

the City of Omaha. You might ask, why? I'm sure that question will come up. Well, there are a couple of reasons. In 1982, the decision was made that there would be a beginning of a shift with regard to regulation of charitable gaming, would move from the cities who at that time had total control over it or responsibility for it to the state. That shift gradually took place. It was a joint effort for a couple of years and then effective in 1986 total and complete with the gaming gaming division...development of the gaming division within the Department of Revenue, total responsibility and control for regulation oversight, accounting, auditing, whatever, shifted from cities and was totally the responsibility of the state. At that time because of the fact that the cities did have the basically political muscle to retain that tax and in some of the smaller communities, even though the dollar figures were not large, it did amount to a difficulty for them to take any kind of hit on their budget. Recognizing that, the committee adopted the amendments as you have them before you which only take...have...call for a reduction in the tax within the City of Omaha. The City of Omaha collects more tax on bingo than the entire state, the rest of the municipalities put together. The tax that the City of Omaha collects, and they collect this for doing absolutely nothing, is nearly \$1 million. Because there is a provision that allows for the 4 percent, the state collects 6 percent of a tax on bingo and the cities, because of the time when they used to be involved, collect 4 percent, but currently have to do nothing to collect that. There was testimony to that effect both at this hearing and a hearing that was held by the General Affairs Committee yesterday. They continue to receive that money. Now, what would happen should we adopt this committee amendment and we pass the bill? There would be no impact except to the City of Omaha. They would...their tax would be cut in half. They would receive right around one-half of a million dollars for doing absolutely nothing except being in the right place at the right time and not having this tax removed at the time that there was a shift from their regulation to total regulation and oversight by the state. The statutes read that the...and one could even argue that the tax in itself is unlawfully collected because the statutes read...we talk about the level of tax, we're in the bingo provisions, and it reads, "The proceeds from the tax shall be used to pay for the costs of regulation and enforcement of the Nebraska Bingo Act." It spells out clearly that that is what the tax must be used for. Now, there are occasions when, especially in the smaller communities, where there may be a need at some time to use law