

SENATOR WILL: They will be revenue bonds.

SENATOR CHAMBERS: A general obligation bond, by contrast, is one where tax money is used to back up the bond to ensure the bondholders that they'll get their money. Isn't that true?

SENATOR WILL: That's correct.

SENATOR CHAMBERS: If these are revenue bonds, that means the revenue would be generated by the operation for which the bonds are being sold. Isn't that true?

SENATOR WILL: That's correct.

SENATOR CHAMBERS: And that is the racetrack.

SENATOR WILL: That's correct.

SENATOR CHAMBERS: But to sweeten it up and cause these people to be willing to purchase the bond, tax money is actually to be utilized to underwrite the bond sale. Isn't that true?

SENATOR WILL: Tax money will be utilized to the extent of this amendment?

SENATOR CHAMBERS: Yes.

SENATOR WILL: This, yeah, as far as restructuring the planned phase-in of a higher parimutuel tax rate, yes, obviously if we did not adopt this amendment the higher rate would phase in, more tax dollars would be coming to the state.

SENATOR CHAMBERS: Right. So if this amendment is adopted, tax money that the state would have from Ak-Sar-Ben will not be realized and, in that way, the purchase of these bonds or the sale of these bonds will be subsidized by the state's not receiving tax money that it should get.

SENATOR WILL: Potential tax money, yes.

SENATOR CHAMBERS: Right. Thank you. Members of the Legislature, this is a subsidy for a failing operation. It is failing. It has continued to fail and the only things in this society that would have a bearing on horse racing, namely additional forms of gambling, are not going to make it a more