

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 14, 1999 LB 791

long-range projections of this will show that by increasing the payouts, we'll get the lottery playing...the people playing it back up to where we are back somewhere near where we started from, back in '95-96, to \$73.8 million, and, thereby, actually reverse the trend of declining revenues to these various trusts, educational and school...educational and environmental trusts. And we will try and work as we go along with this. As I said, I don't have these figures all in my head, like Senator Schellpeper would have. Legal Counsel for General Affairs is going to help out here. And, with that, I'll yield. There are committee amendments on this, and they, of course, will come up next. Thank you.

SENATOR SCHIMEK: Thank you, Senator Baker. Senator Janssen, on the committee amendments.

SENATOR JANSSEN: Thank you, Madam President, members of the Legislature. Since the amendment actually turns into the bill, we'll run through this thing together. This bill is intended, as Senator Baker said, to generate additional state lottery revenue by increasing the retailers compensation, and increasing the prize payout. Since the amendment turns into the bill, currently, 5 percent, the retailer gets 5 percent compensation, and we feel though that is inadequate to pay for the expenses involved in the selling of lottery tickets. I think it is only fair to increase their compensation by 1 percent, in order for them to recoup some of the losses that they do incur. Additionally, the Lottery Commission needs additional flexibility in paying out the monies taken in. They are locked into a disbursement schedule, which does not allow any leeway to either pay out more money, or to provide additional compensation to the retailer who sells the tickets. Under the current scheme, the allocation is divided this way; prizes are at 53 percent, transfers to the Trust Fund is 25 percent, vendors, which are set by contracts, at 11 percent, retailer compensation is 5 percent, advertising 4 percent, administrative expenses 2 percent. The committee amendment strikes the original bill and make the following changes; the retailer would receive 6 percent commission for all lottery ticket sales. Currently, retailer compensation is set at...by regulation at 5 percent. Number two, it requires the Lottery Division to report, on a quarterly basis, all lottery sales, prize expenses and operating