

SENATOR SCHMIT: Yes. On lines 11 and 12 we strike the words "laws of this state" and insert the words "Nebraska Business Corporation Act." What is the purpose and intent of that?

SENATOR HALL: Senator Schmit, the purpose is clear and it was language that was recommended by the Gaming Division of the Department of Revenue with regard to individuals who can operate a lottery. It would require then that they be a for-profit operation. It would not change or affect any group or any individual who is currently operating a lottery or anything like that, but what it would not... what it would prevent, basically, is any not-for-profit operation to run a lottery to, in essence, circumvent the Nebraska Lottery Act. And what that means is that there has been talk of proposals, for example, not-for-profit operations running a lottery for various cities, basically if they use, for example, their bingo license, they could, in essence, there is one school of thought that says that they could circumvent our current law without this change. What this change does is then basically lock it in so that it would have to be a for-profit corporation as opposed to a not-for-profit operation which currently had a bingo license.

SENATOR SCHMIT: Who is the current beneficiary of this language change?

SENATOR HALL: No one, to my knowledge in terms of a, you know, beneficiary. The only thing that it does, and we have dealt with this, and I think Senator Smith will speak to it as well, in the General Affairs Committee, and all that it does is prevent I think the abuse or the circumvention of the Lottery Act as it was proposed. It is nothing more than I think a closing of a loophole that could lead to some potential finagling with the Lottery Act as it currently exists.

SENATOR SCHMIT: What is wrong with a not-for-profit entity operating a lottery?

SENATOR HALL: Well, the difference, my understanding from talking to the Gaming Division, Senator Schmit, is that the difference is, is that they currently would be licensed to, say for example, run a bingo. All right? But because they... the language that said "under the laws of the State of Nebraska," that incorporates not-for-profits, whereas when we change the language to Nebraska Business Corporation Act it makes them a for-profit entity that would then have to go apply specifically