

10 percent for most of the time. But I would just like to ask Senator Smith a question if she would yield and if she would tell me where the impetus came for the increase from 10 to 15 percent and what the basis for it is and if we have some factual information as to why it needs to be at 15 percent.

SENATOR SMITH: Sure, Senator Schmit, I will be glad to. It came from the Department of Revenue and from some other operators that we visited with in the state as a committee, that they simply were not meeting the costs. Their costs were exceeding what they were being allowed. But I'm going to tell you something. I'm going to support your amendment, I think.

SENATOR SCHMIT: Well, thank you, Senator Smith, it's very reassuring to me to have your support on an amendment. I wish that you would have supported me 10 days into the session rather than 10 days from the end of the session but it's welcome to have that support at any time and so I do appreciate it very much. It's nice that we have a meeting of the minds. I don't know whether it's right or not but I could have gone down more, could have raised it some, I just wanted to discuss it. Was it your indication, Senator, that...from the Department of Revenue that it needed to go to 15 percent?

SENATOR SMITH: Senator Schmit, there were some considerations that were taken in there. I mentioned to you about the cost.

SENATOR SCHMIT: Yes.

SENATOR SMITH: With, for instance, a keno operation there is going to be an increased cost there for new equipment, computerized and so on, and this would add a lot to the operator costs and that was one of the reasons that we were given this concern and asked to increase to 15 percent.

SENATOR SCHMIT: Uh-huh.

SENATOR SMITH: And, of course, you know that that's negotiable with the city. It's up to 15 percent and it can be negotiated.

SENATOR SCHMIT: I see. Well, I would expect that that will be negotiated with some degree of alacrity by the cities and, of course, it will depend somewhat upon the cost of the equipment. But I do think that it is a pretty healthy increase. I would not be opposed to coming back in another year, if necessary, and