

from two to 3 percent. The issue of paying for the increased enforcement that the Department of Revenue's Charitable Gaming Division will have to cover I think would be better addressed by increasing their 30 percent of what is raised in the 2 percent to 35 percent, and I intend to offer that amendment, not at this time, but on Select File, to this bill. I do believe that they will have increased costs because, as Senator Smith stated, there are a number of communities that are waiting for this legislation to pass so that they can get into the local lottery business, and that means two things. That means, one, that there will be more revenue raised, so with the 2 percent tax, even though we don't increase it if we fail to adopt this amendment, there will be more money coming into the state and that will bring increased revenues. If we increase the percentage of that income or revenue to the state that goes toward the Charitable Gaming Division to offset their expenses so that they do cash flow to 35 percent, we will be able to pay their bills because I asked the question in the committee hearings specifically to Mr. Hirsch with regard to what they projected to be an increase in the activity in this area, and they...his answer was that he could not directly answer that but there had been much activity, much investigation, and he did expect that there would probably be considerable increase, a considerable increase in the local lotteries that would take place. Which in turn means that there is going to be a heck of a lot more revenue, and it means that if we keep the tax at 2 percent that the state will receive and generate quite a bit more revenue from that. I think the proper way to go is to increase the portion of that revenue that comes to the state, that goes to the Charitable Gaming Division so that they do meet their costs. It is my understanding that presently, and again I asked the question of Mr. Hirsch, that they do not intend to increase their staff to any extent but use the same individuals who are currently in place. I think it is wise for the body to, at this time, leave the tax where it is. I will draft an amendment to increase the Charitable Gaming Division's portion on Select File to give them additional funds and let's see what the activity bears.

SPEAKER BARRETT: One minute.

SENATOR HALL: Let's see how they operate, what kind of a, I guess, call there is with regard to the increased lotteries at the local level, and see what the revenue is. If we need to increase the tax next year, let's come back and do that, but at