

Transcript Prepared by Clerk of the Legislature Transcribers Office
General Affairs Committee March 10, 2025

HOLDCROFT: Welcome to the General Affairs Committee. I am Senator Rick Holdcroft, representing Legislative District 36, and I serve as chair of the committee. The committee will take up the bills in the order posted. This public hearing today is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. Please move to the front row to be ready to testify. When it is your turn to come forward, give the testifier sheet to the page. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone; tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents of the bill, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer, if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining, and the red light indicates you are finished. Questions from the committee may follow, which, which do not count against your time. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard; it is just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Props, charts, or other visual aids cannot be used, simply because they cannot be-- they cannot be transcribed. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room; such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. And we'll now have the committee members with us today introduce themselves, starting on my left.

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ANDERSEN: Good afternoon. I'm Bob Andersen. I represent District 49, which is northwest-- northwest Sarpy County and Omaha, Nebraska.

DeKAY: Barry DeKay, representing District 40, which consists of Holt, Knox, Cedar, Antelope, northern part of Pierce, northern part of Dixon Counties.

QUICK: Dan Quick, District 35; Grand Island.

CLOUSE: Stan Clouse, District 37; Kearney, Shelton, and Gibbon in Buffalo County.

ROUNTREE: Victor Rountree, District 3, representing Bellevue and Papillion.

STORM: Good afternoon. Jared Storm, District 23; Saunders, Colfax, Butler County.

HOLDCROFT: Also assisting the committee today, to my right is our committee research analyst, Micah Chaffee. To my far left is our committee clerk, Barb Dorn. Our pages for the committee today are Tate Smith of Columbus, a junior at the University of Nebraska-Lincoln majoring in political science, "Arvna" [SIC] Rishi of Omaha, also a junior at UNL, and a political science major. Today's agenda is posted outside the hearing room. With that, we will begin today's hearing with LR20CA and Senator Bostar.

BOSTAR: Good afternoon, Chairman Holdcroft, members of the General Affairs Committee. My name is Eliot Bostar. For the record, that's E-l-i-o-t B-o-s-t-a-r, representing Legislative District 29. Here to present LR20CA, a constitutional amendment to allow online mobile sports betting. In 2020, Nebraska voters overwhelmingly approved expanded gambling through a ballot measure. LR20CA will again give voters a chance to weigh in, to approve mobile sports betting and utilize the economic benefits of regulated gaming. Nebraska is currently missing out on a \$1.6 billion state online industry and \$32 million in annual tax revenue, which instead goes to neighboring states like Iowa, Colorado, Kansas, and Wyoming. Legalizing online mobile sports betting through LR20CA could significantly boost state revenues dedicated to the Property Tax Credit Fund, addressing the burden of high property taxes. Thousands of Nebraskans are already crossing state lines each month to bet on sports, contributing to neighboring economies, with the majority of those bets going to Iowa. According to a recent study conducted by GeoComply, over the entirety of the 2024-2025 football season, there were over 83,000 active mobile sports

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wagering accounts in Nebraska, which is a 63% increase in accounts over the previous season. Over that same period of time, there were 3.9 million attempts to access regulated online sportsbooks from inside Nebraska's borders, and 42,000 border crossings, with 92% going into Iowa to place a bet. The demand for mobile sports betting is clear, and it's in our best interests to regulate and benefit from it. Nebraska's property taxes are among the highest in the nation, heavily impacting homeowners, farmers, and small business owners. Directing revenues from online mobile sports betting to the Property Tax Credit Fund can provide much-needed relief. This is an opportunity to create a new source of tax revenue for property tax relief. In fact, Nebraskans are already in favor of the measure. Almost 60% of voters support legalizing, legalizing mobile sports betting, especially when they know it would generate \$32 million annually for state revenue; support increases 65% when the revenue is dedicated to property tax relief. I introduced this exact same constitutional amendment last year during the special session in order to get it on the 2024 general election ballot. Because it wasn't successful, Nebraska missed out on an estimated \$64 million of tax revenue that could be used to reduce the property tax burden on our constituents. Let's not leave this money on the table or have it go to Iowa for another two years. Thank you for your time and consideration this afternoon. I'd urge the committee to support the constitutional amendment. I'm happy to answer any initial questions.

HOLDCROFT: Are there any questions from the committee for Senator Bostar? Senator Andersen.

ANDERSEN: Thank you, Chairman. [INAUDIBLE] Senator Bostar, thanks for being here. In looking at the paragraph of page 3, when it talks about the using mobile electronic platform for doing-- placing a sports bet, it says inside the state of Nebraska at the time the sports wager is placed. Are you going to have some kind of geofencing? Is there going to-- I mean, how are we going to know that they're inside the state of Nebraska? And additionally, is there no requirement for them to be inside of a facility that's conducting the online wagering?

BOSTAR: Well, so currently, folks can do sports betting in Nebraska at a location that-- so, at a casino or a location that allows a, a casino game.

ANDERSEN: But not on their phone, right? They'd have to go up to a [INAUDIBLE] to make their wager?

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BOSTAR: I'm actually not sure that that's the case. I-- but some folks can talk to that. But currently, those locations are where this can be done. So, this constitutional amendment would expand that to, to mobile across the state. The companies that operate these endeavors already use sort of geofencing to ensure that there's understanding and awareness of where this is all taking place, and, and this would be no different.

ANDERSEN: OK, so it's only can be-- the service can be in Omaha, and somebody in Gothenburg can place a sports bet is your intent? On their phone?

BOSTAR: Sure.

ANDERSEN: OK. Thank you.

HOLDCROFT: Any other questions? Yes, Senator Clouse.

CLOUSE: Thank you, Senator Holdcroft. Senator Bostar, since about five of us weren't here in special session, can you tell me why that didn't make it in special session? What-- maybe what some of the conversation was?

BOSTAR: So, ultimately, in special session, it didn't make it primarily because our special session-- the call of our special session by the governor was fairly narrow. And partially because of that, partially because we ran out of time, we were there focused on a, on a property tax package that I felt that this constitutional amendment supported, but could have been read in a number of different ways as far as being outside of what the, the function and purpose of the special session was.

CLOUSE: So, it didn't get a lot of [INAUDIBLE]

BOSTAR: Now, calls can be amended, and, and we were having that conversation as well. But ultimately, when the fate of the, the primary legislation that was the subject of special session was finalized, I don't think that there was much interest in continuing session beyond that point.

CLOUSE: OK. Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you, Senator Bostar. Will you be here for close?

BOSTAR: I will.

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HOLDCROFT: Excellent. Our first proponent, speaking for the bill.
Welcome.

LANCE MORGAN: Thank you. My name is Lance Morgan, L-a-n-c-e M-o-r-g-a-n, and I'm the CEO of Ho-Chunk, Inc. and for WarHorse Gaming. War-- I'm here to support, obviously, the constitutional amendment. The constitutional amendment ties the, the mobile sports betting to the existing casinos, and that's pretty important to us. Between us and the other entities, we'll invest probably about \$700 million, and we'd like to tie them together because we don't want to be Sears when Amazon comes [INAUDIBLE] because we're making this large investment into this, and so I think that's pretty important to mention. When we passed it in 2020, 69% of the people voted to support it, at least the tax portion of it. We've done some polling-- and we'll have somebody come up and talk about that-- this past summer, and 65% of people support it when it's tied into property tax relief. And, you know, I think that-- I'm in a position of having some of the data. Now, keep in mind, we opened Omaha in August and Lincoln we expanded in, in November, so it's partial data. But we had \$45 million in bets placed in Omaha and Lincoln alone-- I don't have the data for the other ones-- and 400-- 820,000 individual bets were made. We anticipate that will jump up to about 1.5 million individual bets today. That's just inside the facilities themselves, so it's clearly a very popular thing to do. Iowa puts their data online; they had \$200 million in retail betting inside their facilities last year, and they jumped up 14% to \$2.8 billion. This-- we keep saying it's a \$1.6 billion, because we extrapolate the population-- relative population from Oma-- from Nebraska to Iowa. But if you can take that in, we say it's a \$1.6 billion industry; it's a \$1.75 billion if we, if we participate at the same level. And so, the data we're saying says \$32 million in property tax relief. That's probably a little low depending on, on the usage of it. So, it's, it's clearly very, very popular. The other thing I think that's important is it's already happening. You know, there's 100,000 existing accounts already, and I think there's another-- what, what is it, 50,000 people crossed into, into Iowa from Omaha? I live in Omaha, so sometime-- when I, when I go to the-- I also go to the reservation, and I sometimes on Saturday or Sunday see like a row of cars across the North Omaha Bridge, all parked at an-- there's no reason to be there; they're all parked, making their bets and giving their money into Iowa. You also can do a VPN or do an international site. And the other thing I think that's important is that what we're trying to do is regulate what's already happening, and I think that's a pretty important step. It's not just regulated, but it's also taxed. Right now, they cross into Iowa, Iowa gets the money-- the tax money and the revenue associated with it.

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And the other thing I think I've mentioned this summer when we talked about it was the casinos themselves tend to be centered in the metropolitan areas or along I-80, and if you wanted to participate in sports betting but you live in Chadron, there's no place to do it other than illegally. And-- or, unless you want to drive to Grand Island or maybe Ogallala in the future. And so, I think that this allows people to access to it that isn't there. And this isn't--

HOLDCROFT: That's your time, Mr. Morgan.

LANCE MORGAN: Oh. So, that's my final [INAUDIBLE]

HOLDCROFT: Let's see if there are any questions from the committee. Any questions for Mr. Morgan from the committee? Yes, Senator Storm.

STORM: Thank you, Mr. Holdcroft. Yeah, I have one question for you. Thanks for testifying. So, you represent WarHorse Gaming?

LANCE MORGAN: Yes.

STORM: OK. What does-- does WarHorse do anything for people who are addicted to gambling? Do you have any type of funds that you put towards that, to--

LANCE MORGAN: Yeah, a certain portion of the money-- we, we helped write the tax bill, actually, and I think of-- I don't know the exact percentage, but it's a relatively small percentage, but it's growing as the gaming grows that goes into the fund for addictive gaming. And one of the things that-- people can put themselves on a self-exclusion list, and it's really hard to track, and we were just talking in the back here with the regulators how we're trying to get in facial recognition technology so that we can-- you know, so if we have their picture, we can also-- if they don't want to gamble, that we can make sure we catch them at the door so that we can help, you know, make sure that they don't have any problems.

STORM: So, you have a process, if people who are addicted to gambling are trying to get into your casino, you actually deny them access?

LANCE MORGAN: Yeah, we will-- it-- it's a little hard to track them down, because sometimes they're sort of incognito. That's why we wanted to put in some, some facial recognition software. I was a little worried about "Big Brother," but I think it's-- probably in the end, it's probably better to invest the money in making sure people--

STORM: Would you agree--

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LANCE MORGAN: --because if you're addicted, you're going to try.

STORM: Yeah. Would you agree that gambling can be addictive, though?

LANCE MORGAN: Oh, yeah. I, I think that-- we don't support any addictive behavior at all. We'd rather much-- we'd rather it be a form of entertainment. So, anything we can do to, to protect people from that is, is, is fine with me.

STORM: So, is WarHorse Gaming-- is that just in Nebraska, or are you outside of the state too?

LANCE MORGAN: Well, WarHorse Gaming is a subsidiary of Ho-Chunk, Inc., and--

STORM: Right.

LANCE MORGAN: --our existence predates Nebraska, because we're the Winnebago Tribe of Nebraska. Welcome. You know, you guys have done a good job with the place. But we're trying to get in on it at this point, so it's definitely a local Nebraska company.

STORM: OK.

LANCE MORGAN: Yeah.

STORM: Thanks.

HOLDCROFT: Any other questions? Yes, Senator DeKay.

DeKAY: Thank you. Thank you for being here. We talk about the property taxes that this would generate for the state of Nebraska. The other part of the revenue, how's that a trickle-down effect to-- effect economic development and to the amount of employees and stuff
[INAUDIBLE]

LANCE MORGAN: I think that the-- first of all, we'll talk about the tax thing. I think there's a few pieces that go to various places like, like gambling addiction, but 25% of the tax revenue goes to the local city and county governments, and we're the persons who actually added that in there when we did the bill, because we wrote the constitut-- people voted on it. Because we thought that in Iowa, all the money goes to the state and the local government doesn't participate in it, and so we think that's been pretty critical as to balance the impact on the community and, and benefit to the state as a whole. The other thing to keep in mind is that the indus-- it's-- the gaming itself is go-- is an

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industry that started from nowhere in Nebraska. So, you know, we've already had-- I think we have 600 or 700 employees; we're trying to hire another 100 by next month. And so, there is an impact into the, into the economic aspect also. And there's a casino in Sioux City and it's owned by some outside interests, and the money-- it acts a little bit like the tax, and the money itself goes to Las Vegas or the shareholders. WarHorse gaming is owned by the, the Winnebago Tribe of Nebraska, and the money goes right back into the community. And we-- and we are long-term-- we're 30 years old, and we've done nothing but invest money into Nebraska. Our actual reason for existence is to take gaming dollars and diversify the economy. So, there's no shareholder getting rich in our scenario. We just put the money right back into, into developing Nebraska and into the-- and into the making people's lives better.

HOLDCROFT: Any other-- any other questions from the committee? Yes, Senator Rountree.

ROUNTREE: Thank you, Chairman Holdcroft. And thank you, Mr. Morgan, for your testimony today. You talked about collaboration and anticipation if the CA passes. What other type of infrastructure-- I heard you just mentioned hiring additional personnel to work-- what other type of infrastructure investment would you be making to accommodate the growth?

LANCE MORGAN: Well, I, I think that we're, we're going to-- we're going to open another facility in Omaha right away, and that starts in April; and then, the next \$90 million go into doubling the size of the Lincoln. And then we have a \$50 million project in South Sioux City that's-- that, that is next on the docket. But when it comes to the mobile sports betting itself, the industry itself is dominated by four-- it's an oligarchy, the four major players, and they have 90% of the market. In order to function in the industry, you have to partner with, with those four entities, or you're really going to be out. And so, they have invested billions into their technology and infrastructure, and, and the geofencing and all the technology. I have a DraftKings account, and if I'm in Nebraska, it doesn't work; I cross the bridge, it works. I mean-- so, we're not going to create-- we're not going to reinvent the wheel. There-- the way this is set up is it ties those, those sports betting entities to the particular casinos so that we're not victims of their growth, that we're participants in it. And so, we don't have to-- we don't have a lot of technology infrastructure to, to put into it. We just are going to participate in it.

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ROUNTREE: All right. Thank you so much.

HOLDCROFT: Any another questions from the committee? Seeing none. Thank you, Mr. Morgan.

LANCE MORGAN: Thank you. This will be the second industry we've started in Nebraska, if it works.

HOLDCROFT: Next proponent. Welcome.

SEAN OSTROW: Thank you, Chairman Holdcroft, and members of the committee. My name is Sean Ostrow-- that's S-e-a-n, last name O-s-t-r-o-w-- here today on behalf of the Sports Betting Alliance. Our member companies are FanDuel, DraftKings, BetMGM, and Fanatics. We all unequivocally support the passage of LR20CA to put online sports betting on the ballot in November of 2026, and give the voters of Nebraska the opportunity to make their voices heard on this issue for the first time. We'd like to present you with some polling data, which was conducted in June of 2024 that shows extremely strong support for online sports betting. 59% of voters are supportive when informed that it will generate approximately \$30 million in tax revenue for the state; only 33% of voters were opposed. When asked if online sports betting were on the ballot and would generate \$30 million specifically dedicated to property tax relief, that number goes up to 65%, while only 30% oppose. These results show that these two bills, taken in tandem-- LB421 and LR20CA-- are very much in line with the will of the voters, 90% of whom say it's important for the governor and the Legislature to have a clear plan to provide property tax relief to Nebraskans. I'd also like to present a survey done by a group called Betting Hero. They set out for the Iowa border on a blustery November day in search of people doing what our data confirms is happening on a broad scale: people driving from Nebraska across the border and placing their bets in Iowa. Over the course of a day, they talked to over 50 people engaging in this activity who were very happy to share their opinions. Their candid views on the topic of online sports betting aligns strikingly well with what we know about our customers. The group's average age was 36; 88% said they were coming across the border to place bets in Iowa at least every week. When asked why they drove to Iowa to place bets, the top responses were: it was a greater convenience than driving to a Nebraska casino; a broader range of betting options online; and preference for online betting over the in-person betting experience. Most significantly, 85% of this group said they would immediately stop driving to Iowa if they had options here in Nebraska. 82% also said they would be more likely to support a state lawmaker if that lawmaker supported online sports betting. So, in

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addition to these top line numbers, we have video interviews with these people and more data that we collected throughout that day. Be more than happy to share with the committee. It's representative of tens of thousands of people that we know are engaged in this activity and going into Iowa. Nebraskans overwhelmingly want legal, well-regulated online sports betting, and also property tax relief. So, these two bills combined, LB421 and the CA, will deliver that. So, we urge you to support these bills, and I'd stand for any questions. Thank you.

HOLDCROFT: Thank you, Mr. Ostrow. Any questions from the committee? Seeing none. Thank you for your testimony. Next proponent. Proponent. Welcome.

SARAH MEULI: Thank you, Chair. Good morning, Chairman Holdcroft, and members of the committee. Thank you for the opportunity to provide testimony today in support of Senator Bostar's LR20--

HOLDCROFT: Can you state and spell your name for us, please?

SARAH MEULI: Yes, sir. Sarah Mueli, M-e-u-l-i, DraftKings. In support of Senator Bostar's LR20CA and Senator Clouse' LB421. My name is Sarah Meuli, manager of government affairs at DraftKings, which is one of the four online operators that comprise the Sports Betting Alliance. As an Omaha native myself, having spent 30 years of my life in the Cornhusker State, I'm proud to be here before you today. DraftKings is a leading digital sports and entertainment gaming company, offering fantasy sports, regulated gaming, and digital media. We operate in-person and/or online sports betting in 28 states and D.C., and are partnered with WarHorse Casino right here in Lincoln. We are committed to responsible gaming and ensuring a safe, regulated betting environment. Five years ago, your constituents overwhelmingly passed in-person sports betting when they cast their vote yes on the 2020 ballot, legalizing it in the state. That enthusiasm has only grown. According to a poll of likely Nebraska voters conducted less than a year ago today, 64% of Nebraskans support the ability to place a sports wager online. Unfortunately, current law forces them to either cross the state lines, or use unlicensed, unregulated offshore sites. The reality is Nebraska is losing out on millions in tax revenue to neighboring states. Moreover, illegal platforms lack consumer protections, age verification, anti-money laundering controls, and generate zero revenue for the state. In contrast, licensed operators such as DraftKings provide a customer-centric experience with strict oversight, transparency, and player safeguards. Together, these bills modernize Nebraska's gaming laws by allowing online sports betting, aligning the state with five of its six neighboring states. The constitutional

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amendment lets voters decide in 2026, while its companion enacting bill establishes regulations, operator licensing, and consumer protections including self-exclusion programs and strict background checks. The Nebraska Racing and Gaming Commission will continue to, to oversee integrity and enforcement, just as they always have for sports betting at physical casino locations. By legalizing online sports betting, gaming dollars are redirected back to the state to the tune of \$30 million and new revenue that would directly ease Nebraskans' tax burdens. In conclusion, the time is not only now, but long overdue to bring sports fans across the state into the 21st century. I urge the committee to advanced LR20 [SIC] and LB421 to the floor. Let Nebraskans decide what's right for them. Thank you, and I welcome your questions.

HOLDCROFT: Thank you. Any questions from the committee? Seeing none. Thank you for your testimony.

SARAH MEULI: Thank you, Chair. Thank you, committee.

HOLDCROFT: Next proponent. Welcome.

RICHARD TAYLOR: Thank you, Chair; members of the committee. My name is Richard Taylor, that's R-i-c-h-a-r-d T-a-y-l-o-r, and I'm the director of responsible gambling for BetMGM-- a joint venture, a sports betting and iGaming company formed between MGM Resorts and Entain. BetMGM operates in 29 jurisdictions across North America, where we offer retail and online sports wagering. I am here today on behalf of the company to speak in support of LR20CA, and to our unwavering commitment to responsible gambling. Today, Nebraskans are wagering millions of dollars in neighboring states, as well as on unregulated platforms that are easily accessible to minors and lack any of the regulated and safeguards that we provide on BetMGM's platforms. By legalizing sports wagering, Nebraska can provide a safe, regulated alternative, ensuring that consumers are protected while the state collects tax revenues from vetted gaming operators. Like our peers, BetMGM's responsible gambling program goes well beyond required regulatory compliance standards. We employ an array of educational information, responsible gambling tools, and resources to help our players maintain a healthy and sustainable relationship with gambling. And for those who are not able to do that, we provide resources and support so that they can get to the help and treatment that exists where it, where it may exist. For the sake of time, I'd like to focus on six key points. Number one, we believe in empowering our players with tools and resources to help them make informed decisions about their activities. Number two, we are committed to educating consumers and the public about responsible gambling by promoting these messages in our advertisements, and you'll see that

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throughout the month of March-- which is Problem Gambling Awareness Month-- where we are promoting problem gambling awareness to ensure that the public understands that this is a real addiction, it does affect real people, and, for those who are impacted, there is help and resources available so that they can get the help that's needed. Number three, we have a dedicated responsible gambling team who review customer activity on a daily basis and are ready to initiate interactions with these customers to help get them to this help and support that they may need. Number four, we actively collaborate with leading experts. Number five, we are proud to partner with telehealth services. Number six, we emphasize transparency and accountability in our responsible gambling tools, a mission that is driven by my Chief Executive Officer, Adam Greenblatt. In conclusion, legalizing sports wagering in Nebraska represents an opportunity to balance economic growth with the protection of consumers who currently seek out betting opportunities in other states, or worse, in unregulated operators. I want to thank you for your opportunity to testify here today. I welcome any questions that the committee may have.

HOLDCROFT: Thank you, Mr. Taylor. Any questions? Yes, Senator Clouse.

CLOUSE: Thank you, Senator Holdcroft, and thank you for being here. This, this question is-- it's just kind of for my own-- but you mentioned something about tracking it individually. So, it, it-- would it be like your home banking account, where you can get on monthly and see how much you've wagered, how much you've lost, what you owe in taxes; like, a monthly summary type thing?

RICHARD TAYLOR: Precisely. So, we offer our players with win/loss statements. And so, at any time, they can request that information or go view it in, in their account, and we'll provide how-- exactly how much they've deposited, how much they've wagered, how much they've lost, and all that information will be, be sent to them as soon as we receive the request.

CLOUSE: Is that pretty standard with all the platforms that do this?

RICHARD TAYLOR: Yes, it is.

CLOUSE: OK. Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you, Mr. Taylor, for your testimony.

RICHARD TAYLOR: Thank you, Chair. Thank you, committee.

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HOLDCROFT: Next proponent. Proponent. Proponent. Welcome.

CARTER THIELE: Hello. Thank you very much, Chairman Holdcroft, members of the committee. My name is Carter Thiele, that's spelled C-a-r-t-e-r T-h-i-e-l-e. I am the policy and research coordinator for the Lincoln Independent Businesses Association, here today to speak in support of Senator Bostar's constitutional amendment proposal, LR20CA. Nebraskans, in part, didn't legalize casino gambling because a majority of the state supports the activity of gambling itself, but also because Nebraskans wanted meaningful property tax relief, where gambling dollars stay within our state and reduce property tax statements rather than crossing state lines. Yet, several years later, will-- we are still awaiting significant relief on this end. A fundamental decision has been made, and LR20CA offers a logical solution to helping expand and maximize the gaming tax revenue stream to fulfill that promise to homeowners and businesses. Under LR20CA, online sports betting would remain directly connected to licensed casino locations where Nebraskans already legally place sports bets. The key with this amendment is that the activity remains regulated, transparent, and secure, offering more convenience for sports bettors and fulfilling the voters' original intent of supporting property tax relief through gaming taxes. The modern approach will help Nebraska compete effectively with neighboring states, such as Iowa and Colorado, which already attract Nebraskan sports bettors, and collect substantial revenue from online sports betting. With appropriate oversight by the Nebraska Racing and Gaming Commission, mobile sports betting can be safely regulated to benefit our communities. LIBA urges the committee to support LR20CA, and with that, I will thank you for your consideration and be happy to answer any questions.

HOLDCROFT: Any questions for this testifier? Seeing none. Thank you very much.

CARTER THIELE: Thank you.

HOLDCROFT: Next proponent.

A.J. BAKER: Senator, members of the committee, my name is A.J. Baker. That's A. J. B-a-k-e-r. I'm the regional vice president of government relations for Caesars Entertainment. We have a partnership in Nebraska with CER, and we operate the Harrah's Casino/Racetrack in Columbus. We just want to go on record as supporting this constitutional amendment, giving the voters a right to decide if this is something they'd like to do. With that, I will answer questions.

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HOLDCROFT: Thank you, Mr. Baker. Any questions from the committee? Seeing none. Thank you.

A.J. BAKER: Thank you.

HOLDCROFT: Next proponent. Speaking in favor of the bill. Seeing none, first opponent. Welcome.

LES BERNAL: Good afternoon. My name is Les Bernal, L-e-s B-e-r-n-a-l, and I'm the national director for Stop Predatory Gambling, which is a national nonprofit organization in all 50 states, and our mission is to reveal the truth behind commercialized gambling operators. We pull from all political stripes-- I want to add that-- we pull from the political right and the left. I have very detailed written testimony that explains what predatory gambling is and what it's not, but I'm going to focus on two or three key points here for you this afternoon. You hear all these gambling promoters stand up here and talk about all the illegal gambling happening and how they're doing it. Where is the Nebraska State Patrol standing up here saying, legalize this? Where's the FBI statistics, saying that Nebraska has an incredible problem with this issue? All these data points they talk about come from the gambling industry itself. Paid for. All these polls and so on, their polls are tied to property tax relief. They're not-- there's no grassroots movement for this. In states like mine, in Massachusetts, one year before legalizing sports gambling, 4%-- according to the Massachusetts Gambling Commission-- 4% of Massachusetts residents used illegal operators. One year after legalization, according to the Massachusetts Gambling Commission, it was 18%. That's more than a 450% increase in-- just in one year. So, one of the big stories we hear all the time, the rising price of eggs on, on family budgets; you know, we're having a big fight over tariffs in our country today to bring wealth back in America. Well, let's look what predatory gaming looks like right now in Nebraska. Your constituents are losing \$458 of personal wealth every minute to government-sanctioned gambling, according to state lottery records and your state Racing Commission records. OK? That's \$40-- \$458 per minute. That's \$241 million per year of lost wealth. That's-- over the next five years, that's \$1.2 billion of lost wealth. That's a lot of eggs. That's a lot of eggs on family budgets. How much gambling losses are enough? How much are enough in the state of Nebraska? Why don't-- my next point, why don't gambling proponents ever stand up and tell you about their business model? 70-- the Wall Street Journal reported in 2024 that 70% of online gambling profits come from one half of 1% of the app users. That's what regulated gambling looks like. It's based on the out-of-control gambling. OK? And another recent study from a University of San Diego

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did an analysis of 700,000 online gambling accounts showed that 96% of those accounts lost money. 96% of your constituents are going to lose money on this. And we have, very quickly, the going out of state argument; that's an argument they use in every-- these are national companies, they're used in every state, but here's-- two states, just in the last month, have filed legislation to repeal online sports gambling-- the state of Maryland and Vermont-- because there's been epic public policy failure. And the last point I want to make to you, we hear all the time. State governments, they're the laboratories of democracy. With one exception: when it comes to predatory gambling. Predatory gambling in our country has been an epic public policy failure by every measure. It's increased poverty, it's caused incredible addictions, divorces, it's worsened taxes for, for everyday citizens--

HOLDCROFT: That's your time, Mr. Bernal.

LES BERNAL: The last thing I'll say is we have a system in our country of--

HOLDCROFT: That's your time, Mr. Bernal.

LES BERNAL: Fair enough. Thank you.

HOLDCROFT: Are there any questions from the committee? Yes, Senator Storm.

STORM: Do you want to finish?

LES BERNAL: Well, I was just saying [INAUDIBLE] from a small-d democratic principles standpoint, when you live in-- when you're in second grade, you learn the principle of, of no, no taxation without representation, right? We all learn that as a core democratic principle. Today, in our nation, including here in Nebraska, we have a system of taxation by exploitation. And it's, it's time to syst-- the principle of no taxation by exploitation goes long-- long-- right alongside the principle of no taxation without representation. Thank you.

HOLDCROFT: Any other questions from the committee? Yes, Senator Andersen.

ANDERSEN: Thank you, Chairman. Thank you, Mr. Bernal, for being here. My only question is, are you, are you from Nebraska? Are you from here?

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LES BERNAL: No, no. Stop Predatory Gambling is a national nonprofit organization. I'm from Boston, the Boston area-- a little bit north of Boston, city of Lawrence. I'm-- the state where DraftKings is headquartered.

ANDERSEN: OK, so you flew out here to testify--

LES BERNAL: I flew out here just for this. We have a-- we work-- we have a lot of Nebraska citizens who are part of Stop Predatory Gambling. I appreciate that. Thank you very much.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you, Mr. Bernal.

LES BERNAL: Thank you.

HOLDCROFT: Next opponent. Welcome.

NATE GRASZ: Thank you, Chair Holdcroft, and members of the committee. My name is Nate Grasz, N-a-t-e G-r-a-s-z. I'm testifying on behalf of Nebraska Family Alliance and the thousands of parents and families we represent, because that's who stands to lose with this legislation: children and families. And that's why the only thing you heard about from proponents today was money; nothing about what's best for families and kids, and nothing about how over 50% of online gambling revenue comes from addicted gamblers. There are three specific points I want to emphasize. First, sports betting is already legal in Nebraska. If people want to bet on sports, they can. What this is trying to do is force it onto every device and into every home in our state. This doesn't just impact those who want to gamble. Kids in vulnerable populations will be subjective to aggressive online advertising and sophisticated algorithms designed to push them towards betting platforms, even when they aren't looking for them. By combining gambling with technology and smartphones-- which are already designed to be addictive-- all human interaction is removed, and people can lose their house without ever leaving their house. Second, it's been said that all we're doing by not legalizing online sports betting is sending revenue across the river. A clear and growing body of evidence suggests otherwise. States with online sports betting have seen massive spikes in addiction, bankruptcy, suicide, and domestic violence, while decreasing household spendings and savings. Legalization dramatically increases access, acceptance, and advertising, which drives increased participation, loss, and human suffering. A study from Northwestern University found that for every dollar spent on legalized sports gambling, households put \$2 less into investment accounts. Economists

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at the University of Southern California and UCLA found that legal online sports gambling increases the risk that a household goes bankrupt by up to 30%, and economists at the University of Oregon found that legalizing online sports gambling leads to a nearly 10% increase in domestic violence. We are not missing out on revenue; we are actively holding back a wave of financial and familial misery. And third, if the gambling industry wants this on the ballot, they should have to go out and get the signatures, just like everybody else; it should not be the Legislature's job to do it for them. Ultimately, the costs of online gambling aren't just unfortunate side-effects; they are the necessary components of an industry that relies on addiction and exploitation. But gambling operators don't pay for these costs; families and taxpayers do. The house always wins, and for the house to win, it's the people of Nebraska and our own children who have to lose. Thank you.

HOLDCROFT: Thank you, Mr. Grasz. Any questions from the committee? Seeing none. Thank you for your testimony.

NATE GRASZ: Thank you.

HOLDCROFT: Next opponent. Opponent. Welcome.

GLEN ANDERSEN: Good to be here. My name is Glen Andersen, G-l-e-n A-n-d-e-r-s-e-n, and I want to start with replying to something Senator Bostar said. He mentioned that they were expecting \$32 million in, in tax revenue from this online gambling, but that's only 20% of what is lost. \$160 million are gone from the residents of Nebraska. Citizens of Nebraska lose \$160 (million)-- the gamblers lose 160, and then about \$120 million is likely to go out of state to boot, because your gambling company is not located in Nebraska. And almost all of that will go out of the state-- well, it's the only place-- a small part of it goes to the casino, and then the rest of it would be gone from the state of Nebraska. OK. We're looking at some big decisions about the future of online gambling in Nebraska. In discussions about legalizing online gambling, it seems like the first thing we hear is they're gambling online illegal right now, so we need to legalize it and collect the taxes. According to a World Herald article, when Senator Bostar and Senator Clouse introduced R-- LR20CA and LB421 in January, one of the justifications is that Nebraskans already gamble online. All we're doing is sending revenue across the river. Well, that is a small part of the loss we might be-- we might be looking at, at, you know, in this situation. Yes, indeed, there was also illegal sports betting market that continues to exist through offshore websites. We have established well-known brands on these off-site websites-- Bovada,

MyBookie, and BetOnline-- they're going right now. They are readily accessible to every American with a smartphone. According to the American Gaming Association-- who, who supports gambling-- when online gambling is legalized, the legal gambling increases. 52% of gamblers continue to utilize illegal bookmakers. Internet searches for illegal betting sites increased by 38% last year, faster than the rate of searches for the legal, legal bet sites. Searches for offshore online gambling brands represented a majority of all sportsbooks searches.

HOLDCROFT: And that's your time, Mr. Andersen. Let's see if there are any questions from the committee for Mr. Andersen. Thank you for your testimony. Next opponent. Welcome.

JACOB WOLFF: Thank you. Good afternoon. My name is Jacob Wolff, J-a-c-o-b W-o-l-f-f. Chairman and members of the committee, thank you for allowing me the opportunity to testify today. I'm here in strong opposition to the proposed legislation that would legalize online sports betting in Nebraska, specifically LR20CA. While proponents argue that this constitutional amendment will generate revenue for the state. The bills themselves acknowledge the significant harm caused by gambling addiction. By including provisions for a compulsive gamblers' assistance fund, lawmakers are admitting that online sports betting would create new gambling addicts, many of whom will suffer financial ruin and personal devastation. Instead of creating a problem and attempting to manage the fallout, we should be working to prevent the harm from occurring in the first place. I speak from personal experience when I say that online sports betting is a dangerous and predatory industry. When I lived in states where it was legal, I lost thousands of dollars to online sportsbooks. The platforms would lure me back in with so-called free bets, which are nothing more than predatory tactics designed to keep gamblers engaged, no different from offering free drinks next to an AA meeting. These promotions create a false sense of opportunity, tricking users into thinking they can win back their losses. In reality, these platforms are designed to ensure that they always win, leaving gamblers chasing losses, likely to never recover. Beyond personal experience, there is overwhelming data showing that the cost of legalized online sports betting far outweigh any potential financial benefit. In states that have already implemented it, the proposed tax revenues have consistently fallen short of expectations. According to reports from states like Illinois and New Jersey, only a small fraction of gambling revenue actually make it into state budgets after accounting for regulatory costs. Meanwhile, the social costs, bankruptcies, increased crime rates, and broken families place a heavy burden on local communities, far exceeding any revenue gains. Money lost at the sportsbook is money not spent in the

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community. New Jersey reported \$2.4 billion spent on online gambling, which in turn resulted in a total economic loss of \$180 million. Additionally, the expansion of online gambling has been linked to an increase in problem gambling and financial instability among vulnerable populations. A study conducted in Pennsylvania found that calls to problem gambling hotlines spiked dramatically after online sports betting was legalized, with many reporting severe financial distress. Research from other states shows similar trends, and this will happen in Nebraska if this legislation moves forward. We must also consider the broader ethical implications of relying on gambling revenue to fund our state programs. The reality is that gambling disproportionately affects lower-income individuals, who are often the most success--susceptible to addictive behaviors. By legalizing this, Nebraska would be placing its most vulnerable citizens at risk for financial devastation, all in the name of revenue that will likely never fully offset the harm caused.

HOLDCROFT: That's your time, Mr. Wolff. Any questions from the committee? Yes, Senator DeKay.

DeKAY: Thank you. Thank you for being here today. A couple quick questions. Number one, you said you kind of lived through this-- was legalized gambling-- was that part of the problem that got you started? Or would have you been gambling-- online gambling if it hadn't been legal where you were at the time?

JACOB WOLFF: Thank you for your question, Senator. No, I never used any of the other so-called unregulated online gamings, like Bovada or BetOnline.com. I-- once it was legalized in the state of Virginia, where I lived at the time, that was when I used it, the-- FanDuel, DraftKings, BetMGM, those platforms.

DeKAY: OK. Thank you.

HOLDCROFT: Any other questions from the committee? Yes, Senator Storm.

STORM: Thank you, Chair. Thank you, Mr. Wolff. So, I've never gambled before online like this. So, can you walk us through-- how, how does this work, exactly? So, they just-- you have to search them out? And then-- is that how you get drawn into it? Or do they search you out? Or how does this work?

JACOB WOLFF: Thank you for your question, Senator Storm. It, it used to be that you would typically have to search them out. However, they have huge, massive paid marketing campaigns to target individuals who like

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sports, like myself. The ads on my Facebook are just filled with sports betting from the apps and platforms that I just mentioned. Not to mention when you go on and watch your favorite sports team on the television, ESPN BETS has the ticker tape on the bottom that says which way things are trending. It used to be maybe just see the spread and the over/under, but now it's-- they're offering promotions actively while you're watching the game, as to if Steph Curry is going to make a three-pointer in this quarter or not, things of that nature.

STORM: Couple more questions.

HOLDCROFT: Yes.

STORM: So, how much money did you lose? Will you tell us on that? Or is that-- I don't want to get too personal. I'm just curious.

JACOB WOLFF: No, that's all right. It was in excess of \$3,000, and my last bet was made when I took the bet to marry my wife, and that one I actually won. And I have not gambled ever since then.

STORM: OK. Thank you.

HOLDCROFT: Any other question from the committee? Yep, Senator Andersen.

ANDERSEN: Mr. Wolff, good to see you again. And you're right; you certainly married up, you have a lovely wife. You made the kind of dramatic statement of putting a-- free drinks next to an AA meeting. I struggle with this bill and this series of bills, because-- just because you can regulate something doesn't mean that you should. When you, when you use the-- talking about sports betting advertisements on TV and all that stuff, but there's also a big silver train comes busting into the room, and it's an ad for Coors Light, right? So, how do you say that it's-- your opinion, how do you say that it's OK to have Coors Light or Jack Daniels commercials during sporting events, but you would not want to have the sporting-- sports betting?

JACOB WOLFF: Thank you for your question, Senator Andersen. The statement I made was the free bets that were being offered online and direct push applications. Right now, if I had FanDuel on my phone and I went to go visit my sister in Iowa-- and this has happened before-- that I would instantly get a notification that knows that I'm in Iowa, and it would send me a free bet opportunity. That, that was the analogy that I was making of if I'm going to an AA meeting and someone's offering me free drinks at the door. However, to your other-- to the point of leg-- regulating other industries, we've done the prohibition

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experiment in the 1920s, and we've seen that that did result in disaster. However, we are living in the experiment now of what we have seen with growth enough on regulating gambling. And now, as all the opponents have mentioned, and what I had sent in the-- in emails to this Chair-- this committee is that the new social experiment is legalizing the gambling, and what we're seeing as fallback from that. So, that's my point that I'm making here.

ANDERSEN: Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you for your testimony.

JACOB WOLFF: Thank you.

HOLDCROFT: Next opponent. Welcome.

JOHN HORSE CHIEF: Good afternoon, Chairman Holdcroft, and members of the committee. My name is John Horse Chief-- it's J-o-h-n H-o-r-s-e C-h-i-e-f-- and I am here today to speak in strong opposition to LR20CA and the legalization of online sports gambling in Nebraska. Throughout my life, I have seen the unfortunate damage that gambling can cause, because I have lived it. Struggling with homelessness and battling addiction of which included gambling, I saw firsthand the devastation it can cause. A cycle of winning, losing, and chasing what was already gone had held me captive, and I wasn't alone. In Nebraska, my years of working with the homeless and those struggling with addiction, I have seen gambling take everything from people; their homes, the dignity, and their hope. As a Native American of the Pawnee and Otoe Tribe, I have also seen how gambling has harmed my own people. It is often sold as an opportunity, but for many, it becomes a pathway to deeper poverty and broken families. And now, with this proposal, we are looking at bringing gambling into every home-- phone in every pocket across Nebraska, accessible 24/7, with no real safeguards to protect the most vulnerable. I'm also a father of five children, and I think about them and their future in a world where online gambling is just a click away. We already know how easy it is for youth to access apps they shouldn't, to bypass parental controls, and get caught up in online habits that are hard to break. This bill does not protect them, and instead will create new challenges. It does-- doesn't take much for a young person to be drawn in by the thrill to use a parent's card, or to start a cycle that could haunt them for life. We all know the story. An addiction doesn't discriminate, and when the losses pile up, it's not just the gambler who suffers; it's the families, children, and our entire communities, and I urge you to consider the real human cost of

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this bill. Nebraska should not be in the business of creating more addiction, more broken homes and hardship for our families, and I ask you to stand with me in opposition to LR20CA and protect the future of our children in our Nebraska community. Thank you.

HOLDCROFT: Thank you, Mr. Horse Chief. Any questions from the committee? Seeing none. Thank you for your testimony. Next opponent. Opponent. Welcome.

JAMES PATTERSON: Thank you. Good afternoon. Senators. My name is James Patterson, just J-a-m-e-s P-a-t-t-e-r-s-o-n. I'm a, I'm a retired pastor of 49 years and-- 33 years at one church at Trinity Hope Foursquare in Omaha. I'm a founder of a kids' club called the North Omaha Good News Bears, which I led for about 30 years. And then, I served a couple years on the Nebraska Commission from [SIC] Problem Gambling. We see gambling ads everywhere. Almost any form of media you choose, you will find gambling ads. According to a poll released by Seton Hall, more than 1 in 3 Americans now bet on sports gam-- on sports. Sports gambling is addictive; although many people can do just a little and stop, some keep playing compulsively, well past the point of no return. This yields not only debt and bankruptcy, but emotional instability, and even violence. The problems don't stop there. Gambling addiction has been connected to anxiety, depression, and suicide, even as you've already heard some of this. The gambling industry profits largely from compulsive-- from the compulsions of people with problems. A small number of people place the large majority of bets. As an example, almost-- about 5% of bettors spent 70% of the gambling dollars in New Jersey in late 2020 to 2021. The cost of gambling concentrated among those least able to pay, betting back-- setting back those who most needed help. Those dollars that could have gone to buying a home, getting a degree and escaping debt-- instead, it went to another-- a wager. Such behavior is irresponsible, and it's hard to blame the bettors alone when companies make it profitable for pushing them to bet more. We should be asking ourselves a question: what is the true cost of legalized gambling? Now, I'm not prepared to tell you what that true cost is, but I want to suggest we look-- take a look at the mental costs, the financial instability, the impact on families and relationships. I want-- and look at the strain and that strained relationships-- it's all relationships, including divorce, separation, child neglect, and child abuse. I was talking with a friend of mine a couple of days ago, and he told me about his personal friend who had a gambling issue. And every time he would get paid, he would go to the casino, and he said one time he spent \$1,500 on one bet. And he sent-- kept saying it over and over; "one bet, one bet," and, and, and he lost. And then, the casino gave him some kind of card that allowed him

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to stay at a hotel, that he would come back and, and, and, and continue his, his gambling experience another day. Another friend of mine had a promising career, and she, and she had a gambling problem that went out of control, and her-- that out-of-control lest-- led to misusing other people's money, and she spent time in jail, in prison. So, I oppose expanded gambling, especially on the backs of our students, athletes, and at the expense of our children. I am convinced gambling is not a solution for Nebraska. I urge the committed to reject expanded gambling, and to vote against expanding-- all expanding gambling bills, and I thank you for your time and consideration this afternoon.

HOLDCROFT: Thank you, Reverend Patterson. Are there any questions?
Senator Rountree?

ROUNTREE: Thank you so much, Chairman Holdcroft. Pastor Patterson, thank you so much for coming and testifying on today. I have worked with you, I have watched your work, and-- so you're not retired, you're never retired, so you're still in the game. But I've listened to a couple of those testimonies that were about the youth. Can you talk to us a bit about some of your personal experiences I know you did with that North Omaha Good News Bears, and what have you seen on the impact on our young people as you worked so closely to them, in the gambling arena?

JAMES PATTERSON: The youth are impressionable, and you keep-- you tell it to them long enough, they will believe it. And a lot of our youth suffer from various types of-- I think it's abuse when parents don't do what they ought to do for them. And it's hidden inside the home, but you don't find out about it until it blows up. A child will come to the club and we couldn't-- didn't know why he had a-- he or she had a bad attitude. And maybe the child hadn't eaten that day or, or maybe there was some other things going on. And sometimes they would be, be comfortable enough to talk about it, and sometimes they wouldn't. But the, the youth are very vulnerable, and I know of one family, now that you bring it up, whose, whose caregiver had a gambling issue. And she was a grandmother, and she would go to the casino and she would blow her money. And we often had children who would come to the club, and they would say, "I'm hungry, I'm hungry." And that start-- that led us to starting the feeding program for the children. Initially, we didn't, we didn't-- hadn't planned it into the program, but because of that request, we expanded what we were doing. And so, sometimes you don't find out about what's happening to children until it's, it's out of control; it's, it's, it's a, it's a real problem. But children-- and-- but the, the advertisement, the endless advertisement, it's like they-- it can't get away from it. And children are on their mobile devices all

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the time. All the time. And I just think we got to protect the children.

ROUNTREE: All right. Thank you so much, pastor. I appreciate it.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you, Reverend Patterson.

JAMES PATTERSON: Thank you.

HOLDCROFT: Next opponent. Opponent. Welcome.

PAT LOONTJER: Thank you, Senator Holdcroft, and to the committee. I'm Pat Loontjer. I've been the executive director of Gambling with the Good Life for 30 years. And 25 of those years, we fought the casinos, and it went on the ballot, and we lost, and we now have six casinos. That was five years ago. They-- we were sold-- the public was sold the reason that they should sign the petition and that they should vote for them was property tax relief. And it's been almost five years, and I have never seen any property tax relief, and doubt if we never will. It's a myth. And the fact that they're asking you now to become partners with them, to put this on the ballot, that-- not even collecting signatures like every other question is. And I, I would ask you not to be a partner with this industry because it's an industry that just appeals to the vulnerable, the, the youth especially. Every, every kid you see has a phone, and you put sports betting on there and you've got a-- you've got a real problem. So, I would ask you not to push this forward, but don't be a partner with the industry. If they feel that strongly that Nebraskans want this, then let them go out and collect the signatures. But I wouldn't put your name on this. You know, you were elected to protect your constituents and not to prey upon them, and that's what this would be doing.

HOLDCROFT: OK. Thank you, Pat. Would you mind spelling your name for the transcribers, please?

PAT LOONTJER: Oh, yeah. L-o-o-n-t-j-e-r.

HOLDCROFT: OK. Are there any questions from the committee for this-- seeing none. Thank you for your testimony. Next opponent. Anyone else testifying against this bill? Anyone testifying in the neutral? Welcome.

LINDSAY SLADER: Thank you very much. Chairman Holdcroft and members of the committee, thank you for having, having me here today. My name is Lindsay Slader, L-i-n-d-s-a-y S-l-a-d-e-r. I'm the senior vice

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president of compliance at GeoComply. I'm neutral here today, and I'd like to provide some info on geofencing technology-- which I know has been mentioned already-- I.D. verification and fraud prevention tools, along with some data on sports betting behaviors in, in Nebraska. So, as, as Nebraska considers sports betting, geolocation is live here already, currently blocking access to Nebraskans who are attempting to use regulated sites of neighboring states. So, technology exists today to facilitate sports betting within Nebraska's borders, should the state choose to do so in the future. So, geo-- geolocation technology for sports betting is compliance-grade; it's different from what you would have with Google Maps on your phone, or something that you would use to order a coffee through a mobile app. It uses hundreds of checks to determine where users are, and that they're legally within the state, and that they're not using VPNs, proxies, any kind of location manipulation tool that you may use to place a bet not-legally within borders. That same data is also used to detect suspicious and illegal activity, such as money laundering and attempted fraud and identity theft. From this data, we can also see geographic patterns that I'll explain. So, of the, the data that I've shared with the committee here, GeoComply observed, over the 20-- 2024 to 2025 football season, there were 3.9 million attempts to access regulated sports betting sites from inside Nebraska's borders. Those were 83,000 users, and this is a 63% increase from the previous football season. We observed 42,000 border crossings leaving Nebraska; 92% of those went into Iowa. And you'll also see a, a diagram that I've provided to the committee that shows one particular hotspot just on the other side of the 680 into Iowa that was dubbed the, the busiest cornfield in the U.S. Over the, the last football season, we saw 415 geolocation checks in our system attempting to place legal wagers inside Iowa, indicating that these people are likely driving just over the border to place a bet, and that's a 46% increase over the football season from the previous year. This, this, this is the data that I'd like to present. Thank you for letting me testify today. I'll take any questions.

HOLDCROFT: Thank you, Ms. Slader. Any questions from the committee?
Senator DeKay.

DeKAY: Thank you. Are there any guardrails in place to make sure a bettor-- the sports betting on a phone-- in place to make sure they are of legal age?

LINDSAY SLADER: Yeah. So, as part of the standard account creation process on a regulated site, there would be a, a, an age and I.D. verification process. So, this might look like providing your personal information; your social security number, your address, typically

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uploading documents that could include your driver's license or utility bill, and some states also opt to put in additional safeguards where you need to go through additional third-party vendors to verify all of that. That information is then cross-referenced with credit bureaus, third-party databases to ensure that you are, in fact, who you say that you are, to-- and, and of age.

DeKAY: Have you ever seen where they've been able to work around that, and have-- not be of legal age and be placing these bets, say, while they're still in high school, I would think? Have any of those cases come forward or not?

LINDSAY SLADER: I mean, I don't work for a sports betting operator, so I'm not sure what the instances of, of that look like. But I can say that some states will put in more safeguards to, you know, prevent, say, a, a child from using a, a parent's account where you may need to reference information like your cell phone, credit history file matched to your name and to your phone number, and matched to the account information that was provided that a-- the child wouldn't necessarily have access to.

DeKAY: OK. Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you for your testimony. Next neutral testifier. Neutral. Welcome.

MIKE SCIANDRA: Hi. My name is Mike Sciandra, M-i-k-e S-c-i-a-n-d-r-a. I am the education and outreach coordinator for Choices Treatment Center. We are an outpatient addiction treatment center for problem gambling, with offices in Lincoln and Columbus. I am also a problem gambler in recovery, and I actually am scrapping some of what I had to say, what were-- some of my statistics and everything are in there. I came here mostly just to give you guys statistics on the prevalence of problematic behavior amongst problem gambler-- amongst gamblers who bet through mobile sports betting apps. I'll let you guys look through all that on your own, and you can look at that. The thing I want to talk about here, the most importantly that hasn't been brought up yet, is the fact that we do have the Nebraska Gamblers Assistance Program in the state of Nebraska. And we haven't really talked about that enough, and Mr. Geier here who runs that program is right behind me here, so. There is funding here. I was a problem gambler two decades before any of this came along, so I dealt with this for two decades, and-- just so you know, I'm completely neutral on the legal gambling services in this state, and pride myself on the relationship I have with all the, the stakeholders in the state on both sides, on all sides. But it's 2025,

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guys; we have gambling in this state; we've had gambling in the state in Nebraska for decades. This is-- we have people in treatment right now, so I-- working in treatment, we have people in treatment for sports gambling currently, and that's not going away. That's not going away whether we have this legalized or not. So, I-- like I said, I'm not taking a stance one way or another on that. I just want people to realize that we do have the Gamblers Assistance Program here, and that funding through that-- the, the, the bill that is being introduced would provide funding to the Nebraska Gamblers Assistance Program, which could help-- which would help mediate some of those concerns. And I just think that we need to consider that more than anything here when we're talking about this, is that we want to make sure that we are considering that prevalence, but we're also considering the funding that goes into problem gambling treatment as well. Thank you.

HOLDCROFT: Thank you, Mr. Sciandra. Any questions from the committee? Yes, Senator DeKay.

DeKAY: Thank you. You say you're a recovering gambler?

MIKE SCIANDRA: Yes.

DeKAY: Were you addicted at first bet, or was there instruments in place that whet your appetite for-- to enhance your gambling?

MIKE SCIANDRA: I came from a family of gamblers, and I started gambling when I was nine years old, well before the internet even came around, so it was something that was just prevalent in my family, and it was something that-- I was sports betting with bookies, with other illegal bookmakers, all that. And I did that for 25 years. And I also was addicted to other forms of betting as well, too, so it was not just mobile sports betting. But it was something that was prevalent in my family for many years, and I struggled for 20 to 25 years with it.

DeKAY: Thank you for your story.

HOLDCROFT: Any other questions from-- yes, Senator Storm?

STORM: Thank you, Chair. Thank you. I just have a question here.

MIKE SCIANDRA: Yes.

STORM: So, you hear that people have addictive personalities. Is that true? From your-- there's some people more predisposed to be addicted to gambling, or to other--

MIKE SCIANDRA: There's a level of co-occurrence there that is definitely un-- undeniable, as far as people who struggle with substance use, who struggle with mental health concerns, who also struggle with problem gambling. When I speak to-- I speak in a lot of inpatient facilities, I speak in a lot of-- to different counselors, different groups. And the stat I use is that one out of every four people who is in recovery for substance use will end up either-- have either struggled with problem gambling, currently struggle with problem gambling, or will struggle with problem gambling. That level of co-occurrence is there. They're going to find a way to do it. They're finding ways to do it now. They're finding ways to do it on their phone currently as well, too. So, that's honestly-- right now, if I were to go into an inpatient treatment facility, I could find people who are betting on their phones currently, whether it's sports betting, whether it's online slots, whatever that might be, that-- it's going on right now. And I just think that's the reality that we have to live in here. And we can debate the moral side of it all we want, as far as what you think, as far as betting in general, or gambling as far as sports betting. But the reality is, is that we have-- these, these problems are already here. We see them in treatment every single day. We have two offices dedicated to treatment for problem gamblers in this state.

STORM: So, one more question, then.

MIKE SCIANDRA: Yes.

STORM: So, if, if it's already here, like you said, people are-- already have issues. Does making it more available and more prevalent, easier-- is that going to increase the people who get addicted to this in Nebraska, in your opinion?

MIKE SCIANDRA: There-- I'm not going to say-- I can't--

STORM: I know you're-- I know you're neutral here, but I just--

MIKE SCIANDRA: No, I can't say that it wouldn't, but I can also say very definitively that anybody who wants to find sports betting can currently find it. Like, like some people have mentioned, it's like you can't turn on the TV without hearing betting-- sports betting ads. You can't turn on hear-- without hearing the odds. You can't-- you're going to get inundated with it no matter what. We tell people in treatment that you're not going to avoid gambling. Go to your gas station, you're going to see skill touch machines, you're going to see lottery, you're going to see-- go to a bar, you're going to see keno, obviously, with the alcohol there as well, too. You're not avoiding it here. And I also

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have a 17 year old daughter, and I know of friends of hers in school who are already betting too, as well, and they're doing it through illegal means as well, and they find ways to do it. My lived experience just tells me that we have to just be realistic with what is going on, and realize that the problems are already here. What are we doing about that along with consideration of this bill?

STORM: OK, thanks.

MIKE SCIANDRA: Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you for your testimony.

MIKE SCIANDRA: Thank you.

HOLDCROFT: Next neutral, neutral testifier. OK. Seeing none. Senator Bostar, are you coming up to close? As he comes up to close, you had 3 proponents, 51 opponents, and 1 neutral testimony.

BOSTAR: Well, thank you, Chairman Holdcroft, and members of the committee. I just want to talk a little bit about some of what we heard during the hearing. I-- there was a claim that all the polls are wrong, which is interesting. To me, it doesn't really matter. The only poll that really matters on this front is how the people vote themselves, and I think we're just looking for an opportunity to find that out. It was mentioned that with this, we'll see a spike in addiction related to mobile sports betting. In my conversations with a lot of the folks who work in-- on the treatment side of this, we've, we've seen that spike happen; folks are doing this. And, and it's unfortunate that we've already seen that spike, and we, here in Nebraska, haven't taken any action, but that's the reality we have to live with. To that end, we're paying for the harm of, of gambling. And, and to be crystal clear, I'm not here to convince anyone that gambling is a good thing or that it's good for those who do it. And if, if all of our neighbors weren't doing this, I wouldn't bring this. But the reality is, folks are doing it; they can do it. Whether they physically drive across the border because our population in Nebraska is situated such that it's really easy to get across the border for a lot of people, or they use technology to make it appear that they are somewhere that they are not, or they use unregulated, unlicensed, illegal sportsbooks, the folks are-- they're doing it. We see that on the, the individuals who are needing treatment; we see that from the data and research of those who are trying to do it the legal way but are blocked, and then ultimately succeed; we see it across the board. And, and if you talk to folks, you

just-- you know. It, it should be pretty apparent that this is a fairly common thing. You know, there are, there are individuals that I talked to who use VPNs to make it look like they're in Iowa in order for them to bet from their living room. And, and I don't-- I'm not an expert on that. I don't know how to do all of those things. And there are-- and some VPNs try to crack down on that kind of thing, but if there's a will, there's a way. And now, they weren't willing to come here and walk the committee through how they circumvent the law, surprisingly. But it's a reality. There was a reference to prohibition and how that was a disaster, and that that was an experiment that was done, and it was a disaster, and here, we're going through this other-- we're going through an experiment with legalization. I don't, I don't tend to disagree that prohibition was a disaster, but-- and prohibition related to our, our country's efforts to prohibit the consumption of alcohol. The primary reason it didn't work is because people kept drinking. That's the truth. And to say that, well, that was a total failure, and now, getting away from prohibition, everything's great-- no. I mean, all of these things come with a cost. To think that there are no societal costs to alcohol consumption would be naive at best. We'll leave it at best. And now, I do believe that actually some of the opponents to this would support banning alcohol. I do. I actually think that there is a level of consistency with some of them that is, is true. But again, these are things people are doing. Marijuana. We just recently passed something on the ballot allowing for medicinal use of marijuana. Is that the start of marijuana consumption in the state of Nebraska? No one believes that. No. It's extraordinarily prevalent. The question we've got to ask ourselves is not whether or not people should gamble, and I don't fault anyone for being opposed to gambling, to expanded gambling, to participation in gambling. I don't. It can come with real harms. The question we have to ask ourselves is, do we want that potential revenue to go elsewhere, or do we want it to go here? For a couple things, things like property tax relief. It's not a, a ton of money, but it's tens of millions of dollars a year, which is not enough. And also additional support for the programs to help those that are currently struggling with these addictions. I, I would say to the committee that your decision is whether or not to let the people decide for themselves. And with that, I'd be happy to answer any final questions.

HOLDCROFT: Thank you, Senator Bostar. Any questions for this testifier? Yes, Senator Andersen.

ANDERSEN: Thank you, Mr. Chair, and thank you, Senator Bostar, for being here. There was a comment made, question made earlier that I thought maybe was probably more appropriate for you. It was made by Mr.

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Grasz, and then several others made the comment as well. His comment was if the gambling industry would-- wants this on the ballot, they should have to go out and get the signatures like everybody else.

BOSTAR: Yeah.

ANDERSEN: What would you-- how would you-- how would you answer that?

BOSTAR: I'm actually really glad you asked that question. I have a note here to talk about that, and I'd forgotten, so-- really appreciate it.

ANDERSEN: [INAUDIBLE]

BOSTAR: Yeah, well-- I get the instinct. I really do, but I, I think what I want to draw your attention to with this concept is that it does have some controls and restrictions placed at the constitutional amendment level as it is written. If the industry puts the money in to pursue this themselves, gather signatures, put it on the ballot-- which they absolutely can do. We've seen it. There's no question. I don't think any of us should think that the language will look the way it does in this. There's a lot more that can be opened up. There's a lot more kinds of mobile gambling, there's a lot more unrestricted betting, there's a lot more that can happen. And I think my concern genuinely would be that if we leave it to the industry to decide, OK, if we're going to spend the, let's say, \$2 million bucks to get the signatures, put something on the ballot-- which last time, someone told me was about the going rate-- that they're-- they'll, they'll just go for more, right? They'll, they'll create more opening for this kind of activity. So, I would, I would keep that in mind if we're weighing, "hey, let's just let them do it." Because then, they are the ones solely writing that language, and we don't get a say before it goes to the people. I appreciate the question.

ANDERSEN: Thank you.

HOLDCROFT: Any other questions for Senator Bostar? Yes, Senator Storm.

STORM: Thank you, Chair. Thank you, Senator Bostar. So, right after I got elected, I met with Blue Valley Behavior [SIC] Health. They wanted to meet with me. And I talked to them for a while, and I asked them, what's the number one issue you stroke-- or, you deal with counseling patients. And they told me gambling addiction. Number one thing, and the fallout from that. And so, I, I just-- does, does that concern you at all, knowing that that's an issue? Or, or is this all just revenue for you?

BOSTAR: Of course--

STORM: Because it's not a zero-sum game. There's going to be a-- there's going to be a real negative side of this, as we increase this. Yeah, there will be a positive side as well. But there's also going to be a negative side, and I just want to see how you reconcile that, since you brought the bill--

BOSTAR: Of course. Yeah.

STORM: --in your mind.

BOSTAR: I-- I'm not surprised that it's the number one thing that they're dealing with. That's consistent with what I've heard, too. And I think one of the biggest reasons for that is a further demonstration of that this is what people are already doing. That's where we are. And I have heard heartbreaking stories of lives shattered based on addiction, including gambling addiction. And I want to ensure that we're doing what we can for those folks. But again, we've, we've seen that-- you know, if, if, if you go back and talk to them, you say, hey, are you, are you treating anyone that's-- that-- where their addiction is they were doing sports betting on their phone in their living room? Their answer is going to be yes, absolutely. Of course. Because that's where we are. And like I said, if we were the first one out of the gate here, or our neighbors weren't doing it, and that wasn't the landscape, I would tell you-- I, I would be on the opposite side of this. But our reality is, this is what people are doing; this is what they have access to; nothing we say here is going to change that. And so, it really comes down to a question of whether or not we want to have a hand on the regulatory side here, and do we want to capture any of that revenue or do we want to let it go elsewhere? But the short answer to your question is of course all of those stories concern me.

STORM: So, but what-- what's your motivation, then, for bringing this, then? If you could just sum it up without--

BOSTAR: People are all--

STORM: Is it revenue?

BOSTAR: People are already participating in this, and not passing this isn't keeping people from participating in this. And so, I believe we should draw upon the revenue available--

STORM: The revenue.

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BOSTAR: --for public purposes.

STORM: OK. Thanks.

HOLDCROFT: Any other questions from the committee for Senator Bostar?
Yes, Senator DeKay.

DeKAY: Thank you. This is-- how-- I don't know anything about online gambling. So, how do, how do the people, if they want to check out, cash in their winnings, how do they collect on those winnings? And if they owe a debt, how does DraftKings or whoever, how do they collect on that? Do they have access to bank accounts or anything to get that money? Or how do they get that revenue from that person that lost that bet?

BOSTAR: Well, Senator, I'm going to tell you a secret, but don't tell anybody.

DeKAY: I won't.

BOSTAR: I'm not a gambler, so I'm not here to speak from personal experience. My understanding-- and there are people who can walk through that whole system better than I can-- my understanding is that you create an account that you put money into. I believe you are leveraged to what you have in the account, so there's no, like--

DeKAY: You can't [INAUDIBLE]

BOSTAR: There's not a-- like, a collections process or something like that. And then I, I-- my assumption, of course, is that you can transfer either the money you've put in, or winnings, or what-have-you back out of that account into your checking account or bank account.

DeKAY: OK. Well, the reason I asked, I thought maybe a friend of a friend of a friend of yours told you how to do that, so.

BOSTAR: I will say-- you know, the folks who are going about it through unregulated books-- I mean, that collection process looks very different. Right? And we-- you want to talk about harm-- I'll leave it at that.

DeKAY: OK. Thank you.

HOLDCROFT: Yes, Senator Andersen.

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ANDERSEN: Thank you, Chair. And Senator Bostar, I'll share a secret with you. I don't gamble. I'm not good at it, and it's no fun doing something that you're not good at. The question I have for you is, do you have anything, any information to share on the fiscal note that says-- there's no fiscal note to this?

BOSTAR: As far as the cost-- so, I mean, not really. I think, I think part of the reason why is this creates a, a legal, constitutional framework. The fiscal note itself is really going to be impacted by the, the legislative bill side--

ANDERSEN: OK.

BOSTAR: --which would have to, you know-- this allows it to be legal; the bill is how it works. Right?

ANDERSEN: Fair enough.

BOSTAR: And that's where you're going to see those dollars and cents.

ANDERSEN: Thank you.

HOLDCROFT: Any other questions from the committee? Thank you, Senator Bostar.

BOSTAR: Thank you for your time.

HOLDCROFT: That concludes our hearing on LR20CA. Unfortunately, our next bill, LB421, the introducer, Senator Clouse is still tied up in committee. Are you his L.A.?

ANDREW SHELURN: I am.

HOLDCROFT: Are you going to give his--

ANDREW SHELURN: I can.

HOLDCROFT: Welcome.

ANDREW SHELURN: Good afternoon, Chairman Holdcroft. My name is Andrew Shelburn, A-n-d-r-e-w S-h-e-l-b-u-r-n. I'm the L.A. for the Senator Stan Clouse. LB421 simply just wants to provide the infrastructure and framework for how online sports gambling will take place in the state of Nebraska. We believe, as well as some of the proponents for the LR, that our state is missing out on valuable tax dollars that could be collected from activities that are already take-- taking place within our state. I mean, I know people bet illegally; we might as well bring

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it above board, collect revenue from it. And just a couple points. An ESPN article from February of this year shows that online sports betting grew by \$2 billion to \$13.71 billion of revenue nationwide, and last year, during the special session, it was testified that we missed out on an estimated \$30 million in tax revenue from 5-- 4.5 million wagers that was-- that were blocked from occurring within our state. With these, with these facts in place, we believe that we should legalize online sports betting and regulate it. How we will do it-- well, within LB421, we will allow for betting on in-state collegiate sporting events. There's some clean-up language on who is able to place bets and who's not. You know, like, still saying no on the athletes who are playing the games, or the referees. Enables the Racing and Gaming Commission to examine rules and regulations from other states, and if practicable, adopt similar ones for online sports wagering in our state. Allow for online sports wagering to be offered by an in-state authorized gaming operator or someone who partners with an in-state authorizing-- authorized gaming operator. And then finally, the bill will dictate the allocation of tax funds; 90% would go to the Property Tax Credit Cash Fund, three-and-a-half to the Racing and Gaming Commission's Racing Cash Fund; three-and-a-half to the Racing and Gaming Commission's Racetrack Gaming Fund; and 3% to Compulsive Gamblers Assistance Fund. We understand that there's some questions as to whether this would be constitutional or not, seeing as how it's still illegal. We-- our, our intent is to put it out there; this is the concepts for how our state will regulate and administer online sports betting. And my understanding from working with some of the Bill Drafters is that in the '90s, when they legalized the lottery, they passed a similar infrastructure regulatory bill before it was put on the ballot, and then they came back afterwards. No one challenged it, and so, they, they don't know whether it would be unconstitutional or not. And then, our intent is to kind of just start the discussion on this regulation. We're open to amending, changing the tax revenue allocations, so on and so forth. And with that, I urge you guys to pass LB421 on to General File.

HOLDCROFT: OK. Thank you. It's our tradition, we do not ask questions of the staff. I assume that Senator Clouse will be here for closing.

ANDREW SHELBURN: He should be, sir.

HOLDCROFT: So, we'll go then directly to our first proponent. First proponent for this bill, LB421. Welcome back.

LANCE MORGAN: I'm back. I'm Lance Morgan, L-a-n-c-e M-o-r-g-a-n. I'll be quick this time. I wanted to start with a-- since it's a-- and I

only have a couple things to say, a quick story. 20 years ago, I was on a TV show, and they were attacking tribal gaming; it was going to do all these bad things. And there was a pastor, I don't know what religion, and he was sort of ripping into me. And I think I wanted to-- I, I said to him, I did not learn to gamble on the reservation; I learned in the church basement. And I thought it was an interesting parallel to all the preaching that goes on sometimes on this issue. But I think that what I wanted to do was really just explain something. And mobile sports betting is relatively new. I don't want to get in trouble. Anyway, mobile sports betting is relatively new, and when it popped up as an industry-- I mentioned earlier how Amazon sort of put Sears out of business. And, you know, a lot of the, the, the physical land-based facilities have invested hundreds of millions of dollars into these facilities, so they, they have something called skin in the term, and what that means is there's-- that the mobile sports bettors have to partner in some way with the land-based facilities so that those investments in Nebraska are protected and can't just get knocked out by an, an online mobile entity. And in the bill that's being proposed, there is one skin-- or, so, one mobile sports bettor per casino. And I think there's some effort to say it should be two or more, and I had mentioned earlier-- and we didn't really mind that because-- two reasons. One, we-- we've-- we-- when we campaigned on this issue in 2000, we said there are six casinos, and so we thought it was sort of-- it would parallel to just have one per casino. And also, the top four mobile sports betting entities are DraftKings, FanDuel, BetMGM and Caesars; they have 90% of the market. So, having six didn't really matter from our standpoint. I think there's going to be some effort to say we should have more than that. I just wanted to explain we don't particularly care. That is your decision, but we didn't feel comfortable pushing anything beyond what we said earlier. And the only other thing I want to point out that's different-- I mentioned earlier that 25% of the tax revenue goes to the local city and county government, and that mitigates some of the property tax relief. And in this instance where it's mobile statewide, it's a little bit different dynamic, and I think the bill is written so that 90% of the money goes into the property tax relief fund, and we think that's probably-- makes more sense, I think, because if you are-- even though your license is in Lincoln, you can take the bet from anywhere in the state. And so, I think that's going to push more of the money into the property tax relief fund.

HOLDCROFT: Thank you, Mr. Morgan. Any questions from the committee? Seeing none. Thank you for your testimony.

LANCE MORGAN: Thank you.

HOLDCROFT: Next proponent. Proponent for LB421. Welcome.

ZACH FARBER: Good afternoon. Chairman Holdcroft and distinguished members of the committee, thank you for the opportunity for your-- for testimony in support of Nebraska LB421. My name is Zach Farber, that's Z-a-c-h F-a-r-b-e-r. I'm a senior government affairs associate with Underdog Sports. Underdog is an emerging leader in the sports entertainment industry, focusing on paid fantasy sports, sports wagering, and sports content. Currently, Underdog operates sports wagering in North Carolina and holds fantasy sports licenses in-- and registrations in 17 states. Your copy of this document will have a little more information, but in the interests of time, I'm going to hit some key points. Today, I'm here to voice Underdog's support for the passage of LB421, and while we hope to see this bill move forward, we do have one recommendation worth considering. Currently, the bill only allows for one mobile sports betting license per gaming operator, for a total of six licenses. By amending the language to allow up to three mobile licenses per operator, the Legislature will encourage robust competition and expansion within the, within the industry. Increasing the amount of mobile sports betting licenses in Nebraska will, one, ensure Nebraskans have more access to responsible gaming tools and resources; two, increase product choice and quality; and three, provide the most economic impact to the state. Competition allows consumers to bet on the games they love in a safe and responsible manner, transitioning bettors from the legal market-- illegal market to the legal market. Nebraska's neighboring states, including Colorado, Kansas, Missouri, Iowa, and Wyoming have all benefited from authorizing robust mobile sports betting markets. To experience the same economic advantages, we urge Nebraska to implement a competitive mobile market with a sufficient number of licenses. Colorado, for example, has 33 licenses; Missouri will have 14; Kansas has 12; Iowa has 38; and Wyoming has no limit. Competition yields better products and more choices for consumers. Competition drives increased revenue to the state of Nebraska. A competitive mobile sports wagering market translates to additional tax revenue and licensing fees for Nebraska. Nebraska can also expect a revenue boost from advertising and local business partnerships. Underdog respectfully urges the committee to consider increasing the number of mobile sports betting licenses from 6 to 18. This would strike a balance between promoting competition and ensuring that the market remains sustainable for all participants. By permitting additional mobile sports betting licenses, LB421 will effectively facilitate the expansion of mobile gaming in Nebraska, thereby benefiting the state, consumers, and businesses. By increasing the number of mobile sports betting licenses, the Legislature will

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assert its commitment to fostering a dynamic, competitive marketplace that benefits everyone. Thank you for your time and consideration. I'm happy to answer any questions.

HOLDCROFT: Thank you, Mr. Farber. Any questions from the committee? Senator Rountree.

ROUNTREE: Thank you, Chairman Holdcroft. And thank you, Mr. Farber, for your testimony. As you're asking to increase the licenses from 6 to 18, but you talk about our surrounding states and the number of licenses they have, and Wyoming, if I heard you correctly, has no limit on the number of licenses they have--

ZACH FARBER: Correct.

ROUNTREE: How has that impacted the state, revenue-wise?

ZACH FARBER: As far as revenue, I can't necessarily speak to that personally.

ROUNTREE: OK.

ZACH FARBER: I'm happy to circle back and provide an answer, if you'd like.

ROUNTREE: All right. Thank you so much.

ZACH FARBER: Mm-hmm.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you for your testimony.

ZACH FARBER: Thank you very much.

HOLDCROFT: Next proponent. Welcome.

LYNNE McNALLY: Thank you. Thank you, Chairman Holdcroft, and members of the committee. Lynne McNally, L-y-n-n-e M-c-N-a-l-l-y, representing the Nebraska Horsemen's Benevolent and Protective Association, a partner in WarHorse casinos. Just wanted to mention that if you're curious, the, the original legislation that passed in the CA that passed that authorized casinos in the first place not only benefited property taxes, but the horse racing industry as well. I know the NRG is here and can give you exact numbers about the revenue that's been generated thus far, but the Horsemen have doubled the amount of purses that they run for, and they've also dramatically increased the other programs

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that support our population; the benevolence fund that reimburses for medical and dental expenses and eyeglasses, that kind of thing. So, it really has been a fantastic boon for, for the-- an agricultural industry. I know people think of it as gambling, but for us, it's ag. You know, horses need to be fed seven days a week, so. We already have an agreement in place with our partner so that if online is legalized, we'll have additional revenue coming in. We've decided that a, a really significant issue is that we have not adequately supported the thoroughbred breeding program in the state. Nebraska used to have one of the top thoroughbred breeding programs in the United States, actually; we were in the top ten, and after Ak-Sar-Ben closed, most of that industry went away. So, we plan on using our portion of the revenue that we would get from this to support the breed program, so if you, if you bred horses to run in the state, they were raised in the state, we would give you a financial incentive to do so. We're hoping to develop that portion of the ag industry once again to what it had been before, so. Thank you.

HOLDCROFT: Thank you, Ms. McNally. Any questions from the committee? Yes, Senator Rountree.

ROUNTREE: Thank you so much, Chairman Holdcroft, and thank you, Ms. McNally, for your testimony on today. If this measure were to be approved, what type of dollar amounts would you be projecting that you would report to your thoroughbred--

LYNNE McNALLY: We think it'll be an additional probably \$1 million dollars a year.

ROUNTREE: OK. All right.

LYNNE McNALLY: And, and, and the thoroughbred industry, the breeding industry could really use that.

ROUNTREE: All right. Thank you so much.

HOLDCROFT: Any other questions? Thank you very much.

LYNNE McNALLY: Thank you.

HOLDCROFT: Next proponent. Welcome.

DAN HARTMAN: Thank you. Good afternoon, Chairman Holdcroft, and distinguished members of the committee. My name is Dan Hartman, D-a-n H-a-r-t-m-a-n. I'm currently serve as an advisor to Underdog Sports. I previously worked as a depart--the Colorado Department of Revenue for

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over 30 years. I was responsible for overseeing various different-- at very different times, including the Division of Liquor Enforcement, Division of Racing, and most currently, I served as the executive director of the Division of Gaming. As the director of gaming, I was responsible for standing up Colorado's sports betting program. Under my guidance and leadership, Colorado's sports betting regulatory framework was widely regarded as best-in-class. It is an honor to testify before the Legislature regarding legislation to expand gaming and legalize mobile sports wagering here in Nebraska. As director of gaming, I worked closely with stakeholders including casinos, sports betting operators, fantasy contest operators, responsible gaming advocates to deliver best-in-class regulatory frameworks for new gaming verticals. As a result, I have a wealth of knowledge and experience relating to all things gaming. That brings me to my current role, and why I'm testifying here today. When sports betting was legalized in Colorado, the legislation enabled a highly-competitive market, which-- with more than 30 licenses available. The Legislature and the vision were aligned in encouraging an innovative and competitive mobile sports betting market. I encourage this Legislature to follow the similar approach by allowing for an open, competitive market here in Nebraska. The two main benefits of a competitive mobile sports betting market include benefits to the consumer by preventing [SIC] safe regulatory betting options. More licensed operators create-- operators create more choices for consumers. The competition can lead to better odds, more diverse betting options, and improved user experiences. Regulation ensures these operators adhere to certain standards and practices, protect consumers from fraud and unfair treatment, creates a safer environment compared to unregulated offshore markets. Two, increased revenue to the state of Nebraska, more operators mean more activity in the market, leading to increased tax revenue, economy, betting taxes, local partnerships. Competition will also stimulate innovation, with operators developing new and exciting products to attract more customers, further increasing revenue. In conclusion, I strongly believe that an open, competitive market in mobile sports betting in Nebraska will provide significant benefits to consumers in the state. By allowing for numerous licensed operators, Nebraska ensures safe, regulated environment for sports betting. I urge you to consider passage of 4-- LB421 with increased licenses to create thriving and responsible gaming markets here in Nebraska. Thank you for your time.

HOLDCROFT: Thank you, Mr. Hartman. Any questions from the committee? Seeing none. Thank you for your testimony.

DAN HARTMAN: Thank you.

HOLDCROFT: Next proponent.

RICHARD TAYLOR: Good to be back.

HOLDCROFT: Welcome back.

RICHARD TAYLOR: Thank you. It's good to be back. For the record, my name is Richard Taylor, R-i-c-h-a-r-d T-a-y-l-o-r, and I am the director of responsible gambling for BetMGM. I'm here in support of LB421, and I wanted to take the time to speak a little bit about some of the questions I heard earlier regarding some of the procedures and protocols that an operator would have in place to ensure responsible gambling is, is being maintained. First, when it comes to underage individuals attempting to gain access, BetMGM and other operators use third-party know-your-customer verification services to help us ensure that the people who are registering for these accounts are these individuals. But our monitoring doesn't stop there. There are other things that we're looking for throughout a player's journey to try to identify if they are not who they say they are. I'm not at liberty to speak to that in a public session, given what we're talking about, and wanting to make sure that people don't understand how we find these things, but we are looking beyond just the registration process. There are other flags that pop up from time to time, and we do investigate and take action on those when they occur. The other thing I wanted to talk about was self-exclusion. Self-exclusion is a way for those who have a problem to exclude themselves from being able to wager on our platform, but it doesn't just stop there. We also ensure that they do not receive marketing from us or any of our affiliates. So, when you sign up for self-exclusion, either through a state agency or directly on our platform, you are also signing up to not be marketed directly by us or any of our affiliates. The other thing I wanted to bring up was a statistic that was mentioned earlier in that 96 percent, percent of players lost money. I'm here to tell you that gambling should be treated as a form of entertainment no different than going to a nice restaurant, going to a show, going to a nice experience. And that's how we talk to our players about this. And if you even go on our responsible gambling website of our BetMGM platform, we tell players all about the house advantage. And for those of you who aren't aware about the house advantage, it basically states that the house has an advantage, and that over the long-term, you are going to lose more money than you are going to win from gambling. We want them to look at gambling as a form of entertainment, something that enhances their experience of watching a sporting event. We don't want them to view it as something that can help them pay their mortgage or put their kids through college. And we put that in black and white very

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prominently on our sports betting platform. So, I just want to make sure that that's clear and understood, from BetMGM's perspective and other operators, that we are not here trying to reinforce the notion that you can become rich through sports betting. With that, I, I will yield to the, the committee any questions that you may have.

HOLDCROFT: Thank you, Mr. Taylor. Any questions from the committee? Senator Rountree?

ROUNTREE: Thank you, Chairman Holdcroft. And thank you so much, Mr. Taylor, for being here again today. Going to circle back around to this self-exclusion--

RICHARD TAYLOR: Yes, sir.

ROUNTREE: --that's identified on your platform, but for all of the platforms out there, is there a way that this exclusion gets to every platform? So, I might not be able to go on yours, but I can go on the next one or the next one. Is there a way that I'm totally locked out all the way around?

RICHARD TAYLOR: That's a fantastic question, Senator. And there are levels to self-exclusion. So, let me start at the very top level. State agencies-- typically-- I think there are a few exceptions, but state agencies, meaning the regulatory agencies who regulate us, have the state self-exclusion list--

ROUNTREE: OK.

RICHARD TAYLOR: --and any operator who's licensed by them is compelled to comply with the state self-exclusion program so that all of us receive this list, and all of us must ensure that these people are being blocked. Beyond that, the Responsible Online Gaming Association-- which is a brand new industry group. It's myself-- or my-- not myself. It's BetMGM, it's FanDuel, DraftKings, over 80% of the U.S. market. We have formed a group specifically to address responsible gambling issues across this country and for our players. And one of our pillars, which we're actually having meetings the past couple of weeks, was to figure out how we can share our self-exclusion lists or our platform ones with each other across all of our jurisdictions. This has never happened before; this level of, of a security blanket when it comes to self-exclusion has not been established in the United States before, and we are endeavoring to do that, and, and I'm very confident that we'll have something in the field here within the next several months to hopefully no later than the end of this year.

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ROUNTREE: All right. Thank you so much. I appreciate that information.

RICHARD TAYLOR: Thank you, Senator. Appreciate it.

HOLDCROFT: Any other questions from the committee? Senator Andersen?

ANDERSEN: Thank you, Mr. Chairman. Just to make a, a comment, Mr. Taylor. I appreciate the fact that you guys have the self-exclusion ability, and then also you have the warning banners. I, I appreciate the fact that you're trying to forewarn people of the dangers of the product. So, thank you.

RICHARD TAYLOR: I, I thank you, Senator. And if, and if I may add-- you know, our commitment to responsible gambling goes beyond our operations. I'm actually on the advisory committee for problem gambling for the state of Nevada, my home state. I'm also the chair of the military committee for the National Council on Problem Gambling. We work very closely with the state councils of problem gambling in each of our jurisdictions where we operate, and we partner with each other to ensure that I understand what's going on in their state, and we're able to address some of those things within our operations. And what I mean by that is we've brought in people with lived experience to speak directly to all of our employees; we do it two times a year. We're training our staff, not just annually, but in the case of our VIP teams, on a quarterly basis, to ensure they understand what their duties and responsibilities are. And we are actively speaking to our customers, and we will not hesitate to close an account and provide them resources and referrals to services and treatment should we be concerned about their level of play at any time. We do that every single day. So, I appreciate that, but it goes far, far beyond what I just mentioned here today.

ANDERSEN: Thank you.

HOLDCROFT: And other questions from the committee? Seeing none. Thank you.

RICHARD TAYLOR: Thank you, sir.

HOLDCROFT: Next proponent. Proponent. Oh. First opponent, then. First opponent. Welcome back.

NATE GRASZ: Thank you, Chair Holdcroft, members of the committee. Again, my name is Nate Grasz, N-a-t-e G-r-a-s-z, testifying on behalf of the Nebraska Family Alliance. We are opposed to this bill and the following bill for similar reasons, as expressed in our prior

testimony. Online sports gambling is creating a public health crisis in our country. It is destroying young people's lives, and normalizing gambling for kids, and neither this nor the following bill offers any real safeguards. While sports betting scandals have continued to rock both professional and collegiate sports recently, the bigger scandal is the ease in which our own state governments are seeking to treat their own citizens as an expendable means of state revenue. Specifically to this and the following bill, preemptively passing this legislation would not only send the wrong message to voters, but it also raises serious constitutional questions about whether the Legislature can pass such legislation before the constitution has actually been amended. These are not trigger bills, but enacting bills; both LB421 and LB438 seek to enact something that is presently unconstitutional. This is a legal gray area at best, and if passed, the only guaranteed outcome would be costly litigation for the state. When the constitution was amended in 2020 to authorize casino gambling, the enacting legislation came after, not before. LB421 and LB438 seek to reverse that standard process, and should not be advanced. Thank you.

HOLDCROFT: Any questions from the committee? Seeing none.

NATE GRASZ: Thank you.

HOLDCROFT: Mr. Grasz. Next opponent. Anyone speaking in opposition?

GLEN ANDERSEN: Glen Andersen, G-l-e-n A-n-d-e-r-s-e-n. Glad to be here. Well, I, too, am not a gambler. I've been trying to catch up on how this all works. So, a few days ago, I called out to the Nebraska Racing and Gaming Commission. I talked with Rita out there; she's head of accounting and finance, and she was very helpful. I appreciated her help in clarifying the current financial arrangement of sports gambling at casinos, and what we might expect with passage of these gambling bills. But first, I'd like to talk about the current situation. Currently, money lost by people wagering in sports betting minus money won on sports betting is the gross gaming revenue at a casino. Of that 20%, 20-- it's tax revenue to the state. The remainder is retained by the casino to cover expenses and casino profit. Currently, the sports betting at a casino is conducted using software they have purchased or leased. Thus, they're not connected with any DraftKings or anything like that right now. But after passage of this gambling bill, if LB421 or LB438 is passed and we allow statewide online sports gambling, it gets a little more complicated. According to these bills, the casinos would authorize an online gaming operator such as DraftKings to conduct the online sports betting. Of the gross gaming revenue reported by the gaming operator, 20% would be tax revenue to the state of Nebraska.

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Where the remaining 80% will end up is uncertain, but we should try to estimate. Though the casino does not carry a lot of responsibility or effort, we could say maybe their cut of this whole thing would be 5%. That leaves the online gaming operator with 75% of the gross gaming revenue. Now, what is the effect on the gambler and the community? A gambler takes his or her loss, and if the gambler is, say, in Alliance, all of his loss is gone from the community. And 75% of that online gaming operator takes, most of it will leave Nebraska and will be profit to DraftKings and employees in Nevada or New Jersey, or wherever. So, most of it goes elsewhere. Whether we consider legal or illegal online gambling, Nebraska loses a lot. Making gambling legal will increase the illegal gambling; with the addition of legal gambling, we'll increase the online gambling much more. Losses to Nebraska will increase. Thank you.

HOLDCROFT: Any questions for this testifier from the committee? Seeing none. Thank you, Mr. Andersen. Next opponent. Anyone testifying in opposition?

PAT LOONTJER: I'm back.

HOLDCROFT: Welcome back.

PAT LOONTJER: I'm Pat Loontjer, P-a-t L-o-o-n-t-j-e-r. I basically just want to appeal to you to do the right thing. Your children and your grandchildren are going to be the ones that are going to be affected by this, and I don't think you'd want that on your conscience. We need to protect them. They're the ones that are going to suffer because of, of this gambling addiction, and the phone, and the proliferation. And what is the state gaining? Just a small percentage of the loss that these kids are going to put on their phones and on their credit cards, on their parent's credit cards. It may be a few dollars, but probably 75% to 80% is going to leave the state with one of these big conglomerates. Is it worth the heartache that's going to be left behind and the lives that are going to be ruined? Don't be used by the gambling industry to line their pockets by voting for these. This is a business whose only goal is to cause addiction, which will lead to destroyed lives and even suicides. Is this what you want to be responsible for? I think not. Please vote no on all of these gambling bills.

HOLDCROFT: Thank you, Mrs. Loontjer. Any questions from the committee? Seeing none. Thank you for your testimony. Next opponent. Anyone else as an opponent? Seeing none. Anyone in the neutral? Welcome.

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DAVID GEIER: Chairman Holdcroft, members of the General Affairs Committee, my name is David, D-a-v-i-d; Geier, G-e-i-e-r. I'm the director of the Nebraska Gambler Assistance Program. Our program enters contracts with therapists to work with Nebraskans having problems because of gambling. That's about two thirds of our budget. What you have in your hand now is basically my statement. My main point to you today is that funding for our program, as with the other 42 programs like ours in the nation, has kept us on a starvation diet. That's because political leadership has sought to divert gambling dollars to other purposes. Our program started off with 1% of the lottery profit. Almost immediately, the managers of the program found the need for more money. Today, our funding comes from lottery profits, a bit of charitable gaming tax revenue, a piece of the lottery division advertising budget-- which is pretty bizarre-- and some Health Care Cash Fund money which is coming based on the governor's proposal, and a fixed appropriation from charitable gaming. So, it's pieced together; a patchwork. Time to change that. As time has gone by, 30 years of gambling changes in Nebraska, time to make some changes in the way our program is funded. We're providing counseling services in 22 counties now. The demand for our service has more than doubled this biennium; it's going to continue to double. I'm asking you now to consider-- not today, probably not even as part of this bill-- but to take an overall look at the way gambler assistance is funded from the gambling revenue that the state of Nebraska collects from the gambling interests. Thank you.

HOLDCROFT: Thank you for your testimony. Any questions from the committee? I have one. So, you say you've seen some increase in the number of people having issues with gambling in the last two years?

DAVID GEIER: Yes, double. The number of people who are receiving counseling has doubled and continues to go up. Calls for a helpline have gone up 20% or 30%.

HOLDCROFT: Is that from gambling at casinos primarily, or is it other forms of gambling? Do you know?

DAVID GEIER: The major contributors are the slot machines in the casinos and the mechanical amusement cash device-- what we call "convenience store slot machines" that are all over the state. Those two account for about 75% of new gambling problems that our counsellors are encountering. Step down from that, sports betting is starting to come up slowly, and then the rest of it is just a little bit of everything. We hear about people, for example, playing gambling games,

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poker, whatever-- what's your choice of location to do it? "In my home;" "on my phone." That's where we're getting a lot of.

HOLDCROFT: Thank you. Any other questions? Thank you for your testimony. Next neutral testifier. Neutral. Welcome.

CASEY RICKETTS: Hello. Good afternoon, Chairman Holdcroft, members of the committee. My name is Casey Ricketts, spelled C-a-s-e-y R-i-c-k-e-t-t-s, and I'm the executive director of the Racing and Gaming Commission, and I'm here to testify in the neutral capacity on LB421. First, I would like to thank you for your work on LB357. It passed on Final Reading on Thursday, March 6, and because it passed, I want to suggest one change to LB421. On the last page of the bill, in subsection (2), beginning on line 13, the current language states "three and one-half percent to the Racing and Gaming Commission's Race Track Gaming Fund," and "three and one-half percent to the Racing and Gaming Commission's Racing Cash Fund." So, those two separate cash funds were combined by LB357, so we would ask that you change this language to reflect that. Also, I would like to propose that instead of allocating 7% to the Racing and Gaming Commission, please give us 4%, and the remaining 3%, please give to the breeders association to help build up horse racing. A member of the breeders association will be testifying after me, and they will be able to answer any questions about their program and why amending this allocation is important to the continued growth of the Nebraska breed program, and, ultimately, racing in Nebraska. As our fiscal note states, we estimate we'll need to hire two additional staff to manage our increased workload we would have due to the increase in sports betting, if it is to become fully mobile. Additionally, we may need to hire a third person that would manage the I.T. needs we would encounter with regulating online mobile sports betting, and this would be to continue our mission of ensuring the integrity of sports wagering, especially if it goes fully mobile. We plan to collaborate with other regulatory jurisdictions-- and have already started to-- to share best practices for overseeing mobile sports betting. Thank you for your time, and I'd be happy to answer any questions you may have.

HOLDCROFT: Thank you. Any questions from the committee? I have one.

CASEY RICKETTS: Yes.

HOLDCROFT: Who is Rita?

CASEY RICKETTS: Rita Pracht-- Rita Pracht is my finance manager.

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HOLDCROFT: Well, apparently she's very responsive.

CASEY RICKETTS: I, I didn't message her and let her know, so thank you [INAUDIBLE] that you were getting good customer service from my staff.

HOLDCROFT: Any other questions? Thank you very much.

CASEY RICKETTS: All right. Thank you.

HOLDCROFT: Any other one-- anyone in the neutral? Welcome back.

LINDSAY SLADER: Thank you, Chairman Holdcroft, and members of the committee. Thanks for having me back. I noticed that there were a, a few questions here at the, the, the hearing today that I, I, I thought I'd take the opportunity to clarify. There was some general discussion about the use of VPNs by Nebraskans, making it look like they're in Iowa to bet on regulated sites outside of the state. I just wanted to comment that, you know, the modern-day geolocation technology that's used by regulated sportsbooks, it, it detects that type of activity. I just pulled a, a couple of stats, and in the last 30 days, of all users in Nebraska that were attempting to wager from within the state on sites in, in-- outside of the state, there-- 2.3% of them tried to use VPNs or proxies or other fake location app tools to manipulate their location; the remaining 97.7% weren't trying to do anything, they simply didn't use any such tools. And then my second point-- Senator DeKay, I think it, it was you that was asking about methods of withdrawals, how, how that happened. I just thought I would, would offer that generally, the method in which someone would have deposited money in the first place, either by ACH or alternative payment method, potentially credit card, if such a state allowed for it, a deposit out of their account-- or, sorry, a withdrawal out of their account would be done in the same manner. For larger amounts, there would be an additional manual review that may take place, taxes withheld depending on the the amount that they may have won during their, their session, and if you tried to withdraw from a-- or, into a different method, then there may be additional steps or barriers to do so for, for anti-fraud purposes. That's all that I have to offer.

HOLDCROFT: Any, any questions from the committee? Seeing none. Thank you for your testimony. Any other neutral testifiers? Welcome.

ZACH MADER: Thank you. Excuse me. Good afternoon, Chairman Holdcroft, and the members of the General Affair [SIC] Committee. My name is Zach Mader, Z-a-c-h; last name is Mader, M-a-d-e-r. I am the current president of the Nebraska Thoroughbred Breeders Association. I am

testifying in the neutral capacity today on Senator Clouse's bill, LB421. The breeders association was founded in 1964 to promote breeding, marketing, and the use of thoroughbred horse-- horses in the state of Nebraska. We also maintain a registration system for thoroughbred horses in Nebraska, which is updated annually. Currently, we have over 120 registered members whose stables, ranches, and breeding programs are located all over the state from Scottsbluff to Omaha; from Valentine to Superior. You may be wondering why the Thoroughbred Breeders Association is testifying on a bill that deals with mobile sports wagering. Our interest is very specific to one section of LB421, which is the dis-- disbursement of the tax revenue for these online sports wagers, and it is outlet-- outlined on page 15 of this bill. We would like to ask this committee to allow us and other stakeholders a chance to rethink how we allocate these dollars to fund our local economies, support agriculture, and grow thoroughbred horse populations. You just heard from Director Ricketts about a funding change they are requesting in LB421. The breeders association would be a wholeheartedly in support of an amendment-- an, an amendment to direct-- to a direct percentage of the mobile betting revenue to support agriculture and our local breeders. Our top priority is to help the breeding industry grow across the state. Revenue generated from casino and sports betting could be reinvested into our breeders program by amending the funding designations in Section 4 of LB421. The dollars we spend will not only support agriculture, but be spent locally on feed, veterinary care, farrier surface-- services, and other local products. Thank you for your time and your service to the state of Nebraska, and I'd be happy to answer any questions.

HOLDCROFT: Any questions from the committee? Senator DeKay.

DeKAY: Thank you. It was touched on earlier about the breeders program. Can you give me an update on the breeders program, and basically has it--

ZACH MADER: Yep.

DeKAY: --grown over the years, or what's the status of it?

ZACH MADER: It-- we were in dire straits in 2018, 2019 when the, the Racing and Gaming Act [SIC] passed. We had an influx of mares that were bred in the state, like 200 of them. Since then, we've started to see stair steps down. A lot of the casinos have taken a while to get on board, and the breed program is not funded by any of the gaming stuff.

DeKAY: Thank you.

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HOLDCROFT: Any other questions? Sen-- [INAUDIBLE] Senator Quick.

QUICK: Thank you, Chair. So-- and welcome, Mr. Mader.

ZACH MADER: Thank you.

QUICK: I know you're from Grand Island, so I--

ZACH MADER: Yeah.

QUICK: --and, and-- could you talk about maybe some of the barriers that you face, and how this funding would, would help with some of the barriers that you've had?

ZACH MADER: Yeah, so we represented-- not necessarily the rate-- or, the racehorses that are on the racetrack; ultimately, they show up and come from our farms and our facilities. Sometimes, they are the same people, whether it be an owner or breeder. But a way to kind of differentiate the two is where from birth to the first two-and-a-half or three years on a farm in the state of Nebraska, buying local grain, buying local feed, the farriers, all of that good stuff. Ultimately, the goal is for them to end up on-- in, in a race at one of our racetracks here in the state. Sometimes, it's the same person that is doing the breeding and owning the racehorse; sometimes, that's not the case. There are strictly some who just own horses. So, the Horsemen's group and our group, we overlap, but we're not the same.

QUICK: I have one other question.

HOLDCROFT: Sure.

QUICK: And I know I talked to some breeders who felt like they couldn't really-- didn't have the opportunity to raise their horses here, so they actually left the state to raise horses in another state, and-- can you talk a little about that and how that--

ZACH MADER: Yeah, so we have-- we really need some long-term funding to run a breed program that is allocated just for our breeders and for the breeders organization to do the things that we need to do. Not necessarily allocated to purse dollars, but to the owner of the mare and of the stallions. That's a big part of a, a breed program, and right now, our dollars in this state are very thin, and we're starting to see, hopefully, a blossoming of a race industry with more days, more races. By state statute, we have to run one breed race a day, which is a good thing. We are running more than that right now, but we need our numbers to explode.

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QUICK: Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Oh, Senator Storm.

STORM: I have a question here. Thank you, Chair. So, as far as horse racing goes, Kentucky's probably the biggest. And then what, California, number two?

ZACH MADER: California maybe would have been at one point in time, but their, their numbers are dwindling. I would say probably Florida, Louisiana, places with lots of thoroughbred horses.

STORM: OK. So, Nebraska has a chance to be up there, you know, as far as horse racing goes--

ZACH MADER: If you were to go back in time, we were, we were very high up the totem pole. Can we get back to there? Yes. We're going to have to run more days. Lincoln is coming online with a meet this summer, which is going to help. Consecutive days, not 30, 40, but if we can get to 60, 80, 100-- it's a great spi-- it's a great space to raise horses, it's a great place to raise horses, and we proved that many, many years ago. And it'll come back, I believe.

STORM: OK. Thanks.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you, sir.

ZACH MADER: Thank you.

HOLDCROFT: Any other neutral testifiers? Neutral. Welcome back.

MIKE SCIANDRA: Thank you for having me back. Once again, my name is Mike, M-i-k-e; Sciandra, S-c-i-a-n-d-r-a. I am affiliated with Choices Treatment Center with offices in Lincoln and Columbus, and I am a problem gambler in recovery as well. I just want to come up here to essentially echo the statement that Mr. Geier gave as far as the resources that are available to the Nebraska Gamblers Assistance Program. I can speak from being one of those-- being a part of one of those treatment providers. That funding is tight, and this is something we're over three decades into, as far as having the Gamblers Assistance Program. And obviously, as we're talking today, the forms of gambling and the options for gambling have increased dramatically in those three decades. So, the way that we're funding the Gamblers Assistance Program needs to evolve in that same way as well, and we are definitely trying

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to do our best to encourage everybody to make sure that we're providing those resources and that we have the funding available for those resources, whether that's-- this gets passed, or whether another bill, or whatever that looks like. We just want to make sure that we have those funds available and those resources available to ensure that our-- anybody in Nebraska who is struggling with gambling-related harm and their loved ones have that ability to receive treatment. And that's all I have. Any questions from you guys?

HOLDCROFT: Any questions from the committee? Seeing none. Thank you for your testimony. Any other neutral testifiers? Neutral. OK. Seeing none, then I will invite Senator Clouse for his closing. There were comments; there were 3 proponents, 10 opponents, and 1 neutral commenters.

CLOUSE: Thank you, Senator Holdcroft. I apologize for not being here for the opening. I am not the gambling senator. I was in an insurance testimony with Senator Cavanaugh. Insurance is not unlike gambling; you roll the dice, hope they never have to use it. But you have it-- it's nice to have it when you, when you need it. This bill-- I just need to emphasize-- is only needed if the constitutional amendment is approved. And so, we can sit here and we can argue about do we want it, do we not, whatever; it needs to be in place. And the example I'll use with this committee is the medical cannabis, medical marijuana. You know, we didn't do anything with it, it went out; the voters did it, and now they've got in statute something we've got to comply with, and I'm not sure everybody really likes how that's the-- how that's handled. So, this is an opportunity to say, OK, if this gets passed, then here's the direction we're going to go with it. And I think that's what this bill is really presenting. And there's a lot of pros and cons. Andrew, as he did the introduction, stated that one of the bigger questions that I've heard since I've been in here is the allocations, and I think certainly that's something we can talk about, is if it gets passed and if we find out what the revenue stream is going to be, do we make some adjustments to the allocations in this bill? So with that, the-- just the understanding that this is only approved if we have that constitutional amendment that goes through. So, with that, any questions on my closing?

HOLDCROFT: Any questions? Yes, Senator Andersen.

ANDERSEN: Thank you, Chair, and thank you, Senator Clouse, for being here. One thing I didn't hear, I may have missed it [INAUDIBLE] discussed it was on page 2, line 15 and 16, where it says in discussing in-state collegiate sporting events, which in-state college or university teams are [INAUDIBLE].

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CLOUSE: Right. That one--

ANDERSEN: Is there a, a certain background and purpose for bringing that?

CLOUSE: Yeah, but I think a, a couple bills down, we're going to address that separately with Senator Brandt's bill; that's specifically addressing this. This is included in this, but if his bill is approved and we bring this back later on, that one-- that can, that can go away. That was primarily when they approved gambling-- casino gambling, you couldn't bet on primarily Husker sports or any sports within the state. And so, this would remove that, but I think you'll hear from Senator Brandt here a little bit that his bill exclusively deals with that particular line.

ANDERSEN: Thank you.

HOLDCROFT: Any other questions for Senator Clouse? Seeing none. This closes the hearing--

CLOUSE: Thank you.

HOLDCROFT: --on LB421. We'll open the hearing on LB438. Senator Spivey. Senator Spivey.

SPIVEY: Hello, Chair. How are you?

HOLDCROFT: I'm good. I apologize for the cycling around that we were doing.

SPIVEY: It's OK. I'm just right here and "Approps," and then I had my other hearing. So, I'm, like, in this little triangle. So, it worked out.

HOLDCROFT: I appreciate your flexibility.

SPIVEY: Of course. It's a lot trying to balance, though.

HOLDCROFT: Whenever you want to start.

SPIVEY: OK. Perfect. Well, thank you, Chair Holdcroft, and members of the General Affairs Committee. I appreciate your time today, and excited to introduce LB438. I am Ashlei Spivey, A-s-h-l-e-i S-p-i-v-e-y, representing District 13, which is in northeast and northwest Omaha. And I think this is-- this is my first time here and in this room, so. Glad to be with y'all. I am here to introduce today

LB438, which legalizes and regulates online sports betting in Nebraska under the oversight of the Nebraska State Racing and Gaming Commission. So, you do have in front of you a synopsis that kind of just goes over the nuts and bolts of the bill as well. The main components of this bill are to allow licensed gaming operations at Nebraska racetracks to offer online sports betting through an authorized platform. Think DraftKings, MGMBet [SIC], FanDuel. This bill also will ensure that online sports wagering is conducted safely and securely, with strong consumer protections and responsible gaming measures, hence the structure of the bill. And then, the, the real purpose and intention of why I am bringing this forward is to generate new tax revenue to the state for property tax relief, the General Fund, and the Education Future Fund. So, as a member of Appropriations, I'm constantly looking at the budget, looking at what's in front of us, and we are not going to cut our way out of a deficit. And also, we can't cut our way to planning for the future of Nebraska. And so, I think we really need to think about innovative revenue streams that are coming into the state to help fund some of our essential services, and the things that we are saying are a priority. This bill does not expand gambling beyond what voters have already approved and voted on through the licensed racetrack gaming; this bill does not allow unregulated or offshore sports books to operate in Nebraska; and this bill does not permit betting on Nebraska college teams, individual performances, high school sports, and, like, other restricted events. This bill does, however, keep sports betting dollars in Nebraska rather than us losing them to our neighboring states or unregulated online platforms; it does establish a clear and enforceable regulatory framework to protect consumers and prevent fraud, as well. Nebraska is currently at a competitive disadvantage of many of our othering [SIC] states around online sports betting, and so we really do need to take action, otherwise our state will continue to lose potential revenue to jurisdictions that do have legalized and regulated industry of sports betting. By legalizing and regul-- regulating online sports betting, LB438 ensures that Nebraska benefits from a safe, responsible, and well-regulated gaming environment while maximizing revenue. You know, right now-- I don't know where everyone stays normally when not in session, but I live close to the border-- so, I'm in Ponca Hills, so very far north; I can see the bridge to Iowa-- and you will see folks literally parked across in Iowa in their car, placing bets, and then they literally drive back over. And so, again, while you can have your difference opinion around online sports betting, that people should be gambling or not, people are doing it and we're losing the revenue. And so, this is an in-- an intentional way to try to capture that revenue so that we are bringing in additional funding for our state, which we

need. And again, to ensure consumer protections. We, we want to make sure that if people are engaging in online sports betting, and we're doing it in a way that they are not scammed or takes advantage of them. So-- and I just wanted to kind of point out a couple of differences in just some of the bills that I know that y'all are hearing today in your hearing schedule. And so, Senator Bostar's bill is a constitutional amendment that would authorize online sports betting more broadly, and so my bill is specifically already in the context of what the voters have already passed. And then, Senator Clouse's bill authorizes betting on Husker games as other in-state colleges and universities as well. And so, mine specifically, again, is looking at already what's in statute, in that structure; looking at how do we utilize our kind of main components and trusted resources around sports betting to do that. And while I don't want to step on the toes of other senators that you haven't heard from yet, I also just want to uplift the difference with Senator Brandt's bill, which will allow betting in in-state university games, and it doesn't cover online sports betting in the same way that my bill. So, I just wanted to point that out; again, just some of the, the differences. The last thing that I wanted to point your attention to is the fiscal note. So, you will see that the county is saying specifically that they will lose about 2.5% of revenue from this bill, and that was a misunderstanding of the intention of how this bill was written. And so, this-- we're-- we have an amendment working; like, one word has to be changed, but my bill only applies to online sports wagering, not all sports wagering, so they thought that I was trying to change all of sports wagering, which would account for a loss for that specific county. So, about \$71,000. So, I just wanted to uplift that too, for your attention. And with that, again, you know, my goal with LB438 is to think about innovative revenue into our state at a time when we know resources are finite and will continue to be finite. That's not changing. And so, this is an opportunity for us to think about bringing some of that in to prepare for Nebraska today and our future. And with that, Chair, I will be happy to answer any questions that the committee has.

HOLDCROFT: Thank you very much, Senator Spivey. Any questions from the committee? Senator Andersen?

ANDERSEN: Thank you, Chairman. Thank you, Senator Spivey. In your summary [INAUDIBLE] couple different places where it talks about an authorized gaming operator within a, an en-- a racetrack enclosure or in partnership with them. Is-- what does, what does that mean? Also, you had the references to "contracted with an authorized gaming operator." What-- what's the bottom line? I mean, is this, is this online gambling anywhere in the state of Nebraska? Is that--

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SPIVEY: I'm not sure I'm following your question. So, this would have to still be within the racetrack area. So, it's like, like you see currently in our statute for how that works. The online sports wagering would need to be in partnership with them and at their facilities.

ANDERSEN: So, would the person gambling-- would they have to be within the racetrack area?

SPIVEY: No. So, they would-- because the, the racetrack and gaming facility would manage the online sports betting so that they could use their platform that they have regulated and said is the correct platform. They can make their bets through that, so they don't have to be physically there.

ANDERSEN: OK. Well, that's--

SPIVEY: Am I, am I answering your question?

ANDERSEN: Yeah. Is that where the servers would be, and all that stuff? That's where the infrastructure would be for [INAUDIBLE]--

SPIVEY: Yes, absolutely. So, the infrastructure is there, yes.

ANDERSEN: All right. Thank you.

SPIVEY: Thank you. Thank you for that clarity.

HOLDCROFT: Any other questions from the committee? Seeing none. Will you be here for close?

SPIVEY: Yes, I will.

HOLDCROFT: OK. Thank you, Senator Spivey.

SPIVEY: Thank you, Chair.

HOLDCROFT: Our first proponent. In favor of the bill, LB438. Proponents. Really? Any opponents? Welcome back.

NATE GRASZ: Thank you, Senators. I'll, I'll be brief. Again, for the record, my name is Nate Grasz, N-a-t-e G-r-a-s-z, testifying on behalf of the Nebraska Family Alliance. We want to be on the record as opposing LB438 for similar reasons as expressed in our, our prior testimony. But, but to be clear, in 2020, voters did not approve online sports wagering. This bill would authorize licensed racetracks to accept wagers on sports betting online from anywhere in the state. This is new language that was not approved by voters and would take a

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constitutional change, which is why we had the hearing on the constitutional amendment from Senator Bostar. So, this would be a, a serious expansion of online gambling in Nebraska that we believe should be subject to a constitutional amendment. Thank you.

HOLDCROFT: Any questions from the committee? I have one.

NATE GRASZ: Yes, sir.

HOLDCROFT: On KFAB this morning, they said Natalie [PHONETIC] Grasz was coming to testify--

NATE GRASZ: I, I don't know who told them that.

HOLDCROFT: --for NFA. You know--

NATE GRASZ: I don't, I don't know any Natalies at our office, but I'll-- I'll have to check.

HOLDCROFT: Just for the record. Thank you.

NATE GRASZ: Thank you, Senator.

HOLDCROFT: Next opponent. Opponent testing against-- testifying against the bill.

GLEN ANDERSEN: Glen Andersen, G-l-e-n A-n-d-e-r-s-e-n. Recently, our 21-year-old grandson told us about some of his friends who are gambling online. One had accumulated a \$4,000 debt. Losing that much would-- without anything to show for is a terrible way to start life. At any rate, we have all kinds of statistics we try to quote here, but we try to have legitimate statistics from studies, and I have some information from a Rady School of Management; it's a large school in California. Of the more than 7,000 gamblers that we studied, 96% appeared to lose money on online gambling. Only 4% made money on online gambling. That is by design. Online gambling platforms often ban or throttle frequent winners' accounts. There is no right to gamble, and so they can cut you out. Like I say, they are really nice guys, but if you start winning, they cut you off; the house doesn't want you around. Our analysis shows that online gambling legislation leads to far more problematic gambling among lower-income gamblers and among higher income gamblers. These findings emphasize the high financial vis-- risk associated with online gambling. In another study, NYU professor Natasha Schull reported in her national acclaimed book "Addiction by Design" that people who follow responsible gambling gad-- guidelines made up 75% of the players, but contribute to a mere 4% of the gambling profits. They only

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bring in 4% of our revenues, the response-- the responsible gamblers, the author of the study said. If responsible gambling were successful, then the industry would probably shut down for lack of income. One of the most influential studies on online gambling in the world found that 86% of gross online gambling profits were extracted from 5% of the gamblers. Commercialized gambling is not recognized as an addiction at the same level as heroin, cocaine, and opioids in the American Psychiatric Association DSM-V used by hospitals, health cares and professionals, and health insurance companies as the principal source of mental diagnosis. Online casino gambling represents the most dangerous and predatory form of gambling being pushed by states, because it offers unlimited access and gambling action. It's the equivalent of opening a Las Vegas-style casino in every bedroom, dorm room, office, smartphones, and commuter--

HOLDCROFT: Mr. Andersen, that's your time. That's your time.

GLEN ANDERSEN: OK. Thank you for yours.

HOLDCROFT: Well, hang on just a minute. We'll see if there's any questions from the committee. Seeing none. Thank you for your time. Next opponent. Welcome back.

PAT LOONTJER: Pat Loontjer, L-o-o-n-t-j-e-r. I believe that these two bills really don't take place until you get past that constitutional amendment, which is the biggie that we're very opposed to. But one of the things that I heard the senator say was she called this innovative revenue. Well, I don't think we should be preying upon the most vulnerable in our society in order to have innovative revenue. So, I would just urge you to, to oppose this.

HOLDCROFT: OK. Thank you. There any questions from the committee? Seeing none. Thank you for your testimony. Opponents. Next opponent. Seeing none. We'll move to neutral testifiers. Anyone testifying in neutral? Seeing none. I'll invite Senator Spivey back for closing. As far as comments go, there were no op-- no proponents, 10 opponents, and no neutral.

SPIVEY: Thank you, Chair. Since I just was here, the only thing that, that I would add is that we did speak to our counsel, like, for the state Legislature; we talked to Drafters, and that we would not need a constitutional amendment based on the framework. So, we did do that research ahead of time to make sure that we ensured that the language that we proposed is legally sound from that perspective, and not, not, not germane, so. I just wanted to uplift that, and would again-- would

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be happy to answer any additional questions that this committee would have.

HOLDCROFT: Any questions for Senator Spivey? Seeing none. Thank you very much.

SPIVEY: Thank you, Chair. Thank you, Committee.

HOLDCROFT: That closes our hearing on LB438. We will now move to LB63 and Senator Brandt.

BRANDT: I feel like I'm home.

HOLDCROFT: Welcome.

BRANDT: That's because our committee meets in here all the time. Good afternoon, Chairman Holdcroft, and members of the General Affairs Committee. I am Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32, Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster counties. Today, I'm bringing LB63, which has some similar components to Senator Clouse's bill that you just heard. This includes striking the language that prohibits sports wagering on in-state collegiate teams if that team is competing in Nebraska. Right now, if Nebraska football is playing Wisconsin in Wisconsin, you are allowed to bet on that game, but if Nebraska basketball is playing Wisconsin in Nebraska, you cannot bet on that game. To me, this just doesn't make sense. It's a common theme in states that allow sports wagering that the most popular wagers are on the state's home teams. Since Nebraska doesn't have any major professional teams, the most popular bet would be on the Huskers or Creighton. An additional change in LB63 is removing the restriction on live bets for in-state teams. Live betting-- placing wagers on games as they happen-- is a major component of modern sports betting. If we are allowing sports wagering in Nebraska, it only makes sense to treat in-state teams the same as any other. Restricting live bets on Nebraska teams does not prevent gambling; it simply drives bettors to place their wagers across state lines or on unregulated, offshore platforms where there are no consumer protections or tax benefits for Nebraska. Additionally, if online sports betting gets approved by the citizens in the future, we should ensure that people are allowed to place the bets they want to place. It makes no sense to create unnecessary carve-outs that limit participation and push revenue elsewhere. By passing this legislation, we bring consistency to Nebraska's sports wagering laws, and allow fans to fully engage in a regulated and legal market. I urge the committee to advance LB63 to ensure that our laws reflect the reality of sports

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betting today. Thank you for your time. I would be happy to answer any questions.

HOLDCROFT: Thank you, Senator Brandt. Any questions from the committee? Seeing none. Will you be here-- oh. We got one. Senator Storm.

STORM: Thank you, Chair. Thank you, Senator Brandt. So, this is just to allow to vote on the Huskers in-state teams, is what you're saying?

BRANDT: Yeah. When we, when we-- I was on this committee when we adopted the rules for casinos. It took us three weeks to decide whether sports betting was passed by the people. We decided it was, it came to the floor, and a last-minute amendment by Senator Patty Pansing Brooks and Senator Bostelman exempted the home teams when they played at home. So, when Neb-- just when Nebraska or any collegiate team played at home. It could be Concordia, Nebraska, Creighton, any of those, those college teams. I was opposed to it at that time. The fiscal note cannot estimate what this is, other than it would be more revenue for the state. I guess anecdotal evidence is that it would be about 25% increase in the sports betting. That's what I've been told.

STORM: So, do other states-- out of curiosity, I don't know-- but do other states not allow the vote-- or wage bets on their in-home teams? Do you know?

BRANDT: I wish I could-- I'll, I'll have to get back to you on that. But most states, most states allow this. We're-- I, I don't want to say we're the only one. I think there might be one or two others, but I'll have to dig into that and get back to you.

STORM: Just curious.

BRANDT: Yeah.

STORM: OK. Thanks.

HOLDCROFT: Any other questions from the committee? Thank you, Senator Brandt. You'll be here for close?

BRANDT: Yes, I will.

HOLDCROFT: OK. First proponent. Welcome.

LYNNE McNALLY: Thank you. Thank you, Chairman Holdcroft, and members of the committee. Lynne McNally, L-y-n-n-e M-c-N-a-l-l-y, representing the Nebraska Horsemen and WarHorse Casinos. We are a proponent of this

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legislation, even though I should say at the outset it is a statement against interests, because if we had taken action on some of the Husker games this fall, we would have taken a massive loss. But be that as it may, the, the reason that this legislation is not necessary-- and I checked with the, the, the major companies-- they said there are a couple of states that also have this rule, but they're states that do not have a well-known college program in their state. It's, it's negligible, the influence they have. Name, image, likeness eliminated the concern that was brought up during the debate on this particular item, and I remember it well. They said that, that it would cause undue pressure on a student athlete to maybe throw the game or, or, you know, ruin a play or something. As you know, we have college freshmen that are millionaires now because of name, image, likeness. There is no way-- if you are a difference maker on a team-- that you are going to throw a play over one bet when your name, image, likeness money is at stake, and that's what's happening. So, I, I really don't think that there's a practical reason to continue to have this prohibition, and the only thing it accomplishes on our end is that occasionally we get a teller that's pretty badly verbally abused because the player is not allowed to place a wager and doesn't understand why they can place a wager on all these other things, but they can't on the Husker game because they're in Lincoln, not Ann Arbor or Los Angeles. So, that's why we support it. Thanks.

HOLDCROFT: Thank you, Ms. McNally. Any questions from the committee? Seeing none. Thank you very much.

LYNNE McNALLY: Thanks.

HOLDCROFT: Next proponent. Proponent. Seeing none. First opponent. Natalie, welcome back.

NATE GRASZ: Come on, Senator, you're killing me. Chairman Holdcroft and members of the committee, again, my name is Nate Grasz, N-a-t-e G-r-a-s-z, testifying in opposition on behalf of Nebraska Family Alliance. And I want to provide a little bit of context and background that I hope will be helpful to the committee. After casino gambling at licensed racetracks was approved in the 2020 election, the Legislature passed a bill in the 2021 session, LB561, to establish the regulatory framework for casino gambling, including sports betting. LB561 was passed with an amendment to prohibit wagering on in-state college teams when they are playing in-state. That amendment was passed with strong bipartisan support, with only four senators voting against it. There are at least a dozen other states who specifically prohibit betting on in-state college teams when they are playing in-state. Current law also

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prohibits live in-game wagering on any game in which a Nebraska college team is participating. And the point of both provisions is to protect and limit the exposure and harassment of our college athletes in Nebraska. The bill before you would remove both of these common-sense protections, and it would do so at a time when the NCAA is asking states to do more to protect their student athletes from the harms of gambling, not less. In October of last year, ESPN reported the findings of a new study commissioned by the NCAA, which analyzed the social media accounts of more than 3,000 athletes, 500 coaches, 200 event officials, and 165 teams. The study found that abuse by angry sports bettors is one of the most common types of harassment that college athletes receive, making up at least 12% of publicly-posted social media abuse, and that the wave of highly negative and critical messages aimed at students, officials, and coaches had a direct link to sports betting. Messages included racism, sexual abuse, and death threats. The NCAA emphasized that the analysis covered only public-facing threats, not private messages where the harassment is likely worse, and that this is not just happening at elite levels, but across all college divisions. The issue occurred even in sports that are less popular with gamblers, including softball, where 24% of abusive messages were from angry bettors. LB63 is an expansion of gambling that places the interest of casinos over the interests of student athletes who I would remind the committee are as young as 18 years old. Parents are not asking for this, coaches are not asking for this, and the student athletes who would be directly impacted are not asking for this. We urge the committee not to further expand gambling, and to instead protect the safety and well-being of our student athletes and their families in Nebraska. Thank you.

HOLDCROFT: Any questions for Mr. Grasz? Seeing none. Thank you for your testimony.

NATE GRASZ: Thank you.

HOLDCROFT: Next opponent. Welcome back.

GLEN ANDERSEN: Yeah, thanks for having me. Glen Andersen, G-l-e-n A-n-d-e-r-s-e-n. And I'd like to note that the following is excerpt from Harry Levant's written testimony to the U.S. Senate Judicial [SIC] Committee, December 17, 2024. Recently, DraftKings purchased a leading-- and this is some things I hadn't been aware of until recently. Recently, DraftKings purchased a leading AI gambling company, Simplebet, and proudly proclaimed ownership of technology designed to target amb-- gamblers with customized, AI-driven gambling products based on each customer's unique gambling habits and proclivities, to

unlock a faster and more frictionless experience. Next, the author discusses something that, as I said, I hadn't been aware of until recently. Turns out that sports teams and the online sportsbooks are colluding for their mutual benefits. The sports teams and the online sportsbooks. The sports leagues, teams, owners and players have entered into previously unthinkable partnerships with the gambling industry. They sell the real-time data statistics to the gambling industry for billions of dollars. This takes place with every sport, from baseball, football and basketball to soccer, tennis, golf, hockey, and-- auto racing and more. The gambling companies then turn these statistics into constant gambling action. Micro bets, same-game parlays, player props, profit boosts, rapidly changing in-game odds and point spreads, and much more. These are all AI-driven gambling products which target people with the most addictive forms of gambling action. Follow the money; the gambling industry is paying its sports and media partners billions of dollars to obtain statistics, advertise, create, and distribute online gambling products. Unlike any other business in the country, no tangible products are sold or distributed. The gambling industry is not selling any widgets on the market. The only way for the gambling industry to recoup its massive, massive spending and generate revenue is to induce the public to chase faster and faster gambling action and lose more money more quickly than ever. There's no dispute that keeping people in the action fundamentally the gambling-- is the gambling business model. And I think I popped something off.

HOLDCROFT: It must have come off.

GLEN ANDERSEN: That's all I have for now.

HOLDCROFT: Thank you, Mr. Andersen. Any questions for Mr. Andersen? OK. Thank you. Next opponent. Welcome back.

PAT LOONTJER: Welcome. Pat Loontjer, L-o-o-n-t-j-e-r. I feel really bad because Dr. Tom was here and he fully intended to testify on this bill, but it got scrambled and moved to a later-- and he couldn't stay. But he felt very strongly about this bill. He feels that it protects Nebraska athletes and also the coaches, and-- so, I just wanted to come and say the little bit about him and his integrity, that he cares very much for the game.

HOLDCROFT: OK. Thank you. Any questions for Ms. Loontjer? "Loont-jer?" None? Yes, Senator Rountree.

ROUNTREE: Thank you so much, Chairman Holdcroft. Ms. Loontjer, thank you so much. So, in your testimony, then, was he for or-- proponent or

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against it? He was against the bill? He was against this particular bill? Dr. Osborne.

PAT LOONTJER: We're, we're opposed to it.

ROUNTREE: OK. Got it. Thank you.

HOLDCROFT: Any other questions? Seeing none. Thank you very much. Next opponent. Opponent. Anyone testifying in the neutral? Seeing no one, Senator Brandt, you're welcome to close. Let's see, this was LB63. You had 1 proponent, 8 opponents, and no neutral.

BRANDT: Well, great. So, I guess just a quick close on this one. When Ms. McNally was up here testifying, there are already rules in place on athletes that would try and, you know, bet on these games, and they would probably suffer a tremendous loss if they lost their NIL money. So, I'd just like to point that out, and we will try and get what other states do on this issue just to make sure that we're very accurate on how many states are like Nebraska, and some just do components of this, so. If there are no other questions, we can go to the next one.

HOLDCROFT: OK. Any other questions for Senator Brandt? If not, that closes our testimony on LB63 and starts our testimony on LB342.

BRANDT: All right. This is the one you've all been waiting for. Good afternoon, Chairman Holdcroft, and members of the General Affairs Committee. My name is Tom Brandt, T-o-m B-r-a-n-d-t, and I represent District 32, which consists of Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster counties. I am here today to introduce LB342, which seeks to establish a responsible regulatory framework and tax structure for fantasy sports contests in our state. I'd first like to take a moment to explain the difference between sports betting and fantasy sports. Sports betting is what most people think of when they hear about sports wagering. A person places a bet on a specific outcome; who wins, the final score, or the performance of a single athlete. This is gambling in the classic sense, and in Nebraska, it is legal, but currently restricted to in-person betting at licensed racetrack casinos. Fantasy sports operate differently. Instead of betting on a single game or outcome, participants create virtual rosters using real players from different teams. Success in fantasy sports is determined by the accumulated statistical performance of these athletes. This is not a game of chance; it requires skill, strategy, and the knowledge of players' performance. Fantasy sports contests have been enjoyed by Nebraskans for decades, even before the advent of the internet. With the advent of the internet, fantasy sports

grew dramatically. This was acknowledged when the federal government enacted the Unlawful Internet Gambling Enforcement Act-- I can't say it-- "UGIA?" U-- yeah. Let's go on-- in 2006, which provided a carve-out of skill-based fantasy sports contests from the definition of betting. Subsequent to the enactment of the UIGEA, internet-based fantasy sports contests continued to grow in popularity, and early market innovators like FanDuel, DraftKings, and others developed daily fantasy sports contests. As the daily fantasy sports industry grew, so did calls for regulation, and more than 20 states adopted statutes and/or regulations on fantasy contents over the last decade. As these regulatory structures developed, so did new innovative fantasy sports operators like those that will be testifying here today. PrizePicks, Underdog, and Betr are some of the latest innovators in the fantasy sports market, and have shown that this industry continues to evolve over time. LB342 establishes clear rules that recognize fantasy sports contests as a distinct activity in the state of Nebraska. This bill ensures fair play and consumer protection by requiring fantasy sports operators to obtain a license in order to offer contests in Nebraska. Additionally, LB342 puts safeguards in place to maintain integrity within the industry. It provides provisions to prevent insider advantages, ensure transparency, and create a level playing field for all participants. These are common-sense regulations that allow Nebraskans to engage in fantasy sports legally and responsibly. Fantasy sports are already happening in Nebraska. LB342 provides the necessary framework to regulate these contests properly, protecting consumers while allowing for a fair and transparent industry. Key provisions of LB342: one, licensing requirements. Fantasy sports operators would be mandated to obtain a license to legally offer fantasy contests in Nebraska. This measure ensures that all operators are subject to state oversight and adhere to established standards. Two, tax structure. Fantasy sports operators would now be taxed on games they are operating in the state of Nebraska. This structure is supported by the Coalition for Fantasy Sports, and will bring in an estimated \$2 to \$3 million in additional revenue every year to the state. Three, consumer protections. The bill includes provisions designed to protect participants by ensuring fair competition, preventing insider advantages and promoting transparency within the industry. At the end of the day, this is about making sure our laws reflect reality. Fantasy sports are already being played in Nebraska, and they have been for years. LB342 does not create a new industry; it simply establishes the necessary framework to regulate and tax an activity that is already taking place. By passing this bill, we ensure that Nebraskans can continue to participate in fantasy sports with the proper consumer protections, while also bringing in much-needed revenue for the state.

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I urge the committee to advance LB342, and I'm happy to take any questions.

HOLDCROFT: Thank you, Senator Brandt. Any questions for Senator Brandt on LB342? Seeing none. I assume you'll be here for close.

BRANDT: I will.

HOLDCROFT: OK. With that, our first proponent. Welcome.

JOHN FOLEY: Good morning, Chairman Holdcroft, and members of General Affairs Committee. For the record, my name is John Foley, J-o-h-n F-o-l-e-y, but I also go by J.T. Thank you for the opportunity to provide testimony in support of LB342. I'm the executive director of the Coalition for Fantasy Sports, and a proud resident of the great state of Nebraska. Our coalition is made up of six member companies from leading innovative fantasy sport platforms: PrizePicks, Underdog, Betr, Dabble, Splash Sports, and Arrowhead. Along with me today are coalition members Stuart Wilkinson of PrizePicks, Zach Farber of Underdog, and Andrew Winchell of Betr. The Coalition for Fantasy Sports is a leading voice advocating for the fantasy sports industry. Together, we advocate for effective legislative policy that protects players, promotes innovation, and provides a fair landscape for industry competition in the fantasy sports space. Our mission is to champion interest of millions of fantasy sports consumers in America by promoting innovative and ensuring consumer protection through responsible play. Fantasy sports is played across the United States by a diverse group of individuals. Currently, in the state of Nebraska, the member companies of our coalition have over 60,000 participants. With this active group of participants comes responsibility for our industry. There are times when participants decide they need to take a break or quit playing altogether. That is why the entire Coalition for Fantasy Sports has agreed to work together with a company named idPair to launch a first-of-its-kind voluntary self-exclusion tool. With, with the advanced technology from idPair, participants of these fantasy games can now voluntarily self-exclude across all members of the coalition, and not just individual companies as they have in the past. This technology has been in the works for months, but it was launched in two test markets at the beginning of this month: New Mexico, and here in Nebraska. We're happy to announce the system is working as expected, and look forward to expanding this program across the United States. We greatly appreciate the work that Senator Brandt and his co-authors have done. And thank you all for allowing me to speak today, and I'll take any questions.

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HOLDCROFT: Thank you, Mr. Foley. Any questions from the committee? Yes, Senator Clouse.

CLOUSE: Thank you, Senator Holdcroft. I have one, but I'm trying to figure out how to formulate it. So, the way this process works, how is that different than just putting a bet on, on-- \$50 on Jared Storm throwing 100 passes a game or whatever? Two-- you know, whatever. How, how does that different than just betting the house?

JOHN FOLEY: Yeah. That's correct. So, what, what you're [INAUDIBLE] saying right there as a single outcome, right? So, that would be, like, a sports bet; where, with the fantasy products, as you see in the chart that I handed out for you, it has to have multiple athletes-- well, for multiple different events going on at the same time to actually constitute a fantasy sport, which would be a game of skill. I think it was the other one.

CLOUSE: [INAUDIBLE] think so. [INAUDIBLE] go through it. Thank you.

JOHN FOLEY: OK.

HOLDCROFT: Any other questions from the committee? Yes, Senator Andersen.

ANDERSEN: Thank you, Chairman. And thank you for, for being here, Mr. Foley. I appreciate your-- where you had the functions for the time-outs, trying to be socially responsible, and I think that's fantastic.

JOHN FOLEY: Great. Thank you.

ANDERSEN: When you talk about the-- your members offering time out, how do you do that? Do you use some kind of algorithm? Is there machine learning? Is there something that triggers you to somebody that may need to, like, step back from it and reassess?

JOHN FOLEY: So, it's a self-voluntary exclusion. So, you have to go in yourself and say, listen, I feel as though I've had too much play; I want to take a break, or whatever it might be. So, if I said, "Hey, I want to take a break," and I'm currently playing on PrizePicks, you know, a month ago, you would have just be able to self-exclude from PrizePicks. But now, with this technology, you'll self-exclude from all the member companies at one time.

ANDERSEN: So, it's only the individual identifies that, hey--

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JOHN FOLEY: Yes.

ANDERSEN: --I need to slow down. Have you thought about doing the opposite with AI, AI [INAUDIBLE]

JOHN FOLEY: I, I know there's, there's a lot of research on AI. I really can't speak to that; I'm not a responsible gaming expert. But we could definitely get some information on it.

ANDERSEN: Thank you.

HOLDCROFT: Yes, sir. Senator Storm.

STORM: Thank you, Chair. Thank you very much for testifying. So, I'm on your website here. So, you're-- you just represent five companies on here? Underdog--

JOHN FOLEY: Yeah. There's a sixth coming in just after this with Arrowhead.

STORM: OK.

JOHN FOLEY: [INAUDIBLE] under-- yep.

STORM: And that's all the-- basically, all the companies in this space?

JOHN FOLEY: Correct. Well, there are mul-- no, no, no. Those aren't all companies. These are some of the larger operators in the space. There are multiple companies that we do not represent.

STORM: OK. All right. Thanks.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you. Next proponent. Proponent. Welcome.

STUART WILKINSON: Thank you. Good afternoon, Mr. Chairman, member of the committee-- members of the committee. My name is Stuart Wilkinson, S-t-u-a-r-t W-i-l-k-i-n-s-o-n, and I serve as the director of government affairs for PrizePicks. We're the largest and fastest-growing daily fantasy sports platform in North America. It's good to be back in Lincoln. Last time I was here, 2003, was a college visit. My father and I had the chance to see Jammal Lord and the Huskers beat up on the Aggies, so it's a special time to be back here. Enough about that. Let me tell you about PrizePicks and KYC, customer protections that we-- we've implemented. You know, a cornerstone of our commitment to responsible play is know your customer process, which

ensures every member is who they say they are and legally eligible to play. These measures exceed industry norms to prevent fraud, protect against identity theft, and most importantly, keep minors off of our platforms. Beyond verification, we provide clear, accessible tools to help members manage their play, including deposit limits, timeouts, and voluntary self-exclusion, a tool that allows individuals to take a break if gaming is negatively impacting them. Responsible play starts with our employees. Every staff member of PrizePicks receives responsible play training during onboarding, and annually thereafter. Currently, or over the past year, our employees have trained over 2,500 hours of responsible play training, ensuring responsible play is embedded across our organization. Now, the front line of defense is the customer service team. They receive specialized training to recognize and assist members who may be struggling, keeping player protection at the forefront of our operations. Now, we have a groundbreaking partnership with a behavioral health center called Kindbridge, so it's not just about setting limits when we talk about responsible play; we want everyone to be happy and healthy. Two clicks on our app, and you will find yourself to Kindbridge Behavioral Health's website, which provides free, confidential mental health support not just for, for players, but also for our own customer service employees who research shows are at a higher risk for behavioral health challenges. This approach was recently recognized by an independent entity which found that we met and exceeded the highest responsible play standards. You know, I think many of you can understand; you never want to get in front of your comms team. We have an exciting announcement coming on Wednesday where we're going to be able to share with you a new accreditation that we're the only operator in the entire country that has received this. We're looking forward to being able to talk to you about that soon. So, at PrizePicks, we believe that strong, responsible play policies are not just good business, it's the right thing to do. We appreciate the opportunity to be here today to work on this bill, and we stand here in support. I'm happy to answer any questions that you may have, and thank you again for your time.

HOLDCROFT: Thank you, Mr. Wilkinson. Any questions from the committee? Yes, Senator Cavanagh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Mr. Wilkinson. You just said one thing that struck me. So, I-- sorry, what was your company again? PrizePicks?

STUART WILKINSON: PrizePicks. Yes, sir.

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J. CAVANAUGH: So, PrizePicks doesn't let anybody like a 15-year-old play, right?

STUART WILKINSON: No, sir.

J. CAVANAUGH: But under Nebraska law, right now, you could.

STUART WILKINSON: Our-- well, our, our website and our, our game, we have an internal platform where you have to be 18 years or older, and those KYC platforms are put in place to prevent any minors from playing. And I will say, if you hear of any minors playing, report that right away so we can make sure that the proper repercussions are, you know, taken.

J. CAVANAUGH: Well, so I guess my question is the bill specifically says you have to be 18 to play in Nebraska, but without this bill, is there a federal requirement that it's 18? Is that your own requirement?

STUART WILKINSON: It is our own internal requirement. Yes, sir. We have 18 years old, and a lot of our other companies that J.T. was talking about in the Coalition for Fantasy Sports also have age requirements. Now, you see some that are 21, some are 18. We believe that if you have the opportunity to get in and teach individuals responsible play early, you can help guide them along to ensure that no one is doing anything nefarious in the gaming industry.

J. CAVANAUGH: OK. Thank you.

HOLDCROFT: Any other questions from the committee? Seeing none. Thank you very much for your testimony.

STUART WILKINSON: Thank you for the time.

HOLDCROFT: Next proponent. Proponent. Welcome.

ANDREW WINCHELL: Good afternoon, Chairman Holdcroft, and members of the General Affairs Committee. My name is Andrew Winchell, A-n-d-r-e-w W-i-n-c-h-e-l-l, and I'm the head of government affairs at Betr. Betr is the leading sports media and sports gaming company founded in 2022 by Joey Levy and Jake Paul, and it's found-- focused on enhancing the consumption of sports through entertainment. We're a proud member of the Coalition for Fantasy Sports, and we offer our fantasy sports products in 34 states, including Nebraska. Prior to joining Betr, I spent five years working in government and regulatory affairs for FanDuel, where I helped legislators and regulators in numerous jurisdictions develop or amend their fantasy sports statutes and

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regulations. Before that, I spent a decade working in the New York State Legislature, primarily for the chair of the Senate Racing, Gaming and Wagering Committee, where I helped draft New York's fantasy sports statute in 2016. I appreciate the opportunity to testify today in support of LB342, which will create a comprehensive regulatory structure for fantasy sports contests in Nebraska while providing room for the industry to grow and evolve moving forward. LB342 will empower the Department of Revenue to oversee the conduct of fantasy sports contests. In doing so, the department will be authorized to promulgate regulations to prevent fraud, abuse, money laundering, and collusion, prevent underage participation in fantasy contests, ensure identity verification procedures are in place, and prevent compulsive participation in fantasy contests. Thank you for your time, and I'm happy to answer any questions you may have.

HOLDCROFT: Thank you, Mr. Winchell. Any questions from the committee? Seeing none. Thank you for your testimony. Oh, Senator Storm.

STORM: Thank you. So, I'm looking at your website here. And what-- what's micro-betting?

ANDREW WINCHELL: So--

STORM: You say it's going to be the prominent way people bet sports in the U.S.

ANDREW WINCHELL: Yes. So, micro-betting is a feature of our sports betting license. I didn't get into it here, but Betr is also a licensed sports betting operator in the states of Ohio in Virginia. Micro-betting talks about markets within the game itself, when you are betting on things under our sports betting license, on our sports betting products, for, you know, whether the next result of a, of a drive would be a field goal or a touchdown. Things like that kind of market within the game itself.

STORM: So, it's not so much betting on the game, it's betting on a play or who kicks the first field gold [SIC], or--

ANDREW WINCHELL: Correct.

STORM: --[INAUDIBLE] the first turnover, or--

ANDREW WINCHELL: Yeah. But that is our sports betting product. That's not our fantasy product.

STORM: OK. All right. Thanks.

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HOLDCROFT: Any other questions from the committee? Seeing none. Thank you for your testimony. Next proponent. Proponents. OK, then. Opponents. First opponent. Welcome.

NATE GRASZ: Thank you. Senators, my name is Nate Grasz, N-a-t-e G-r-a-s-z, testifying on behalf of the Nebraska Family Alliance. LB342 is not about consumer protection. What other industry sends paid lobbyists to support a legislation to tax and regulate their own companies? It's the fantasy sports companies who are asking for this because they want to legitimize and position themselves to grab a market share of full online sports wagering in the future. Similar legislation to this bill was introduced for years previously by former state Senator Carol Blood, and it was rejected by the Legislature each time, because the truth is that fantasy sports platforms are highly predatory because it's made to seem innocuous. That's the point. The entire business model for these companies is to convert free players on fantasy into real-money gamblers in the future. This is especially concerning because it is well-established that the younger people start gambling, and the more exposed they are to it, the more likely it is that they will become habitual and problem gamblers in the future. If you can get people familiar with their apps and making picks, playing with credits, making in-app purchases, you can develop that behavior and familiarity with their platform and turn them into regular sports bettors in the future. And this is not hyperbole; many of America's casino operators and gambling regulators openly describe fantasy sports as gambling. The co-founder and CEO of DraftKings has even said their business model is, quote, almost identical to a casino. In 2016, The New York Times offered this headline: How the Daily Fantasy Sports Industry Turns Fans into Suckers. And in a story titled "How the NFL is 'Corrupting' Kids into Becoming Gambling Addicts," the Associated Press detailed how the National Council on Problem Gambling has called out professional sports leagues for aggressively marketing fantasy sports contests with cash prizes to children. Essentially, what we have here is exactly what happened with these so-called skill machines that you now see in every gas station. They weren't treated as gambling devices; they became taxed and regulated and legitimized; and now, we have what everyone knows are just slot machines littered across the state. This is skill machines and CBD stores all over again, but this time, for online gambling under the guise of fantasy sports. There are always ways to improve our state, but expanding gambling isn't one of them. And that's what this is. It's online gambling, and it doesn't help people; it hurts them. And for these reasons, we encourage the committee not to advance LB342. Thank you.

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HOLDCROFT: Any questions for Mr. Grasz? Seeing none. Thank you for your testimony.

NATE GRASZ: All right. Thank you, Senators.

HOLDCROFT: Next opponent. Welcome back.

LYNNE McNALLY: Hello again. Lynne McNally, L-y-n-n-e M-c-N-a-l-l-y, appearing on behalf of Nebraska Horseman and WarHorse Casino. I'm here to testify against this bill, which pains me because I respect Senator Brandt very much. If you would turn to page 3, starting with line 8, "fantasy contest includes both contests wherein participants compete against each other and contests wherein only a single participant competes against the target score" set by the operator. In plain language, that means betting against the house, which means this bill violates the Nebraska Constitution. The reason I know this is because it's the constitutional amendment that we got the signatures for and passed. It says that you can only do that kind of gaming if you are a licensed operator operating within a racetrack enclosure also licensed by the NRG. This is neither of those things. So, if this bill is allowed to proceed in its current form, it is unconstitutional, and will be invalidated at some point anyway. So, that is our main objection to this bill, and I'll answer any questions if you have any.

HOLDCROFT: Thank you, Mrs. McNally. Any questions from the committee? Seeing none. Thank you for your testimony.

LYNNE McNALLY: Thanks.

HOLDCROFT: Next opponent. Opponents. Neutral testimony. Welcome.

BRIAN ROCKEY: Thank you. Good afternoon, Chairman Holdcroft, members of the General Affairs Committee. My name is Brian Rockey, B-r-i-a-n R-o-c-k-e-y, and I serve as the director of the Nebraska Lottery and Charitable Gaming Division of the Department of Revenue. I'm appearing here in a neutral capacity today. The Charitable Gaming Division currently licenses charitable gaming, mechanical amusement devices, and cash devices, employing mechanisms similar to those described in the bill. Licensees submit applications, pay fees and taxes, and undergo background checks as prescribed by law. These activities are managed by division staff using a software platform which is configurable to accommodate different categories of activity and cross-reference licensure information as necessary. Consumer inquiries and complaints are handled by division staff and, as necessary, are assigned to department investigators who are deputy state sheriffs. Investigation

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staff manage the background and fingerprint process, conduct licensure and tax investigations, and coordinate with other law enforcement agencies as necessary. The collection of fees and taxes is coordinated by division staff with other functional areas of the Department of Revenue. I'd be happy to answer any questions you might have.

HOLDCROFT: Thank you, Mr. Rockey. Any questions from the committee? Seeing none. Thank you for your testimony.

BRIAN ROCKEY: Thank you.

HOLDCROFT: Any other neutral testifiers? Seeing none. Senator Brandt, for closing. And Senator Brandt-- let me see, this was LB342. And no, no proponents, 7 opponents, and zero neutral.

BRANDT: How about that? So, yes, we're open to amendment Ms. McNally brought up. If that does turn out to be a problem, we're open to changing that. To emphasize, this bill does not allow sports betting in Nebraska. So, some of what Senator Storm, with his exchange with, I believe, the gentleman from Betr-- they have that feature in states that allow that, but you can't use that feature in Nebraska because the sports betting has to be done at one of the casinos. That's how Nebraska is structured. And I kind of wish Senator Murman was here today, because he does a lot of fantasy sports, and has for a number of years. You didn't suspect that, did you guys? And basically, it's about picking the quarterback from Green Bay and the halfback from San Francisco and the defense from the Vikings, and then, they score certain points. I've never done it, but I-- I'm somewhat familiar. I don't know if any of, any of you guys have, but-- I mean, this has been going on longer than we've had casinos in Nebraska. It was, it was-- my understanding, it started in the '50s and guys would pick baseball players. And that was kind of their recreation, and then they each threw in five bucks, and at the end of the year, whoever won the pot won the pot. And it's kind of evolved to what we see today. So, I guess, other than that, you guys are as educated about this as what we are. And if you have any questions, I'll try and answer them or get some information back to you.

HOLDCROFT: Thank you, Senator Brandt. Any questions for Senator? Seeing none. That ends our hearing on LB342. Next up are two shell bills, LB406 and LB405. So, for the new senators, these-- and maybe you've already done shell bills in your other committees, but this is just two empty bills that we can amend, you know, bills into. But every bill has to have a hearing, so it should be fairly quickly; there should not be any opponents or proponents. First one we'll do is LB406.

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J. CAVANAUGH: Chair Holdcroft, you're welcome to open on LB406.

HOLDCROFT: Thank you. Thank you, Vice Chair Cavanaugh. It says right there, thank you Vice Chair Cavanaugh and members of the General Affairs Committee. For the record, my name is Senator Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t. I represent Legislative District 36, which includes west and southern Sarpy County. LB406 is a shell bill introduced for the purpose of assisting the General Affairs Committee in the event it is needed, which it, it-- which is not needed-- which it is not needed at this time. I'm happy to answer any of your questions.

J. CAVANAUGH: Thank you, Chairman. I will see if the committee has any questions. Senator DeKay.

DeKAY: Did anybody come to you to bring this bill? You brought this bill on behalf today?

HOLDCROFT: Yes, my R.A. brought it to me.

J. CAVANAUGH: Thank you, Senator, Senator DeKay. Any other questions from the committee? Seeing none. Will you stay to close?

HOLDCROFT: Yes, I'll stay to close.

J. CAVANAUGH: All right. All right, we will take any proponents of LB406. Seeing none, we'll take any opponents of LB406. Seeing none, any neutral for LB406. No. And Senator Holdcroft appears to waive closing, and it looks like we have 1 opponent submitted online for LB406. Thank you. That'll close the hearing on LB406. Next, we'll open the hearing on LB405.

HOLDCROFT: Thank you, Vice Chair Cavanaugh, and members of the General Affairs Committee. For the record, my name is Senator Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t. I represent Legislative District 36, which includes western and southern Sarpy County. LB405 is a shell bill introduced for the purpose of assisting the General Affairs Committee in the event it is needed. It is not needed at this time. I'm happy to answer any of your questions.

J. CAVANAUGH: Thank you, Chair Holdcroft. I'll see if the committee has any questions. Oh, looks like Senator Clouse has a question.

CLOUSE: I do. On page 2, line 7, it says local governing body may revoke, and can we cross that at any time. So we want to put "for cause" or anything like that? Or just-- I mean, that's [INAUDIBLE]

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HOLDCROFT: Are you looking at the right bill? Same bill? What did you do there?

J. CAVANAUGH: It's just a simple change, and it has no meaning at all. So, when we do need to do something with the bill, we can revise it to what we need it for. So, this is-- it's just a shell bill with no, with no intention.

CLOUSE: So, not-- OK. So, this is different than sometimes-- sometime when people just want to-- and maybe I'm getting it confused with some other bills--

MICAH CHAFFEE: Yeah.

CLOUSE: --they're in there, the-- somebody can just go ahead and do something, we won't have free rein to do it. On--

MICAH CHAFFEE: For--

CLOUSE: --audits and things like that.

MICAH CHAFFEE: When we do shell bills, it's got to be specific to the chapter number on it. So, wherever this chapter was involved in-- let's just say it was liquor. We had it-- we had to make some sort of change in any [INAUDIBLE] chapter, whatever chapter that would be, if we need to do a shell bill within liquor-- so, then to do another shell bill, let's just say it was racing and gaming. Then, we would need to change a-- make any change at all in associated with racing and gaming. And so, once-- in order to make it a shell bill. So, like, if we needed to-- if a late, last-minute, non-controversial change, it would be made after bill introduction, maybe something could be joined on, or for most common purposes, if we needed to do a, a multi-bill-- a Christmas tree bill, and there needed to be carrier for liquor or racing and gaming, for each of these share-- shell bills would then become the carrier for those multiple bills.

CLOUSE: OK. Thank you.

J. CAVANAUGH: Thank, thank you, Senator Clouse. And, and just for the record, Senator Holdcroft, if we were going to use-- like, have the emergency bill-- like, the counsel says we'd have to have a new hearing if it was a white copy on that-- the substance of that bill, right?

HOLDCROFT: Yes, yes.

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J. CAVANAUGH: Yeah, all right. Thank you. Any other questions from the committee? Seeing none. We'll take, if there are any proponents for LB405. Seeing none. Any opponents for LB405? Seeing none. Any in the neutral capacity for LB405? Seeing none. And as Senator Holdcroft approaches to close, I would note that there are 1 online opponent for LB405. Thank you, Senator Holdcroft. Wai-- Senator Holdcroft waives. That will close the hearing on LB405 and the General Affairs Committee hearing for the day, I believe.

HOLDCROFT: No, we're not. We have to exec.

J. CAVANAUGH: Oh, well, we close the hearing.

HOLDCROFT: Oh. Very good.