He whistled and shouted and called them by name. He didn't say, hey, deer; hey, stag. He said, "Now, Dasher! now, Dancer! now, Prancer and Vixen! On Comet! on Cupid! on, Donner and Blitzen!" And you can throw in Rudolph. People have names. And I think Senator Schilz gave one of the weakest, most worthless arguments to try to support a bill like this that I've heard on this floor, and he knows it--jobs. It's not jobs. He says don't make it more difficult than it needs to be. He's making it more difficult. He wants me to suspend my intellect and swallow something that makes no sense whatsoever. We're not talking about jobs. We're talking about gambling. These machines don't produce jobs. They are the tools by which people gamble, lose the rent money, use the utility bill money, lose the money that's supposed to pay property taxes, lose the money that's supposed to pay income taxes. That's what's happening. And maybe some of my colleagues from the rural areas need to come to the city and find out what really is going on and know what jobs legislation is about. And I'm not going to say one or two people won't get a job. There are people on that Racing Commission who I think should not be there. They don't regulate racing. They are the tools and the handmaidens of the racing industry. As Senator Harms pointed out, this industry is not sustainable. It cannot make it on its own. Nobody would run a three-legged horse in a race. This one has two legs and both of them are in the front, and a horse doesn't know how to stand on the front two legs. Only elephants know how to do that. Maybe they'll start racing elephants. How do we know? That will give jobs to elephant trainers. But I don't care what people talk about. I'm here for the duration and I have amendments that will bring truth to what it is we're talking about--exploiting people's predilections for gambling; trying to pretend that this improves the morals of society; trying to pretend that it uplifts values that indeed are values. So my amendments will give us the opportunity to discuss that. And if you don't want to discuss it, it will give you the opportunity to hear me discuss it. And if you don't want to hear me discuss it, that's why you got... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHAMBERS: ...fingers, so you can stick them in your ears. And if you don't want to be where you can even run the possibility of listening, go home. You don't have

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to stay here. You think I need company? Absolutely not. I believe in technology. There are I don't know how many hundreds of thousands of people out there listening to us and watching us, and they're probably shaking their head saying, I knew that they had people in Nebraska who know only about football, and not that much about that, but I never thought on the floor of the Legislature somebody would call a gambling bill a jobs bill; I didn't think I'd hear that. So I was taught something today, how out of touch some of my colleagues are. But the one that I'm talking about has access to the microphone just like I do and he can engage me in a discussion. And if his time is up now when my amendments come, he'll have the opportunity to engage me at that time. And you all shouldn't just let me get away with saying what I say if you disagree with it. [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Chambers. Senator Bloomfield, you are recognized. [LR41CA]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, we've heard how we need to do this to protect the horse racing industry and all those that provide feed to the horse racing industry. I assure you that with hay running at \$350 to \$400 a ton, there's not an issue finding a market for your hay right now. It doesn't have to be fed to help race horses. There are other places it can go. I was pleased to find out this morning from Senator Schilz that we did in fact get a machine downstairs that we can look at. I intend to have a look at it. When it was discussed among a couple people, we weren't sure if we could get a '56 Buick into the Rotunda, but apparently we were able to get it into the Legislative Research Office and we'll be able to look at it there. That's a good thing. And Senator Chambers said he would like to have some more time. Warm up your vocal chords, Senator; you're on next. I'd yield my time to Senator Chambers. [LR41CA]

SENATOR GLOOR: Three minutes fifty seconds, Senator Chambers. [LR41CA]

SENATOR CHAMBERS: Thank you, Senator Bloomfield. Thank you, Mr. President. And getting back to the process, we could make this vote to recommit something like a vote or a poll, nonbinding, on where people stand on this bill. I'm going to see if they get 33 votes against recommitting, because that's how many they're going to need. But the gambling industry that's pulling the strings on them are not going to let them off the hot seat. That's the way they are. They've picked a very unforgiving task master. I'd like to ask Senator Kintner a question. [LR41CA]

SENATOR GLOOR: Senator Kintner, would you yield? [LR41CA]

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SENATOR KINTNER: Yes, I will. [LR41CA]

SENATOR CHAMBERS: Senator Kintner, do you favor this bill? [LR41CA]

SENATOR KINTNER: To recommit? Yes, I do. [LR41CA]

SENATOR CHAMBERS: Do you favor the bill itself, the constitutional amendment?
Would you vote for it? [LR41CA]

SENATOR KINTNER: No. [LR41CA]

SENATOR CHAMBERS: Thank you. Members of the Legislature, I knew Senator Kintner had more going for himself than he revealed at a certain committee hearing, where he and I were on opposite sides of the fence. And I bet he never thought we'd be this much in lockstep on anything. And I could tell a fib, just like the progambling forces, and say I looked at Senator Kintner and his body language told me that his position on this bill is right, and he's against this bill so I'm against it too. I could say, like Senator Bloomfield had indicated, or join him, all these other issues about the machines and even the constitutional considerations are of no concern to me. There are arguments that I might make along the way, but I am foursquare against the gambling. I have seen the devastation that it does. And for us as policymakers, who are supposed to be interested in the welfare of the people in this society, to vote for something that we know is so devastating, I think, I think is irresponsible. To say, well, let the people vote for it, then let's let them vote on whether or not heroin ought to be legalized, and if they vote it is, then it is. Some things are not to be determined by way of a popularity contest. There are some things which we, as informed lawmakers and policymakers, are to make decisions on. And the progambling forces will always tell you, well, let the people vote. If the people are going to vote on everything, it wouldn't be a representative democracy or a republic. It would be a pure democracy where everything is decided by a vote of the people. But that's not the kind of government this is and I'll bet not one of you ran saying, I am so incompetent... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHAMBERS: ...that I want to let the people vote on every controversial issue; I don't want to decide it. And did you say time? [LR41CA]

SENATOR GLOOR: One minute, Senator. [LR41CA]

SENATOR CHAMBERS: Oh, thank you, Mr. President. We have a responsibility and we should resolve this issue. And I'm surprised that Senator Lautenbaugh did not look at this bill more carefully, because his name is on it. But the gambling interests wrote this bill. They might know about gambling but they don't know anything about grammar. Or

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maybe they're more cunning than we would think. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Chambers. Senators in the queue: Christensen, Brasch, Kintner, Larson, Karpisek, Avery, and Price. Senator Christensen, you are recognized. [LR41CA]

SENATOR CHRISTENSEN: Thank you, Mr. President. Colleagues, we hear this bill is to save jobs. I have asked this question I think every time that we have sat and debated this issue: Why is it we have to create a gambling machine, rerun previous races instead of being able to increase the number of races, increase the number of days, doing something that is a direct benefit to the horsing industry? If we want to save the jobs of the jockeys, of the trainers, of I've even heard in different times the people producing the alfalfa and different things this way, then we're going to do something to increase the utilization of that hay, increase the use of more horses, having more races, more tracks, whatever the case is. But I've yet to see a bill come in here on the basis of trying to help that industry perform what they do, from the breeding of the horses, racing, training, all of this in the industry. It would be easier for me to get ahold of that, if that's what this is, a jobs bill, than it would be for me to agree with a machine to watch a historic race. I don't remember who it was, earlier made the statement you don't bring your family around a computer screen to watch to have a family event, but you would take your family...now I've been involved with some of my family before at a horse race, but as I said earlier it's been a number of years. I was either in my 20s or early 30s. Senator Lautenbaugh may be correct, I need to go back again and see what it's like. And I agree with Senator Schilz that says these are very good, honest people. But I would like to see a bill that helps their industry as it is, not reaching out. I look over to Council Bluffs. They used to have a dog track over there. I believe it's no longer there and just gambling machines. As I recall, and I hope somebody corrects me if I'm wrong, the gambling casino part of that was to save the horse...or the dog racing. Now the dog racing is gone. That's my fear with this bill. We're not going to save the horsemen. We're going to open up gambling machines in this state. That's why I stand here in opposition of this. I don't believe that's the direction we need to be going. Again, I'm going to say again, I hope there's a bill brought next year, something to help the horses' industry themselves. I don't know if they need more days. I don't know what it is they need. I would think they could increase the days if it was out at the current tracks. I believe what they really need is more people attending,... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHRISTENSEN: ...more people gambling if it's going to save their industry, and that's why the historic race is coming in. My fear is the historic races will be available eventually 365 days a year, maybe 24 hours a day. It would turn into a mini-casino instead of being what it's supposed to be, as I hear, job-saving for the horsemen and things this way. I understand part of the money goes to them guys, but I

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don't think it's the up-front, honest way of trying to help out that industry, if that's what you believe in. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Christensen. Chair recognizes Senator Brasch. [LR41CA]

SENATOR BRASCH: Thank you, Mr. President. And thank you, colleagues. Senator Christensen, I believe, is correct, that it would be the end of horse racing as we know it if we do pass LR41CA and move forward. I rise against this and support recommitting it to committee. Because we oppose this, it does not mean that we are against horses or horse racing. What it means is that we oppose "casinoizing" live horse racing as we know it. I do believe it is a fast and speedy means to the end or demise of horse racing. Again, I do love horses. We live on a farm. My husband loves horses. We have granddaughters. They beg for Grandma and Grandpa to buy a horse. But we know horses are a huge commitment. It's a huge expense, and right now, no, we're not ready, we let them know, to get horses, nor would we ever imagine that as grandparents or anyone in this room or watching would consider boxing up one of these machines and putting it under the Christmas tree or next to the birthday cake. They are not live horses. They are not helping horse racing. Never, never, never would we confuse the two. However, all of us, we don't know what this machine looks like. I didn't need to pass around a picture with my name and district on it with a picture of a live horse or live horse racing. We know what that is. We do not know what this "capturized" historic horse racing machine is. And I do ask, you know, all of the colleagues that are here or listening from their offices to please think long and hard about recommitting this to committee. And I will yield any time to Senator Chambers. [LR41CA]

SENATOR GLOOR: Two minutes, forty seconds, Senator Chambers. [LR41CA]

SENATOR CHAMBERS: Thank you, Senator. Thank you, Mr. President. Members of the Legislature, Senator Christensen raised some very good issues but I want him to know, and I think he knows, there will never be a bill of the kind that he's talking about, in the same way that the ethanol industry cannot be self-sustaining. Without those huge federal subsidies and then semisubsidies of various kinds at the state level, ethanol would be gone. The horse racing industry cannot survive. It's one of those things that has to be relegated to the dustbin of history. There may be a nostalgia on the part of some people, but there are some occasions with reference to certain things where you have to just let them go. But the people who are on the gambling end of it see a lucrative source of money going away. That's why they fight so hard. Nobody has ever indicated that there are many people who go to horse races because they love to see beautiful animals, highly trained, and then determine over and over that some run faster than others. That's not what makes horse racing an event that people are interested in. It's the gambling. And as with all gambling, pari-mutuel came from Paris--Paris mutuel. They invented it there. So Americans, like everything, got in on it late, messed it up,

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now they're trying to keep it going when those who started it... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHAMBERS: ...have let it go a long time ago. But that industry is through. We're dealing now strictly with gambling. And as others have pointed out, it's an expansion from what there is now. If these machines are believed by the gambling interests to be constitutional, let them put the machines in operation. But they're not going to do it because they know that these machines are illegal. They know that. But if they believe they're legal, find one of their number who's willing to start one of these machines, put it in operation, and even notify the Attorney General or the sheriff that this machine is going to be operational here; we need a court test and that's what we want. But they don't trust that position that they're trying to palm off on the members of this Legislature. [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Chambers, Senator Brasch. Senator Kintner, you are recognized. [LR41CA]

SENATOR KINTNER: Thank you, Mr. President, members of the body. As I watch the conservatives in this Chamber beat each other up on this bill, I can't help but think there's a few people who lean to the left, are kicking back and watching us and having a good time watching us beat each other up. But you know, my family is from Louisville, Kentucky, or Lowavul (phonetically) as we used to call it. I know what a good horse racing industry looks like. It's part of the heritage of my family's state. And I can tell you that right now, even in Kentucky, home to Kentucky Horse Park outside of Lexington, and Churchill Downs in Louisville, they're hurting. There's proposals down there to put slot machines at their horse racing tracks, which are in far better shape than ours, to try to prop it up. Unfortunately, as much as it pains me, this industry is a dying industry. And I don't think, if we had historic horse racing, that we're going to fix the problem. We'll delay it for a few years but they'll come back five, ten years down the road and say we need more help, we need slot machines, we need some other kind of gambling. And I believe in the free market, and people will vote with their wallet. They'll vote with their feet. They'll vote with their attendance. They'll vote with their time and energy and passion. And much as it pains me, they're not voting for horse racing right now. And I know it's part of our heritage and it's a grand part of our country's heritage, and it just hurts me to have to stand here and say all we're doing is delaying what looks like the inevitable. Now maybe the horse racing industry comes up with a way to interest young people in horse racing, getting them to come out to the track and have a good time and have a few drinks and see their friends or whatever it would take. But if they don't find

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that, historic horse racing is not going to fix the problem and we're going to continue, I think, to lose patrons of horse racing. As they die off and the young people don't get interested, I think this is going to be the demise of the horse racing industry. If they don't find something, somehow to fix the core product, which is horse racing, I don't think it's long for the world. So I support this motion to recommit and I wish the horse racing industry well and I hope they can find a way to interest young people and make it a viable option for family entertainment. But I don't think historic horse racing is going to do the trick. And I will yield the balance of my time to Senator Chambers. [LR41CA]

SENATOR GLOOR: Two minutes, Senator Chambers, have been yielded to you by Senator Kintner. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President, members of the Legislature. Here's one point where I have to agree with Senator Kintner. Senator Kintner, they have been sitting out here watching us conservatives just beat each other up on this bill. I'm as conservative as anybody can be. What is a conservative? Somebody who takes a position which generally is looking backward and out of step with the people who are really wanting to change everything. I am more of a conservative on this gambling issue than anybody on this floor. Nobody has been provoked or impelled to say the kind of things that I will say because they are as opposed to gambling as I am, who mean it as deeply as I do. So compared to me, Senator Kintner, and my conservatism on this issue, you are a wild-eyed radical. You, Senator Kintner, yes, you are. I'm trying to pull you a little... [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR CHAMBERS: ...more to my point, but you're close enough for this bill's sake for us to be together on it. But, members of the Legislature, I don't know that this bill is going to break down along conservative, liberal, or whatever those terms are. I don't know what a liberal is. I don't know what a conservative is. I know people use the terms. It's why I don't apply any labels to myself, except I will accept the term "prude" with reference to gambling. I do not yield on it. I do not waiver on it. And I believe the gambling forces are evil. I think they are evil people, not the ones who are victimized and gamble, but the ones who orchestrate it, knowing how damaging it is, knowing how to make it more alluring. That's why they have all these bells and whistles and the free food or inexpensive food at the casinos. They know if you can once get these people into the arena, you have got them. [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR CHAMBERS: Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Chambers. (Visitors introduced.) Continuing

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with floor debate, Senator Larson, you are recognized. [LR41CA]

SENATOR LARSON: Thank you, Mr. President. I rise today against Senator McCoy's motion to recommit to committee. I also want him to address a few things that have been stated in this Chamber the last few hours and kind of bring my humble view. I think Senator Harms, when he talked to Senator Lautenbaugh and asked him if the horse Racing Commission was going to need any appropriations from the state to survive, I don't think that that's quite the way that it came about. As a member of the Appropriations Committee, I was there. And the Racing Commission did come in and ask for funds in terms to help test horses, and those were the second-place horses. The Racing Commission can still test all the first-place horses with their money, so the Racing Commission can survive without an appropriation. And I felt that to imply that they couldn't survive without an appropriation from this Legislature was disingenuous, because they can. They're just not going to be able to test as many second- and third-place horses as they otherwise would be. And the Racing Commission is set up to help prove integrity in our horse races, which is important. But either way, without...with or without that appropriation, the Nebraska Racing Commission will survive, and to say that they won't without it is wrong. I've also heard, whether...from a number of senators, that horse racing is a dying industry, it's dying, we need to let it die. You know, there's a lot of things in Nebraska that struggle. Whether it's the small town of Magnet or the small town of Hyannis, they struggle. There's industries that struggle. Horse racing may be one of them. Do we just let something go because it's struggling? Or do we work to fight for rural Nebraska? Do we work to fight for the industries that struggle? They're not asking for a handout. You can say that this is expanded gambling; I would disagree. We'll draw the line and I understand that. We all have our opinion on that. They want to have an opportunity to provide and to build. I've heard Senator Chambers say this isn't a jobs bill; criticizing...or said...told Senator Schilz this isn't a jobs bill. Again, I disagree. Who works at Fonner Park? Who works at Horsemen's? Right there's jobs. You let this industry die, there's jobs, there's jobs out of Senator Gloor's district that are gone. Now let's talk about the horsemen themselves. There's jobs, there's people that live in this state, that pay state income taxes, that pay state sales tax. Senator Bloomfield says there's plenty of people to buy hay right now; that we don't...that, you know, they're not the only people that buy hay. True, they're not the only people that buy hay. They're not the only people that shop on main street. They're not the only people that pay income tax in the state. But they...they're still jobs. And to say that this isn't a jobs bill, that this is only about casino gambling, no, that's not true. Also, I was going to ask Senator Brasch but I...because I heard her ask it and she mentioned that Senator...or say it and she mentioned that Senator Christensen was the originator. If Senator Christensen would yield to a question, I'd appreciate it. [LR41CA]

SENATOR GLOOR: Senator Christensen, would you yield? [LR41CA]

SENATOR CHRISTENSEN: Yes. [LR41CA]

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SENATOR GLOOR: One minute, Senators. [LR41CA]

SENATOR LARSON: Senator Christensen, did you say that if LR41CA passed that you believed--and I wasn't here in the room so if you didn't, excuse me--that it would be the death of horse racing as we know it? [LR41CA]

SENATOR CHRISTENSEN: I don't think that was my comment. [LR41CA]

SENATOR LARSON: Oh, I'm sorry, I thought I heard Senator Brasch say that you mentioned something like that. So if you didn't, I apologize. [LR41CA]

SENATOR CHRISTENSEN: I don't remember saying it anyway, let's put it that way. [LR41CA]

SENATOR LARSON: (Laugh) And I may have misheard Senator Brasch and I wanted to ask her if that's...if that was her intention when she said that to pass this would be the end of horse racing as we know it. So I'm sorry, Senator Christensen. I thought she said you originated that. So I appreciate you yielding. With that, colleagues, I think we've heard a lot from the opponents today about why this is bad, why gambling is bad. Senator Christensen has even said, you know, this is a tax that you can choose if you want to pay. But I think there's bigger things in here and to say that it's not a jobs bill or to say that because it's a dying industry we have to let it die... [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR LARSON: Thank you. [LR41CA]

SENATOR GLOOR: Thank you, Senator Larson. Senator Karpisek, you are recognized. [LR41CA]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I do apologize that I haven't spoke much today but I'm feeling a little under the weather and I'm not the crazy mad guy today. But I might get there. I am talking about LR41CA, as not to confuse it with the bill. The things that are written in LR41CA are...it says, "live, replayed, and delayed," is underlined, that's new language, "horseraces." Stricken is, "wherever run." I think that was stricken because the next words say, "either within or outside of the state." Well, I think that's redundant to say "wherever run, either within or outside of the state." Next stricken is, "by the parimutuel method, when such wagering is conducted by licensees within a licensed racetrack enclosure." Underlined new language, "When such wagering occurs at licensed racetracks where live racing occurs, by a parimutuel method." I think that says about the same thing. What doesn't come back in is "enclosure." I think that the "enclosure" was taken out as not to confuse that

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people think this is an arena or something. Now can I tell you exactly that that's true? I don't know. This was sent to Bill Drafting and that's what came back. But to say that there are unconstitutional things in this constitutional amendment, in my opinion, is not right. A constitutional amendment is an amendment that would change the constitution. So if it was voted on, it would go into the constitution, so then it would be constitutional. I could be wrong. I'm not a lawyer, nor did I study law. But to say that this is poorly written and that the committee didn't talk about it, I don't think that Senator McCoy has anything from the Exec, when we "execed" on it and talked it over. I don't think there's anything wrong with LR41CA. If it would come back, I don't know what we would do different. This is three lines that are different. We can certainly fix three lines, if they are...if something is wrong, on the floor. We've done it before. This is just a way to get it back to committee so it doesn't come back up. And we'll be on it, sure. That's Senator Lautenbaugh's call. It's his bill. There's going to be other bills that come up that we're going to be on a long time too. I don't know who will be together on it and who will be apart, but that's the way it works. So we've been on a lot of bills for a long time this year. It's what we do. It's okay. We knew when Senator Chambers would be back that we would do that, because he is the master. But I've learned from the master a little bit too. So I did say, when Senator Chambers was threatening us or teaching us earlier in the year, that he's going to hold everything up. I said, but wait a minute, there's going to come a day that we're on opposite sides and then what are you going to do? Because maybe I'll say that I'm going to hold everything up if I don't get my way, and I'm going to filibuster every bill on this floor, and this will be my session. [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR KARPISEK: And then Senator Chambers and I will be in a death lock for the rest of the session. But he will win because he has more experience. But he'll know that he was in it. The problem is with that though, Senator Chambers, is that we're on the same side a little bit too often, so that won't work. But we'll find someone else to do it. Senator Chambers talked about people watching and saying they didn't think that we'd be talking about something like this. I hear what people say when they watch: There's that Ernie Chambers again taking up all their time. And they're right. And they get a chuckle out of it, and so does he and so do I. My point is, like the bill, don't like the bill, I don't care,... [LR41CA]

SENATOR GLOOR: Time, Senator. [LR41CA]

SENATOR KARPISEK: Thank you,...but don't send it back to committee. [LR41CA]

SENATOR GLOOR: Thank you, Senator Karpisek. Senator Avery, you are recognized. [LR41CA]

SENATOR AVERY: Thank you, Mr. President. I have listened to this debate and haven't

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heard anything new, because we've debated this a couple of times since I've been here already. I am going to support this motion to recommit, but I do so knowing that the industry needs help. That's clear. But does it need this kind of help? Does it need to have expanded gambling in order to survive? I don't believe that this will save the industry. How many of you remember when were told that simulcasting would save horse racing? Did that happen? No. So why should we think that this expansion would do anything that would help the industry? I don't see how you could argue that expanded gambling in this form is the magic bullet that the horse racing industry needs. I said before when we debated this, I believe it was last year, that horse racing has to save itself. It must expand its fan base to survive. And to do that, they need to have some strategy, a marketing strategy, to attract younger wagers and young sports fans to their industry. What we are talking about here, despite what Senator Larson just said on the microphone, we're talking about introducing a new form and new opportunities of gambling. That is an expansion of gambling. Expansion of gambling means the introduction of additional forms of gambling opportunities in a currently existing legal form, and it can also, of course, mean the introduction of an entirely new form of gambling. Casinos would fall in the latter category. This is an expansion of gambling by introducing an additional form of gambling opportunities within a currently existing legal form. So that seems to me to...it should put to rest the argument that is being made that it is not an expansion of gambling. Those of you who remember previous debates on this subject remember that I have never said that I had a moral objection to gambling. What I have said consistently is that it does not make economic sense. And you can find that in almost any standard economics textbook. Gambling does not produce a new product. Gambling does not add value to an existing product. Gambling simply is a sterile transfer of money, mostly from people who don't have it to people who do. That is not economic development. And I think that we need to understand that there are a lot of costs that go along with gambling, particularly expanded gambling. I have looked at some research and I shared some of this with you last year. This is research conducted not by the gambling interests and not by the antigambling interests but by disinterested, unbiased researchers. And some of the facts that they found is that 30 percent to 50 percent of the revenues generated by gambling comes from problem gamblers, pathological gamblers, the ones who are addicted. Slot machines are particularly damaging because they add to the addiction. The shorter time to reach addiction for those who get hooked on video gambling is one year, compared to three and a half years for nonvideo gambling. [LR41CA]

SENATOR GLOOR: Time...or one minute, Senator. [LR41CA]

SENATOR AVERY: Thank you, Mr. President. Some of the cost-benefit analysis of gambling to buttress that argument about the economics, if you do a conservative cost-benefit evaluation, the costs outweigh the benefits by a factor of \$3 to \$1. For every \$1 generated, it costs \$3. That's not good economics. Despite what you might think of gambling morally or the social pathologies or whatever, look at the economics.

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It's not economic development and we should be looking at ways to create jobs in other industries than this one. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator Avery. The Chair recognizes Senator Price. [LR41CA]

SENATOR PRICE: Thank you, Mr. President, members of the body. First and foremost, I apologize for the rapid approach. I have a lot I want to cover. Trying to put ten pounds of sugar in a five-pound bag here. First and foremost there, I want to clarify on my remarks about attribution. I still stand by them, but for a point of clarification is obviously if you are talking to someone and you want to attribute, you have to use their name, but it's the tonal inflection which we utilize that sometimes can get in the way of the message we're trying to convey. That's why I said that. But that being said, I'll have to admit that I like horses, to a point. I have to admit that I have a modest fear, perhaps even a healthy fear some would say, because I have been around horses. And that poor horse that I rode, that horse with no name, I feel bad for that horse, but it showed me the difference between being a horse and being a rider in pretty quick and short order, as I found myself on the ground. But again, I have a healthy respect for horses. I understand the horses and their owners, what they do, and I would say in my first years here I was fortunate to sit on the General Affairs Committee and I watched a unique schism form when horse owners and all the people who work at horse racing tracks were on one side of an issue and the owners of the tracks and the pari-mutuel people were on the other side of the issue. And for those who are new here and haven't heard it, it's my belief that if they could never have another horse race in this state, the horse track owners will be just fine with that, because it's expensive. You have to hire a lot of people. A lot of things go on at a horse race. And sitting down at the machine and plugging in, who knows, maybe Google will put your Google Glasses on, you could run it on your Google Glasses and go straight to your ATM and you can get broker quicker. That's if you can afford the Google Glasses. But again, it's a complex issue and we're here again. And I believe that in the discussion so far we're talking...we're replowing an area we've been before. I don't know how many more minds are being made up on the subject matter, but we are going to continue on this. I did notice in Senator Avery's commentary there that it talks about taking gambling like this, taking money from those who have it and giving it to those...or taking it from those who don't have it and giving it to those who do have it. And I don't know if they actually have it to give. That's the condition. I haven't noticed a lot of \$400,000 homes being built right around the pari-mutuel wagering locations, but maybe I'm just not looking at the right places. But with that, I would yield the balance of my time to Senator McCoy. Thank you. [LR41CA]

SENATOR GLOOR: Senator McCoy, you have 2 minutes. [LR41CA]

SENATOR McCOY: Thank you, Mr. President. Thank you, Senator Price. I would have a question for Senator Schilz, but I don't believe he's still in the Chamber. Would

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Senator Karpisek yield, please? [LR41CA]

SENATOR GLOOR: Senator Karpisek, would you yield? [LR41CA]

SENATOR KARPISEK: Yes, I will. [LR41CA]

SENATOR McCOY: Thank you for indulging me, Senator Karpisek. I, too, am dealing with a little bit of a cold issue, so I appreciate your willingness to be on the mike for a moment. You mentioned a few minutes ago that we may not have talked about some of the issues that I've raised on LR41CA in the hearing. Did you discuss them in the Exec Session, the issues that I've raised? [LR41CA]

SENATOR KARPISEK: I'm not sure which issues exactly you raised, Senator. I'm sorry. [LR41CA]

SENATOR McCOY: Well, I appreciate that, Senator. Thank you. [LR41CA]

SENATOR KARPISEK: I was listening. I just don't remember. We looked over the language. I don't want to take all your time, but we looked it over. [LR41CA]

SENATOR McCOY: Well, I appreciate that. [LR41CA]

SENATOR GLOOR: One minute. [LR41CA]

SENATOR McCOY: Thank you, Senator, for your time. Well, I would submit to you, members, that on something of this magnitude, we all, all of us, serve on committees where we speak candidly, sometimes with the press and the media in attendance and sometimes not, in Exec Session. But we do not deal with substantive issues of this kind of magnitude and changes to a piece of legislation only in Exec Session. If we do so, in my mind, it's a violation of the second house, which is the people of Nebraska. That's why this issue needs to go back to committee. These issues that we have raised deserve to have public input on again, and I'll continue to talk about them in future days. Thank you, Mr. President. [LR41CA]

SENATOR GLOOR: Thank you, Senator McCoy. Mr. Clerk, announcements, items for the record? [LR41CA]

CLERK: Mr. President, your Committee on Judiciary reports LB607 as indefinitely postponed. Revenue Committee, chaired by Senator Hadley, reports LB153 to General File with amendments. I have hearing notices from the Judiciary Committee. New resolutions: Senator Janssen, LR88; Senator Larson, LR89; Senator Bloomfield, LR90. I have amendments to be printed to LR41CA from Senator Chambers. I have a filing of a conflict of interest statement from Senator Campbell and a second from Senator

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Christensen. I have name adds: Senator Pirsch to LB266, Senator Pirsch to LB429. (Legislative Journal pages 637-646.) [LB607 LB153 LR88 LR89 LR90 LR41CA LB266 LB429]

And a priority motion: Senator Hadley would move to adjourn the body until Thursday morning, March 7, at 9:00 a.m.

SENATOR GLOOR: Members, you've heard the motion to adjourn until tomorrow morning at 9:00 a.m. Those in favor say aye. Those opposed, nay. We stand adjourned.