

amendment to LB 1061 that has been passed out, I believe this morning, and what this amendment is is a bill that was heard before the General Affairs Committee, was LB 1188, and what this bill provided for was it returned the 2 percent of gross proceeds of keno operations within counties in which there is a horse track would go to the Thoroughbred Horse Breeding Fund. If it sounds a little confusing, it was confusing last year when in the process of passing LB 795, a bill that dealt with, by the end, instant keno prohibitions, we attached an amendment on Select File that called for 2 percent of gross proceeds of keno's, of a city's keno operation in which the city's keno operation is in the same county as a horse track. Now currently there are I believe five horse tracks as Senator Schellpeper has talked about throughout the state, meaning that there is five counties, meaning that some cities are affected by this 2 percent of the gross proceeds and a number of cities which are not. Now why is this so significant? Well I'll tell you, it's a lot of money. It's a lot of money for these small towns and communities throughout the State of Nebraska. I've handed out some information that shows which cities are affected by this particular 2 percent tax, Columbus, Denton, Doniphan, Duncan, Elkhorn, Omaha, Platte Center, Ralston, South Sioux, Valley, Waterloo, communities that were not fighting horse breeding, were not fighting horse betting, was simply running an operation to help fund parks, streets, sewers, water, a number of things that keep a city running. We tend to define them as community betterment projects, projects that, such as a senior citizen center or a new pavilion in their park, things that are good for a community. Money goes directly to the betterment of that community and we chose last year to take part of those proceeds and give them to thoroughbred horse breeding. It doesn't go directly to the track, it goes to purses for horse breeders. Now how much money are we talking about? Well at the end of last session the cities were outraged that this took place, but if you read the World-Herald editorial you can kind of see what happened. The bill they had hoped would be vetoed, but there was a concern of instant keno or video lotteries, whichever you prefer to call it, and there was a belief that we needed to pass a bill, LB 795, to prohibit this type of activity. So as a result the bill did become law so the cities filed an action against the Legislature, the State of Nebraska to prohibit the taking of their proceeds from keno. And at this particular time the money is being held in escrow. The judge granted an injunction so that this money would be held in escrow and as of December '91 there was approximately half a million dollars that