

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

April 14, 1999 LB 791

straight line downhill there. So, and in all honesty, we would not be doing this if we didn't have the example of the states that have, indeed, increased their payout. As Senator Janssen said, there are a number of them, and in every case that I have, when they increased the payout, play did increase. And there were states that decreased the payout, Texas is one of them, and as they decreased the payout, play went down. So we're not doing this on a whim. We do have examples that have showed us that by doing...increasing the payout, play will go up and I know it's a concern to Senator Bohlke, and everyone with the environmental trust and educational trust definitely concerned. It, I know Senator Schellpeper was concerned if we don't do something, it's going to continue to go down and it looks like it. It's been very...very steady decline over the last several years and it doesn't seem to be leveling off this year either. So that's part of the reason. We have examples nearby that said it works and so on. And, once again, the scratch tickets, in our establishment, and I know Senator Chambers brought this up, I am not offended by it, but this one penny, it's still a loss leader. I have a survey here by retailers and it costs us 7.5 cents to sell these and it's still not going to be a break-even situation. I realize people do come in and play them, but in particular examples that I know people who play them on a regular basis are retired, semiretired people come in for coffee at 10:30 in the morning and 3:00 in the afternoon and play these games, might buy one or two tickets a day is all they buy, and it does not...this bill does not affect the lottery, the Powerball lottery at all. So we have met with the State Lottery people. They're, in fact, they are well aware that they are up to their limits. It is not micromanaging. They cannot pay any more. Then they have to contribute 25 percent to these funds. They are at the limit as to what they can pay back, so we're giving them some leeway here, and as I said, it says, the amendment says at least 15 percent of the dollar amount of the lottery tickets will go back to these funds. So it does give them a large amount of leeway. I also need to point out that that 1 percent we're changing there, if the sales go up, Scientific Games, which is the company that is contracted with to provide the instant win lottery...the scratch tickets, if that revenue does go up, why they drop from 11 percent to a 10 percent, so you can, in effect, say that, you know, and they're putting their experience with other states