

amendment.

PRESIDENT: Senator Langford, please. Senator Schmit, please.

SENATOR SCHMIT: Mr. President and members, I just wanted to call attention to the amendment which is proposed by Senator Smith, Section 61, on line 17, and, of course, this refers to a territory which is annexed. I have not identified any other type of language but I will read it for you. It says, "The lottery shall be subject to all taxes, regulations and controls imposed by the city or village under such section, whether imposed before or after annexation." So that would indicate to me...it doesn't say anything about reasonable, it would indicate that if a city so chose, they could enact any kind of tax relative to the imposition of a lottery. I just want to point out a couple of other little problems that will develop if we do not provide for some system of equity in this area. As we know, the conduct of a lottery will develop over the years from one entity to another and from one phase to another and one type to another. There is now an electronic keno game which is most successful in Ralston. It is working to the detriment of the Bellevue lottery system which I have no doubt will be revised and will eventually probably catch up again. But, as Senator Smith has accurately pointed out, if the City...if Douglas County chose to enact a lottery and to conduct it on the premises of those institutions that surrounded the city, that would, I am sure, encourage a certain amount of patronage to those taverns and lounges to the detriment of the city establishments. Therefore, it would be pressure upon the city to allow the development of the lottery within the city because it would be seen as a distinct business disadvantage for those taverns which were not allowed to conduct a lottery. So, with that, of course, you would have to determine how many locations, how you...how you decide where to locate and the various fees that might be charged per location. It would appear to me that the operation here does lend itself to some controls but I would just like to point out that in this gambling business we have a tendency to build a fence around certain entities and some are included and some are excluded. The amendment that I will propose later proposed to allow all entities that were operating to continue to operate and in this case, to my knowledge, it impacts only upon one individual business. And I would hope that we would take into consideration that this business operated legally, this business operated at a considerable amount of investment and this business has operated in a place