

recommended by the Revenue Committee, adopted by the Legislature several years ago with the expectation that the thoroughbred racing industry would have recovered sufficiently financially that they'd be able to afford a slightly higher tax rate. Since that time, obviously, one of the reasons we're here today debating LB 1061 is that the industry has not recovered to that extent. The amendment that Senator Hall ran on General File would simply have eliminated the phase-in of a higher tax rate. At that time, Senator Landis raised a very valid point and that was that typically when we adjust the tax rate within the thoroughbred racing industry the bill is brought to the Revenue Committee, the Revenue Committee is briefed by the representatives of the industry, and a decision is made by the committee and then a bill is advanced to the Legislature. Senator Landis's point was that that hadn't been done; that this was an amendment that was being brought without a hearing; that the Revenue Committee had not seen it, and subsequently we withdrew the amendment. Between then and now the representatives of the racing industry have met with the Revenue Committee. They've sat down individually with Senator Landis, with Senator Hall and myself, gone through the financial status of the industry and this amendment was come up that Senator Hall and Senator Landis agreed to and it's more tightly drafted than the amendment that was presented on General File. This one would simply freeze the tax rate at the current level if the racetrack is purchased by a nonprofit corporation controlled by a county having more than 300,000 inhabitants. So, essentially, what this amendment says is the phase-in of the higher tax rate on high levels of handle, which typically occur only at Ak-Sar-Ben, will occur...the phase-in of the higher rate will occur if Ak-Sar-Ben continues to own the property, will not occur if Douglas County buys the property, as is currently in the works. Basically what we'd be saying is that in order to finance the bonds that are attempting to be sold right now to finance the purchase of the racetrack, we would allow the tax rate to remain frozen at current levels for Douglas County, basically. This is a key element to the sale of the bonds, a key element to the continued operation of racing at the largest track in the state. The reason it's important is because the bonds, the county has pledged that general tax revenues will not be used to pay off the bonds; that the bonds will be paid off by proceeds from racing and by proceeds from keno; that the taxpayer of Douglas County, as far as property taxes go, will be held harmless. And because of that, because that's the...that's the pledge of the revenue that's being used to pay off the