

compromise, and I did say in committee I will vote for the 2 percent in exchange for some other things that I felt I was receiving on the bill, on the amendments, to put it out of committee and put on the floor. I will introduce an amendment which will increase again, it raises the state tax on local lotteries from 2 percent of gross proceeds to 3 percent of gross proceeds. Estimated statewide gross proceeds from local lotteries is \$5,079,000. At 2 percent, the state tax revenue is \$101,580. With an increase to 3 percent, that would give us a revenue rise to \$152,370. This is a compromise for me. The Department of Revenue will run a deficit if we don't do this, I believe, because for one thing we have lowered the tax on pickle cards. We have increased enforcement with more regulation as a result of more cities and counties conducting local lotteries, and we all know there are an increasing number that are requesting to get involved in this. Three, I guess simply stated, I believe and I have always said this up front, that I am not particularly in support of gambling or lotteries but we do have gambling, we do allow it, and so as far as I am concerned, we should do two things. We should regulate it very strongly and we should tax it and make some benefits from it for the state, and so that is quite honestly, quite openly, my reason for offering this amendment. I know there is going to be some discussion, but I would hope that in the end we will support this amendment.

SPEAKER BARRETT: Thank you. Discussion on the Smith amendment to the committee amendments, Senator Hall.

SENATOR HALL: Thank you, Mr. President and members. I do rise in opposition to this amendment but I would preface those comments first by saying that I would commend Senator Smith and her staff and other members of the General Affairs Committee who have done an outstanding job with regard to this issue because I think it is one that needed to be addressed this year because of the drastic changes that were made last year with regard to all the areas of the bingo, pickle and lottery act. So I do appreciate that and I do think that things are moving along extremely well. But the issue here is one of a 50 percent increase in the tax and I also believe, like Senator Smith does, that there is two reasons to have gambling. One is to raise money and the other, I guess, is to provide recreation or entertainment, and if you don't raise money through a gambling effort, then there is no reason to basically be in the business. The issue here, again, is an increase of 50 percent in the tax,