

way to do it in that with the increase of the percentage that goes to the Charitable Gaming Division that there will be adequate funds to cover the cost of enforcement and regulation. The handout that we have on our desks or, at least, I thought it was a handout, I just happen to have one here, that shows what the 35 percent cash fund effect will do is basically it shows that there would be approximately \$38,000 shortfall with that increase. Those figures are extremely conservative in terms of the amount that would be raised. I don't think it allows for any increased activity in the local lottery areas, and I do know that if you will look at the next amendment, that amendment I think precipitates what will happen with regard to activity as it will blossom with the passage of this bill. I don't think there is any doubt in any one's mind that there will be more communities that get into the lottery business which means additional funds will be raised, and to increase the percentage that goes toward enforcement and regulation is a good idea, but to increase the tax to do that I don't think is, and I think, basically, what we would be looking at here is a 35 percent cost effective percentage that covers cost, and does nothing more than that, and that is really what we should do. The lotteries are really run and operated at the local levels, whether it be the city or the county level. The funds should be retained there but there ought to be adequate funding that covers enforcement and regulation, and I think with the amendment I will offer to the bill, we will be able to do that. I appreciate Senator Smith's efforts on this. I think all of her arguments are very accurate and I would hope that she would support my amendment. The 50 percent increase in the tax I just at this time cannot support but I do want to try to achieve the same end that she seeks. With that, I do hope the body will oppose this amendment. Thank you, Mr. President.

SPEAKER BARRETT: Senator Hartnett.

SENATOR HARTNETT: What do I want to say? Mr. Speaker, members of the body, I think that there are means to regulate, and like Senator Hall laid it out in his amendment coming, we can increase the part of the 2 percent higher so that the state can do it. And I hope the state does, Senator Smith, because I have lottery in my community, do a better job than regulating it than they have in the past, and maybe they are, but I think the first time, and not anything against the director because I think Roger Hirsch is doing a good job in that area with the lottery, but I think the first time he was in my community and we have