

Transcript Prepared by Clerk of the Legislature Transcribers Office
General Affairs Committee March 29, 2021

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BRIESE: Welcome to the General Affairs Committee. My name is Tom Briese. I'm the senator for District 41. I'm the Chairman of this committee and will be conducting today's hearing. We are here today for the purpose of conduct-- of conducting a hearing on AM639 to LB561. For the safety of our committee members, staff, pages, and the public, we ask that those attending our hearings to abide by the following procedures. We request that everyone utilize the identified entrance-- I believe is over there, correct? And exit, that would be that door there-- to the hearing room. We request that you wear a face covering while in the hearing room. Testifiers may remove their face covering during testimony to assist committee members and transcribers in clearly hearing and understanding the testimony. Pages will sanitize the front table and chair between testifiers. We ask that you please limit or eliminate handouts. If you wish to testify in person on any of the matters before us, we ask that you fill out one of the green sheets of paper. The green sheets are located by the entrance. If you do testify, we ask you to begin your testimony by stating and spelling your name for the record, which is very important for our Transcribers Office. The order of proceedings is that the introducer will be given an opportunity to open on the amendment, then we will hear the proponents, opponents, and neutral testimony. Following the testimonies, the introducer will be given an opportunity to close. We ask that you listen very carefully and try not to be repetitive. We do use the light system in the General Affairs Committee. Each testifier is going to be afforded three minutes to testify. When the yellow light comes on, you have one minute remaining and we ask that you begin concluding your remarks. When the red light comes on, your time has expired and we will open up the committee to any questions they may have of you. At this time, I'd like to encourage everyone to turn off or silence any cell phones or electronic devices, anything that makes noise. The General Affairs Committee is a committee that is equipped for electronics, so you may see members referencing their iPads, iPhones, or other electronic devices. I can assure you they're just researching the matters before us. And we have our page today. Would you like to stand and introduce yourself?

JENNA EBBERS: Hi, I'm Jenna.

BRIESE: Thank you, Jenna. And so with that, we will begin. We'll open the hearing on AM639, but we're going to have to stand at ease here

Transcript Prepared by Clerk of the Legislature Transcribers Office
General Affairs Committee March 29, 2021

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

briefly as we wait for the introducer. He should be here, I would
think, very shortly.

LOWE: I think they are still going on.

BRIESE: At this point, I'm going to have committee legal counsel
introduce the amendment. We were going to have Senator Cavanaugh do
it, but in the interest of time, I think we just go ahead this route.
Again, welcome and you can proceed with the introduction of AM639 to
LB561.

LAURIE HOLMAN: Thank you, Senator Briese. For the record, my name is
Laurie Holman, L-a-u-r-i-e H-o-l-m-a-n, and I am the committee counsel
for the General Affairs Committee. I'm introducing AM639 to LB561 on
behalf of the committee. This amendment makes changes to the Nebraska
County and City, City Lottery Act to allow keno to be played on an
electronic ticket as well as paper tickets. Payments for these
electronic games is limited to cash, coins, a debit card, or a direct
link to an account with a financial institution in the name of the
player. Games can only be made-- played in person at the location of
the lottery operator or licensed location. Reasonable safeguards must
be approved by the Department of Revenue to ensure that electronic
tickets are only accessible to individuals 19 years of age or older
and only within the confines of the location detection procedures,
which establish permitted boundaries for play. Additionally, an easier
obvious method for a player to make a complaint must be posted at the
location where the licensed operator is selling keno tickets. Any
purchase of a ticket for a keno game, electronic or on paper, can only
be made in person at the location where the licensed keno operator
holds their games. If you have any questions, I can answer them or we
can turn the time over to the testifiers.

BRIESE: OK, thank, thank you for that. Any questions? Seeing none,
thank you for your opening. We do have Senator Cavanaugh here today.
We had-- in the interest of time, we had legal counsel introduce it.
Is that OK by you?

J. CAVANAUGH: That's fine with me, yeah.

BRIESE: OK.

J. CAVANAUGH: [INAUDIBLE]

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BRIESE: Don't, don't need to. You can join us here if you'd like to ask questions. Thank you. First proponent testifier. Good afternoon and welcome.

BILL HARVEY: Senator, thank you. Senators, my name is Bill Harvey, B-i-l-l H-a-r-v-e-y, and I'm general counsel for Big Red Keno. I'm here today in support of the mobile keno amendment that you've just heard described. Keno has been operated in Nebraska for more than 30 years under the Nebraska County and City Lottery Act and has become an important source of community betterment revenues for counties, cities, and villages across the state. Today, you will hear from representatives of several different communities regarding the importance of keno and community betterment dollars to their local budgets, as well as their support for the mobile keno amendment. The mobile keno amendment lets communities across folks-- lets communities allow folks to play keno using their mobile phone instead of paper and a crayon. The player must be present at a licensed keno location, just as they are today, and can pay for their ticket using a prepaid cash account or a debit card. Credit cards are not allowed. It's that simple. If we were any other business in the state, we would have adopted this simple update years ago, just as banks, coffee shops, grocery stores, and airlines have done. In fact, I was talking to somebody on the way in and-- telling they actually parked with their mobile app because they parked and then used the mobile app to pay for the parking space. So, you know, every-- basically every business has them. This amendment gives us parity in the bill with mobile sports betting that will be allowed at casinos. And we try to mirror those restrictions in the bill, the restrictions on keno, with the, with the sports betting and also with more-- mobile horserace betting that is already today allowed at horse tracks. So we already have mobile betting going on in the state on horse races and at that-- and that's allowed at horse tracks and, and we're just looking for parity with that. One piece of written testimony that I believe you have received is the information from Sam Basile at GeoComply. GeoComply is one of the leading companies providing geo-fencing to the gaming industry. Their technology is just one example of the various successful solutions that are currently operating in jurisdictions in the U.S. and around the world to ensure location-specific compliance in the context of gaming. Thank you for this opportunity and for your time. I'm happy to answer any questions.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BRIESE: Thank you for your testimony. Any questions? Senator
Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thank you for being here. So the
horse tracks in Nebraska can already do this?

BILL HARVEY: Yeah. Yes, for horse racing, that's correct.

J. CAVANAUGH: Are, are they all doing it, some of them doing it?

BILL HARVEY: I know that they do it at Horsemen's Park. I believe
they, they-- that all the tracks have some version of that, but I'm
familiar with Horsemen's Park because I have a phone-- account on my
phone I can show you if you like.

J. CAVANAUGH: Maybe after the hearing. Are you aware of any-- so the,
the Horsemen's Park would be required to, to comply with the same
geo-fencing we're talking about in this amendment?

BILL HARVEY: I believe so, yes.

J. CAVANAUGH: Are you aware of any issues they've had with people
operating outside the geo-fencing?

BILL HARVEY: I, I'm not and I, and I would say I'm, I'm not an expert
on their-- on how you can do that with theirs. I don't, I don't know
for a fact that theirs is geo-fenced. I do know that-- I, I believe it
actually may be broader than that and if that's the case, then what
we're asking for is less than, than what they have. But I know that
there's geo-fence gaming, as, as you'll see in that-- in the materials
you see from GeoComply, in a number of different gaming applications
throughout the U.S. and, and really the world. So it's, it's done on a
regular basis. It's a, it's a proven technology and it, and it works
very well.

J. CAVANAUGH: Thank you.

BRIESE: Thank you, Senator. Anyone else? Senator Lowe.

LOWE: Thank you for coming to testify today, Mr. Harvey. How accurate
is geo-fencing? I mean, if I'm standing outside the building and I'm
leaning up against the glass door of the building, can I gamble?

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BILL HARVEY: You know, there's different, there's different ways of doing geo-fencing. There are some that can definitely restrict it to the insides of the building. There are some that can, you know, have it be in that building so that if you're right up against the wall outside the building, yeah, you might be able to access your phone. But I think, I, I think those determinations, the, the fineness of that is left in the bill to the regulatory use of, of the department so they could set those parameters.

LOWE: Thank you.

BRIESE: Thank you, Senator Lowe. Anyone else? Senator Groene.

GROENE: I'm trying to read this, but-- thank you, Chairman-- but right now, do you have to be present to win keno?

BILL HARVEY: Do you have to be present to win now? You do not have to be present to win that. You can buy a ticket, a multi-game ticket, and you can leave the premises.

GROENE: How often--

BILL HARVEY: --and you can come back later. And actually now you can buy a multi-game ticket, you can leave the premises, and you can check that on your-- on the mobile app that we have now and see if you won and then come back and cash it out--

GROENE: How long--

BILL HARVEY: --so that exists today.

GROENE: How long is the ticket good for?

BILL HARVEY: Multi-game tickets, tickets for 21 games or more, are good for a year.

GROENE: Good for a year.

BILL HARVEY: Yeah, and it-- and I would say that's our rule for Big Red Keno. It does depend on the operator. Different operators have different rules. Some are only valid for 30 days.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

GROENE: Or that night? It's not just that day that you bet. That's usually--

BILL HARVEY: I would say generally it's not just that day. Like I said, every operator has their own rules and I, I don't know every operator's rules in detail, but I would say by and large, the rule would not be no, you have to cash it that, that day.

GROENE: On, on the debit card, that's-- there's more to this than just the electronic. There's also expanding from cash to coins and debit card or a direct link to an account. Do you see this, the, the guy-- somebody come in and say, can you put \$100 on here and I only want to put-- but I only want to spend \$10 on a ticket, give me \$90 cash. Do you see a restriction to that?

BILL HARVEY: I, I-- there's not a restriction to that in the bill. I suppose the regs could restrict that if they-- if the department felt like that was the appropriate thing to have. I'm not sure I see-- I'm not sure I see a lot of businesses doing that. I'm not sure our business would do that, but, but if they had \$100 in their account and they wanted to cash out, then I think we try to be pretty flexible with that.

GROENE: They, they can buy alcohol now on someone with a debit card.

BILL HARVEY: Absolutely.

GROENE: Yeah, thank you.

BILL HARVEY: Debit card or, or credit card for that matter.

BRIESE: Thank you, Senator Groene. Anyone else? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Mr. Chairman. So just to clarify on Senator Groene's question, that year long is not how long the game takes place. That's how long you have to cash it, right?

BILL HARVEY: That's exactly right. We do a draw every five minutes.

J. CAVANAUGH: So 21 games would be 5 times 21.

BILL HARVEY: Exactly.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

J. CAVANAUGH: OK.

BILL HARVEY: Exactly and you can buy tickets up to 999 games, so it's
going to last four, five days.

J. CAVANAUGH: That-- you can buy one ticket that's going to be that
many games?

BILL HARVEY: Yes.

J. CAVANAUGH: Currently.

BILL HARVEY: Currently, you can do that today.

J. CAVANAUGH: And you can do-- how is this going to change a person's
interaction with the game then?

BILL HARVEY: Well basically instead of using the crayon and paper and
then going up to a keno writer and then handing that ticket to a
writer and then the writer enters that on a computer screen, you just
enter all that on your mobile phone and it would go into the system,
but you'd still have to be at the keno location.

J. CAVANAUGH: And you can put the money on your account from a debit
card, but not a credit card?

BILL HARVEY: That is correct.

J. CAVANAUGH: OK, which you currently can't do.

BILL HARVEY: That's correct.

J. CAVANAUGH: So the-- it's not going to increase the number of games
you can play.

BILL HARVEY: And, and I would say, Senator, just to clarify, that
every keno location I'm aware of has a cash machine. So, you know, you
can already go and take your debit card and go back to the cash
machine and get cash to pay for your keno ticket. It's just an extra
couple of steps.

J. CAVANAUGH: What about, like, cash back on your debit card, which I
think kind of-- what Senator Groene was alluding to?

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BILL HARVEY: Well, if there was a cash machine, you know, you'd go to the debit card and debit, debit-- you would go up to the ATM and get as much cash as you wanted and keep as much as you wanted and use the rest to play keno or buy drinks or whatever you wanted to do.

J. CAVANAUGH: But I guess-- I mean, sometimes you can-- my only real experience is at Target, but sometimes you can go and buy something with a debit card and they'll say, you know, \$25 or whatever cash back.

BILL HARVEY: I think that really depends on the merchant that's accepting the card. I know we don't allow that at our, at our place. If you're buying a meal currently, which is what you can use-- or, or alcohol, which is what you can use a debit card for at our place, we wouldn't allow you to get extra cash on that.

J. CAVANAUGH: OK, thank you.

BILL HARVEY: Thank you.

BRIESE: Thank you, Senator Cavanaugh. Anyone else? Senator Lowe.

LOWE: Thank you. I'd like to continue on the, on the same lines as Senator Cavanaugh. Can you use a credit card in those ATMs to get a cash advance?

BILL HARVEY: If you have, if you have ATM credit card privileges, absolutely.

LOWE: So you, you can get the-- you can play keno in debt?

BILL HARVEY: Well, you know, where somebody gets the cash to play keno, we don't delve into that, basically, at this point. They could use a, a, a debit card or credit card at the ATM. They could come in with cash. We don't, we don't have any control over that.

LOWE: OK. Right now, keno is kind of under the Nebraska Lottery Act.

BILL HARVEY: It's the Nebraska County and City Lottery Act, yes.

LOWE: How does that coincide with LB561, the new bill that is being passed that-- that games of chance are supposed to be held in casinos,

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

where keno is now played locally and, and maybe at a couple of places
in a lot of towns. How, how does that act--

BILL HARVEY: It's really two separate acts, so there's, there's a--
there's the Nebraska County and City Lottery Act, which has been
around for, you know, over 30 years, where counties, cities, and
villages can have a lottery and then they can contract with a private
operator to run that for them, which is what we do. So it's really a
separate act. The initiative created a, a new statute, which would
allow for casinos. Separate statute, separate rules.

LOWE: Thank you.

BILL HARVEY: Thank you.

BRIESE: Thank you, Senator Lowe. Anyone else? If this would be
implemented and once the rules and regulations are in place, how long
would it take a facility to comply with this if they wanted to go this
route to establish the geo-fencing and put that in place and be on
your way with electronic tickets?

BILL HARVEY: You know, I imagine we'll be working with the department
for a good period of time to, to develop the regulations. I'm sure the
department will start with that. They'll seek input-- probably from
the industry would be my guess. That's what they usually do when we
get something new and that, and that process I, I anticipate to take
several months. While they're doing that, my suspicion is that on the
industry side, we'll be looking at what's available out there now to
do mobile keno or looking for people to do development of a mobile
keno app.

BRIESE: OK, so this could be a-- once the rules and regulations are in
place, establishments would probably have things set up and ready to
go shortly thereafter.

BILL HARVEY: I think it, it would be a pretty quick process once all
regs are in place.

BRIESE: OK, thank you. Thanks for your testimony here today.

BILL HARVEY: Thank you, really appreciate it.

BRIESE: Next proponent testifier. Good afternoon and welcome.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

RICH SEVERSON: Good afternoon, thank you for allowing me to testify on behalf of this amendment. My name is Rich Severson, R-i-c-h S-e-v-e-r-s-o-n. I'm the finance director and the city treasurer for the city of Bellevue and I've been there about ten years and during that ten years, keno has generated over \$7.5 million for the city and its residents. We have tried to use that money in a good way, improving the community. Some of those uses were-- we've got-- we've improved parks. We've got a kind of a showpiece park down there. We made American Heroes Park. We've helped cost sharing with the some of the entities like Habitat for Humanity, for Heartland Family Services, domestic abuse programs. We have subsidized our handicap bus system. We've used it for economic development to help other areas of, of the city grow and there's been playground equipment and we've also cooperated with the Bellevue Community Foundation, going together to try to produce some good community improvements and programs. And needless to say, that was without-- the \$7.5 million was very helpful without raising property taxes or getting it in some other way, which some of these programs probably were needed anyway and so this has been a very good program. We've-- in, in, in preparing, I also pried into the potential problems with our police department, as I did a couple of years ago when we testified on behalf of keno. And again, our police department came back to me very quickly and said they have no problematic issues with keno or with the locations. And I asked them, are you sure? Because I'm testifying and they said, yes, we, we have really no, no issues with, with keno, problematic issues. Now--

BRIESE: I see your--

RICH SEVERSON: --also, I'd like to-- oops.

BRIESE: Very good. I see your light is red. If you could finish up very briefly--

RICH SEVERSON: OK.

BRIESE: --that'd be fine, but very briefly.

RICH SEVERSON: Over \$1.5 million of that money also came down here to the state for you to use as you see fit--

BRIESE: OK.

RICH SEVERSON: --in taxes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
General Affairs Committee March 29, 2021

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BRIESE: OK, very good. Thank you. Any questions? Senator Brandt.

BRANDT: Thank you, Chairman Briese. Thank you, Mr. Severson, for your
testimony. How far away are you from the Council Bluffs casinos?

RICH SEVERSON: Boy, across the, across the bridge, you can get there
in, you know, 15 minutes.

BRANDT: OK and then the new Horsemen's Park in Omaha, how far away
would that be?

RICH SEVERSON: Again, maybe, maybe 15, 20 minutes.

BRANDT: So even with the new casino in Omaha, it probably will not
impact your revenues on keno, will it?

RICH SEVERSON: I haven't really done any projections. I, I hope that
it would, would not because, like I said, that's been valuable to the
community.

BRANDT: And then whether this amendment would succeed or not succeed,
again, probably would not have a lot of impact on your revenues, would
it?

RICH SEVERSON: And thinking about that, when, when the casinos went in
and the-- and Horsemen's Park has been in operation, our revenues has
gone-- have gone up over the, over the years for keno.

BRANDT: So we need to build more casinos so your revenues go up?

RICH SEVERSON: Well, I don't know how, how big a-- of-- how much that
has to do with it, but I can tell you that, that the keno operations--
and it might be due to the operator-- we have a very good relationship
with our operator.

BRANDT: OK, thank you.

BRIESE: Thank you, Senator Brandt. Anyone else? Seeing no other
questions, thanks for your testimony.

RICH SEVERSON: Thank you.

BRIESE: Next proponent testifier.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

JOE KOHOUT: Thank you.

BRIESE: Good afternoon and welcome.

JOE KOHOUT: Good afternoon, Chairman Briese and members of the General Affairs Committee. My name is Joe Kohout, K-o-h-o-u-t. I'm registered lobbyist appearing today on behalf of our client, the United Cities of Sarpy County, which is a coalition of the mayors of the cities of Bellevue, Papillion, La Vista, Gretna, and Springfield, here opp-- in support of the amendment as presented to the committee and as adopted by the Legislature. I, I, I think it should be no surprise why our mayors would appear in support of this bill and that is that as you look at the geographic area and the Omaha metropolitan area, it is clear to see that our cities-- and, and Senator Brandt, I appreciate your question because I can have you from the keno location in La Vista to Horsemen's Park in probably under seven minutes through back roads, but-- so when we look at this and we see the potential for a casino coming online just outside of our municipalities, we, we grow concerned. So those opportunities that are presented by the, by the operator that can help maintain our game at this level and we can continue to use those dollars for community betterment, as you've heard, are very important to our mayors. So with that, I will try to answer any questions that you might have.

BRIESE: Thank you. Any questions? Have you tried to quantify the impact of allowing people to do this? I mean, what, what is your estimate? What, what difference is it going to make to anybody?

JOE KOHOUT: Well it--

BRIESE: Are they-- they know they have to bring cash in? People who play keno, they can just bring cash in and play, right--

JOE KOHOUT: Well--

BRIESE: --or access an ATM machine or--

JOE KOHOUT: Yeah, and, and Senator, I think that's where, you know, I think the community lottery act is very unique in the sense that we're able to contract with that, with that operator who in turn is going to operate that game on behalf of the city and we're going to enter into a long-term contract with that operator. So when we look at this, we're going to have to rely on some of their input, input, their

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

advice and counsel on what the game, what the game of the future looks like. What have those other communities that have faced similar challenges and had expanded gaming come online, what does that look like? What do we need to do to, to make our game successful, knowing that, you know, seven minutes away, it's, it's a more-- it's-- there's more opportunity?

BRIESE: But, but, but you think this is going to-- this would have a beneficial impact for the keno operators? But we're speculating on that, correct?

JOE KOHOUT: We-- yes and, and I can tell you that that was a discussion item by a couple of our mayors was, you know, what does this look like? And, and at the end of the day, we have to trust what the game of the future is going to look like.

BRIESE: OK, thank you.

JOE KOHOUT: Um-hum.

BRIESE: OK, thank you for your testimony.

JOE KOHOUT: Thank you.

BRIESE: Next proponent testifier. Good afternoon and welcome.

RICK HOPPE: Good afternoon. Mr. Chair, senators, I am Rick Hoppe, H-o-p-p-e. I'm the city administrator for the City of Ralston and I brought props. This is my cell phone and this is my debit card. I'm the guy at the convenience store that makes 50-cent purchases with one of these. My children are so embarrassed they will no longer go into a store with me. The point I'm making is we live in a world now where electronic transfer of money, records is quite common and this amendment brings keno into, into line with that reality. The city of Ralston, this is very important to us. We heard a question earlier about proximity. Horsemen's Park will be about 13 blocks from the keno operation that we run in Ralston. We anticipate it will have about a 15 percent impact on our annual revenues, at least in the first couple of years, based on some research we've done with a couple of organizations. We need to do everything in our power to mitigate those losses and there's a very important reason why. After 12 years in the mayor's office in Lincoln, Ralston brought me to their community last year and they gave me one mission, raise your-- raise the bond rating

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

and improve the fiscal situation. In order to do that, we've had to make some tough choices. We brought in a private-sector operator for the arena to make sure that our operating losses stayed in a much better place. I made some pretty tough budget cuts in the last go-around to free up cash to pay off short-term debt. In fact, we just paid off a \$1 million promissory note on a general fund budget of about \$4 million. It was a big deal. What we're doing is to try to raise our bond rating. That's why we're taking these tough fiscal actions. If I also have to report to the bond rating agencies that I'm facing a 15 percent cut in our revenue, that's going to throw a wrench into our plans to get our bond rating raised. As you all know, we can borrow at a lesser rate, refinance the arena bonds, also focus more of our attention on infrastructure like streets and sewers. So I have to do anything and everything to try to be able to mitigate what that anticipated loss is when I report to the bond rating agency this spring. We sincerely believe that moving to a more modern form of keno operation will help mitigate some of that 15 percent loss. We believe it will be less than that and that's something that I desperately need to be able to port-- report to the bonding agencies-- excuse me, bond rating agencies in order to fulfill my mission for the city of getting them in a better financial position. I think that's what I know and if you have any questions, I'd be happy to answer them.

BRIESE: Thank you for that. Any questions? Senator Groene.

GROENE: Thank you, Chairman. I'm trying to look at-- I wasn't playing a game or-- but I thought the lottery was-- money was supposed to be used for improving parks and playgrounds and for inter-- you're telling me you use it to make bond payments?

RICK HOPPE: We're not using it to make bond payments. We're using it right now to subsidize the operating losses at the arena. This was a practice that started a number of years ago, but is apparently a permissible use of keno. However, I'd like to end that. I'd like to go back to community betterment and that goes to the point I'm making earlier about increasing our bond rating so we can refinance the bonds and thus, free up revenues like our property taxes and our keno dollars for better purposes like you're, you're suggesting.

GROENE: The intent-- the betterment of parks.

RICK HOPPE: Yes.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

GROENE: Place some playground equipment, I think that's-- all right,
thank you.

BRIESE: Thank you, Senator Groene. Senator Lowe.

LOWE: Thank you, Chairman. Thank you, Mr. Hoppe, for being here today.
So you've got a guy. He's making a decision on whether or not to go to
the casino or to the keno parlor and so he's going to go to the keno
parlor because they have electronic betting?

RICK HOPPE: I tell you-- yeah, in my situation, he's definitely doing
that. But I think what's more likely to be happening, just from my
observations of, of what's going on, is that you'll have people play
more frequently. Keep in mind, in many places that offer keno, you've
got a bartender that's a, that's a keno writer and, and serving
drinks. Well, sometimes you don't get in before that last game closes
and that's a difficulty that gets addressed by having an electronic
keno because you don't have to visit the keno writer in order to get
into the game.

LOWE: I guess I haven't visited any of those places. I mean, there's
always a separate keno stand away from the bar.

RICK HOPPE: That, that is the case in the places I've been to, but
sometimes more-- one person is handling both duties.

LOWE: All right. So the electronic is just automatic. It just goes in.

RICK HOPPE: That's my understanding, although you're going to have to
ask someone a little more technical expertise than I.

LOWE: OK. All right, thank you.

BRIESE: Thank you, Senator Lowe. Anyone else? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman, and thank you, Mr. Hoppe, for being
here. I'm sorry if you said this already, but you said you're
expecting a 15 percent loss. What's the revenue?

RICK HOPPE: Two years ago, it was about 1.4. After COVID, it dropped
to 1.1, 1.2 neighborhood.

J. CAVANAUGH: That's million?

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

RICK HOPPE: I'm sorry, that was not very good. Yes, sir; \$1.4 million
to \$1.1 million or \$1.2 million.

J. CAVANAUGH: And so without the casinos, you would hope that that
would rebound to probably the \$1.4 million again?

RICK HOPPE: Right, right, but we're anticipating, as I said, \$150,000
loss from what we just sustained.

J. CAVANAUGH: So on top of that, so down to--

RICK HOPPE: Correct.

J. CAVANAUGH: --below \$1 million.

RICK HOPPE: Correct.

J. CAVANAUGH: And how-- does Ralston have a plan to make that up?

RICK HOPPE: Well, as I said, I'm trying to free us up with some debt
payments, which should be helpful, but I hope to put that money
towards greater debt reduction. But now that's probably going to have
to get shifted to the operating loss to fill in the gap created by the
loss of keno revenues.

J. CAVANAUGH: And forgive me if you-- you, you, you don't have a kind
of a numeric amount you think that this bill would help?

RICK HOPPE: It, it's hard to quantify that and I would imagine that
once the experience occurs, you'll have more data, but I, I just can't
imagine it would not mitigate a good percentage of losses we
anticipate sustaining.

J. CAVANAUGH: Thank you.

BRIESE: Thank you, Senator Cavanaugh. Senator Groene.

GROENE: Thank you. Maybe you're not the one to answer, so I'm sitting
on my phone on, on this to gamble, all right? How do I pay?

RICK HOPPE: Well, if it's anything like what I just experienced when I
parked my car, there's a card on-- you put a card on file, a, a debit
card on file, and then when it pops up, it gives you an option of how

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

to pay and lists the cards that you've listed on your account. You
choose one of those cards and that's what it pulls the money off of.

GROENE: And it will reject the credit card?

RICK HOPPE: Will it reject your credit card? That is something you're
going to have to ask others. If I read the bill correctly, you cannot
use a credit card for that purpose.

GROENE: I understand, but then do I have to have a police officer look
at everybody's bet on the phone or, or can they--

RICK HOPPE: I'm confident that the banking industry has learned to
determine between the two, but again, this probably is a better
question for someone that has more technical expertise than I do.

GROENE: I'll ask other questions for the next individual, but so you
have one of these credit card dual. I've had one of them, dual, you
use it for debit card or credit card because they will ask you what
you want to put in a gas pump. It asks you which one you want to use.
How do-- so the, the software is going to be able to differentiate?

RICK HOPPE: Again, I think that's, that's attainable, but I'd, I'd
rather, rather-- really rather someone else answer that question.

GROENE: And that-- and then if it's a-- got two names on that account,
does it differentiate that two people-- somebody-- there's two names
on that debit card. One person isn't there, so how can you bet if
you're not in place? How can the one person have the authority to bet
that money?

RICK HOPPE: How could one-- OK, if, if it's, for instance, a husband
and a wife had a card together, you're saying that the, the card
can't-- that the keno place cannot distinguish between who's betting
and who isn't?

GROENE: Right.

RICK HOPPE: But is that any different than today when you can use your
debit card to get cash at the machine?

GROENE: We're talking about gambling here.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

RICK HOPPE: Right, but if-- all I'm saying that-- cash machine then to go ahead and gamble. Because I just, I just heard it testified that there's, there's a number of ATMs at these keno operations.

GROENE: Thank you.

BRIESE: Thank you, Senator Groene. Anyone else? Seeing no other questions, thank you for your testimony.

RICK HOPPE: Thank you for your time.

BRIESE: Yeah. Next proponent testifier. Good afternoon and welcome.

MICHAEL NEVRIVY: Good afternoon. My name is Michael Nevriy, M-i-c-h-a-e-l N-e-v-r-i-v-y. I appreciate the opportunity to be here today, senators, and, and testify and, and-- as a proponent for the, the amendment. I live in Hastings and I operate keno games for cities and villages across Nebraska, including Hastings, Kearney, North Platte, McCook, Crete, St. Paul, Odessa, Lawrence, Albion, and seven other communities. Keno has provided community betterment revenue to counties, cities, and villages across Nebraska now for more than 30 years. It has become an important source of revenue for projects that otherwise would have to be paid for with tax dollars or may not have happened at all, things like police cars, fire department equipment, computers for public libraries, and community playground equipment. It is regulated by the Nebraska Department of Revenue, overseen by the local community, and run by local Nebraska companies. The community controls where and how the game is conducted. The proceeds from keno go to the community to be spent as a community determines. Local option, local control, and local revenue are the reasons keno has been successful in generating community reven-- revenue so for so-- for so many years. Many of the communities we work for have told us they are very concerned about the effect that the casinos will have on their keno revenue. I, along with the vast majority of Nebraskans, support the opening of casinos on the promise that they will bring much-needed property tax relief across the state. But for communities that have no casinos or a casino, the loss of keno revenue could be significant. The mobile keno amendment simply gives us a fair chance to compete on this-- on a level playing field. Under LB561, keno-- casinos will be able to let their customers make mobile sports bets while they are at the casino. We would just like to have-- let our keno customers do the thing-- same thing when they are at a keno location. We believe this

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

will help keno stay up to date with current technology and help to
preserve the community betterment revenue, which is so important to
many communities. Thank you for your time and I can answer any-- be
happy to answer any questions.

BRIESE: Thank you for your testimony. Any questions? Yeah, Senator
Cavanaugh.

J. CAVANAUGH: Thank you, Mr. Chairman, and thank you, Mr. Netherby
[PHONETIC] for being-- I'm sorry, Neverbee [PHONETIC]--

MICHAEL NEVRIVY: Nevrivy.

J. CAVANAUGH: Nevrivy-- so the-- my understanding of the- of, of what
you just said is the-- these smaller communities that you service are
concerned about the loss in revenue and kind of-- we heard Senator
Brandt talk about proximity to casinos. Are they concerned-- some of,
you know, these communities, I, I guess, are farther flung, further
away from a casino than, say, Ralston is--

MICHAEL NEVRIVY: Right.

J. CAVANAUGH: --which is 12 blocks away. Is there a concern
proportionate to distance or is it across the board?

MICHAEL NEVRIVY: Well, I, I think it's across the board, but, you
know, in-- out in-- you know, again, I'm-- we go all the way out to
McCook and North Platte. You know, the North Platte people, the
Kearney people are very concerned that, that they'll see a, a casino
in Grand Island and there will not be one in Kearney or North Platte
as planned. In a, in a community like Hastings, I, I don't know what's
going to happen there, but you have small communities like Odessa and,
and, and that's an un-- unincorporated town, actually. It's through
Buffalo County and, and Crete is very, very-- in fact, we just had a--
I just met with their, their city council and they said, do you have a
plan? How are we going to compete with, you know, with the casinos in
Lincoln? I mean, they're going to be as-- they will be as close to the
casino in Crete as probably people in north Lincoln are going to be.
So when you look out in that area, you know, you're going to-- I think
you're going to see that, that there, there is a concern for-- because
it's going to be much closer to them. And when it comes down to, you
know, there's a gambling dollar and, you know-- and usually that's

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

kind of how-- like, some people say I got-- I've got so much money that I'm willing to use to, to gamble with. And if you decide to go to the casino instead of to the, to the keno location and that, that creates a real problem. And so I, I, I do think that, that-- we consistently are getting questions from them and they're, they're concerned. And, and for a lot of those communities, this money is very, very important even to-- you get-- even in some of these small towns like Lawrence, Nebraska, you know, they're, they're trying to, to fund a community center with the little bit of money that they get from keno, but it's-- you know, it's a very small town, 200, 300 people. And so they lose, you know, a, a, a few customers, that could mean, you know, the, the, the center not happening possibly, so--

J. CAVANAUGH: And you, you referenced that there's basically \$1 and it's going to be apportioned differently, meaning that those dollars are going to be-- a, a-- more people are going to be cutting into that \$1 than just keno. There's been some concern as to the-- allowing this mobile app to use debit cards. That's going to increase the amount people are betting and they're going to maybe be less responsible. Do you have an answer to that concern?

MICHAEL NEVRIVY: Again, we, we had-- probably in every single location that we have keno in-- because we don't, we don't own the, the restaurant or bar where we're, we're located. They all have ATM machines in them and, and there's no-- you know, they-- any customer can go up and get money out of the ATM machine with their credit or debit card and, and buy their dinner, buy their drinks, do whatever they want to do with it or take-- you know, whatever they-- you know, however they decide to use that money. With, with a mobile app, one thing that-- and I think Senator Groene mentioned that that-- the question on credit cards with mobile devices and you have to link that up to a bank account and there are-- there's a way for the banks-- they know that, that this is a, a transaction that's taking place on a gaming device and it will not allow a credit card to be used, period. They just-- it just doesn't, it doesn't happen. There's a code in every card and there's a code on every account and so they, they just can't, they can't use the credit card and that's not available. Of course, right now, we don't accept, you know, credit cards, debit cards, or checks to play keno. It's strictly cash. But people can go across the street and write a check someplace and come back and, and play keno with it. They can go to the, the ATM machine and do the same thing, so it, it will be controlled. I've been involved with enough

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

different companies that have mobile applications to know that that,
that's something that-- and I'm, and I'm sure the regulations will be
very, very tight on that and-- but that's all, that's all something
that happens at this time already.

J. CAVANAUGH: Thank you.

BRIESE: Thank you, Senator Cavanaugh. Anyone else? Senator Brandt.

BRANDT: Thank you, Chairman Briese. Thank you, Mr. Nevrivy, for your,
your testimony. I guess this is just an observation. You operate a lot
of different size keno parlors across the board. You said from
Lawrence up to Crete, which would be a bigger town. And I guess my
experience in going into places like that-- and coming from a town the
size of Lawrence, it's sort of like the regulars go in there to drink
beer. Keno is there also. Is that-- it's sort of a different crowd
than what would maybe go to a casino. Would you-- do you see it that
way?

MICHAEL NEVRIVY: You know, not necessarily. I mean, I think you'll see
a lot of our keno customers, they all go to casinos, you know, every
so often because they're-- to go to one, you have to go over to Iowa.
If you're, if you're sitting in, in North Platte, you know, you got to
Iowa or you go to, to, you know, one of the other states around us.
But, you know, one of the major things-- and, and we're, we're in--
probably in the smaller towns is where it's very, very important to be
able to use mobile devices because, you know, I can tell you, you
know, most of our bars in a lot of these small towns, there's one
person working during the day and that person is tending bar and, and
serving dinner and then cleaning up and writing keno tickets and doing
everything at the same time and, and it, it's, it's, it's difficult
at, you know, at this point. So this will be a great addition to that,
but, but people, people are going to the casinos now and they just
don't go on a regular basis. But now that they're going to be much,
much closer, they're going to be going a lot more often. I just, I
just-- I know that would be the case.

BRANDT: OK, thank you.

BRIESE: Thank you, Senator Brandt. Anyone else? Senator Groene.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

GROENE: Since you stated-- thank you-- since you stated that you know a lot about through that, I'll-- I guess I don't know. Is keno-- you have be 21 to play?

MICHAEL NEVRIVY: 19.

GROENE: 19, so how would a phone app-- do you know that somebody sitting there is 18 or 19?

MICHAEL NEVRIVY: Well, in order to be able to get an account, you're going to have to go into the location. You're going to have to set an account up. You're going to have to have your driver's license, Social Security. I mean, it's just, just like opening a bank account almost and so-- and, and then you have to be able-- to utilize your account. You'll have to have a, you know, an account number, a pin number, and, and, and be able to show, you know, that you're the one that's doing it and, and-- just like you do now with, you know--

GROENE: And you'll have to have a debit card in order to play.

MICHAEL NEVRIVY: What's that?

GROENE: And you'll have to have a debit card in order to play.

MICHAEL NEVRIVY: You, you don't necessarily have to. No, you could, you could go into the location and deposit money into your account directly at the keno counter and then that would go into your account on there or you could link it to a debit card. I don't think there'll be a lot of-- I mean, I-- a lot of people will do that, but I think that a lot of people, the majority may be used to using cash.

GROENE: Can you do that now?

MICHAEL NEVRIVY: No.

GROENE: So is that-- part of the bill is you can have an account?

MICHAEL NEVRIVY: No, no. You can have an account now, I believe. We just don't-- we don't offer it any of our locations.

GROENE: You prepay.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

MICHAEL NEVRIVY: You prepay ahead of time, yeah, and you have to pay--
prepay with cash and that, that's something that you can do, but you
cannot use debit or credit cards or checks at all at this point.

GROENE: So you don't see-- it makes it easier to gamble because now
you have to physically get up and say, we agreed-- the wife and
husband or spouse or whatever-- we're going to spend \$20 on keno
tickets.

MICHAEL NEVRIVY: Um-hum.

GROENE: Now you have to physically put your fork and knife down. You
got to get up and you got to walk over to an ATM machine to make a,
make a legitimate decision that you're going to go and get more money
out.

MICHAEL NEVRIVY: Um-hum.

GROENE: That's a little harder to do than to just sit there and keep
betting.

MICHAEL NEVRIVY: Yeah, they have that decision any time there's an ATM
machine around though, whether they're going to get another drink or
another meal or, or whatever, so that's-- the ATM machines are
everywhere, so we, you know, that, that's a matter of our life now at
this point.

GROENE: Thank you.

BRIESE: Thank you, Senator Groene. Anyone else? Seeing no other
questions, thank you for your testimony.

MICHAEL NEVRIVY: Thank you.

BRIESE: Next proponent testifier. Good afternoon and welcome.

JACK CHELOHA: Good afternoon, Senator Briese and members of the
General Affairs Committee. My name is Jack Cheloha, that's J-a-c-k
C-h-e-l-o-h-a, and I'm the registered lobbyist for the city of Omaha
and I would like to thank you for the unique opportunity to testify in
favor of AM639 to LB561 this afternoon. I want to hit this testimony a
little bit from the city's perspective again, if you will. You've
heard testimony that the keno game has been around for roughly 30

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

years and it's been within Omaha's city limits for those 30 years as well. In 2019, in terms of the amount of funds that we took in off the game for community betterment, it was roughly \$7.5 million. That number dropped dramatically-- or to us, dramatically in 2020 due to the COVID, dropped about \$6 million for that year. We're hoping 2021, there will be a rebound, although we're already through the first quarter at the end of this month soon, where the numbers quite-- haven't gone up yet so far this year, but we hope, hope so. In terms of the gross play within the city limits, it's roughly \$68 million so that we anticipate for 2021, \$7.5 million to spend again for community betterment. What does Omaha do with the proceeds regarding community betterment? We fund a contract with the Omaha Zoological Society. We pay on-- our lease purchase bonds on the TD Ameritrade baseball stadium, which allows us to keep the NCAA Men's College World Series in Omaha for a 25-year period. We give some money to the humane society for animal control within the city limits. We've-- I bought police cruisers with it. We have funded Cleanup Omaha and we've funded other community service projects. I wanted to give a shoutout to Senator Brewer and his committee on the Government, Military and Veterans Affairs. I know we have some cross-membership there. They put forward LB83 this year, which is a modernization, if you will, on public meetings for governing boards where we allow virtual meetings, virtual conferencing. I see this amendment as similar to that. We're modernizing the keno game. We're bringing the game into 2021 by allowing patrons to play it electronically, but within controls that you've heard about today. And for those reasons, we support this amendment. We appreciate the fact that you're having this hearing and thank you. I'll try to answer any questions.

BRIESE: Thank you for your testimony. Any questions? Seeing none, thank you again.

JACK CHELOHA: Thank you.

BRIESE: Next proponent testifier. Seeing no other proponent testifiers. First opponent testifier. Good afternoon and welcome.

NATE GRASZ: Good afternoon. Thank you, members of the General Affairs Committee. My name is Nate Grasz, N-a-t-e G-r-a-s-z, and I'm testifying on behalf of Nebraska Family Alliance. I'd like to begin my testimony today by thanking this committee for your work. We may not always agree on every aspect of this issue, but we recognize that

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

you've been given a very challenging job and we've always appreciated the opportunity to work with the senators on this committee. It's our deep appreciation for the members of this committee that heightened our shock and disappointment in the decision to throw an unnecessary expansion of gambling into LB561 that had nothing to do with what was approved by the voters and to vote it through without so much as a public hearing. I want to be clear about what we're talking about today. The amendment authorizing electronic keno and use of debit cards or online accounts means that people can gamble on their phones in bars and restaurants all over the state. The voters did not authorize this and there is no mandate to expand gambling in one area because it was expanded in another. The justification given for tacking on this amendment was that it was done out of fairness, to make things more fair for keno operators. We're more concerned about what's fair for the people of Nebraska. The sole focus of state-sanctioned gambling has been to maximize profits, not to protect the public interest. Gambling is a dishonest way to separate people from their hard-earned money and keno is no different. It is designed for people to lose. In fact, according to the Nebraska Gamblers Assistance Program, keno is already the second-leading cause of gambling addiction in Nebraska. The changes this committee authorize only serve to cause more people to lose more money more easily. And what is being communicated by including this amendment in LB561? Now that people can be taken advantage of and ripped off and lose money in casinos, we need to make sure that they can also get ripped off and lose money more easily in bars and restaurants. Government should not actively seek to willfully cheat its own citizens and encourage people to do something against their own financial interests. Everyone wants to talk about the money, but no one seems to want to talk about where it comes from. For the state to win, it's our own citizens who have to lose and it's usually those who can afford it the least who lose the most. We have many questions and concerns about this amendment. Who would create and oversee the app for electronic keno? Would it be managed by the state or by private companies? How would the app be able to verify someone's actual age and what if the debit card is a joint account? The amendment this committee approved allows someone to sit in a bar and lose someone else's entire savings account by gambling by themselves on their cell phone. This amendment is unnecessary, it's unjust, and it never should have been adopted. Thank you for your time today and we respectfully urge the committee to remove it from LB561. Thank you.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BRIESE: Thank you for your testimony. Any questions? Senator Wayne.

WAYNE: Doesn't the idea of losing money in a joint account apply to anything that a joint account is to-- because I can go spend my wife's money on shoes and a trip to Kilimanjaro, which you can never get back because it's nonrefundable, so doesn't that apply to anything?

NATE GRASZ: Yeah, thank you for the question, Senator. I think-- I mean, certainly it, it does apply, but I think it would also be shortsighted not to recognize the differences when it comes to gambling and this is also state-sponsored gambling. So there are, are currently safeguards in place that limit or prevent what you just described from happening on gambling, which can be problematic and an addictive behavior. So by removing those safeguards, as this amendment would do, you're allowing what you just described to happen, whereas it, it currently wouldn't be able to.

WAYNE: How is that different than day trading?

NATE GRASZ: So with, with day trading-- right, so you're using-- you have money and you're, you're taking risk, but that's really where the comparison to gambling ends. When you're investing in, in the stock market, when you make a purchase, you're acquiring something of value. When I go and purchase a keno ticket, it's, it's worthless. And as I said, this is a, a game that we know is designed for people to lose. Certainly there is, there is risk involved, but if you continually invest your money in the stock market over time, generally you're going to come away pretty happy. If you keep investing your money into keno or other forms of state-sanctioned gambling, you're guaranteed to lose.

WAYNE: Guarantee is such a strong word. I mean, how do you-- there's plenty of pension that went bankrupt over investments, right?

NATE GRASZ: Right, so I mean-- again, the difference is with state-sponsored gambling, we're talking about something that is intentionally designed for people to lose. I mean, that's how it's made. If, if it was giving people a 50/50 shot or you could somehow increase your odds and beat the house, people would-- wouldn't, wouldn't sponsor it, so it's made, it's made for people to lose and I think, you know, we could go back and forth all day--

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

WAYNE: I'm just wondering--

NATE GRASZ: --but--

WAYNE: --if you feel that the people don't-- people who voted for this
don't know any better?

NATE GRASZ: Well, no, no one voted for this.

WAYNE: No, I'm talking about, in general, gambling.

NATE GRASZ: People-- could you clarify the question?

WAYNE: The people who voted for the petition, are you suggesting they
don't-- that they just don't know any better?

NATE GRASZ: Know any better than to, to what?

WAYNE: They don't know what's best for themselves?

NATE GRASZ: Well, I, I think-- well, I don't think that's, I don't
think that's a fair question because what voters approved was a very
specific initiative that was directly tied into property tax relief.
So I think we know we had a lot of people who voted for those
initiatives, not because they themselves gamble or because they don't
know what's best for themselves, but because they wanted to see
property tax relief.

WAYNE: Thank you.

BRIESE: Thank you, Senator Wayne. Any other questions? Senator Lowe.

LOWE: Thank you and thank you, Nate, for being here today. I'm, I'm
seeing cities show up today in favor of this, but they did not show--
because they're afraid of, of their losses, but they didn't show up to
testify against LB560 [SIC] or we didn't hear them. Can you add
anything to that?

NATE GRASZ: Thank you for the question, Senator Lowe, and I think
your, your question illustrates an important point that speaks for
itself. It certainly does seem to be problematic and I would have
expected them to in LB561, but we didn't see that happen, but they
are, they are here today.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

BRIESE: Thank you, Senator Lowe. Any other questions? Senator Brandt.

BRANDT: Thank you, Chairman Briese. Thank you, Mr. Grasz, for
testifying today. What is the impact of this amendment? To simply put
it on your phone and use your debit-- credit or-- debit card? Because
if, if that goes away, we still have keno just the way it was and we
know what the impact of that is. Do you have any way to quantify any
measurement of that?

NATE GRASZ: Thank you for the question, Senator. Are you asking is
there a way to quantify what the, what the, the impact or increases
would be if, if these changes go through?

BRANDT: Yeah.

NATE GRASZ: No, we, we don't-- I, I don't know if there is a way to
quantify that for sure, but I think there's-- I, I'm unaware of any
time that gambling has been expanded in a certain area and we've seen
less-- a, a decrease. It, it always leads to an, an, an increase and I
think the fact that we have, you know, a room full of lobbyists for
keno operators today would, would tell you that that's their
expectation as well.

BRANDT: All right, thank you.

NATE GRASZ: Thank you.

BRIESE: Thank you, Senator Brandt. Anyone else? Seeing no other
questions, thanks for your testimony.

NATE GRASZ: Thank you.

BRIESE: Next opponent testifier. Good afternoon and welcome.

PAT LOONTJER: Hi, I'm Pat Loontjer. I'm the executive director of
Gambling With The Good Life for the past 26 years. And probably for 26
years, we've had this keno bill before us every year.

BRIESE: Can you spell your name for the record?

PAT LOONTJER: L-o-o-n-t-j-e-r.

BRIESE: Thank you.

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

PAT LOONTJER: So we've defeated the casino-- the, the keno amendments every year. They always wanted faster times or electronic or something and so we've kept them back. This year, because there was no hearing, it, it went into this-- into LB561 and that's why we're here, to, to see if we can't reverse that and take it out because it's all about speed. It's all about speed in gambling. It's-- it has to do-- you know, even at the horse tracks, we've never opposed horse racing because it was in existence when we began and we've never opposed anything that was in existence, but it's, it's not a game that young people play. Horse racing takes a lot of time and that's why they've always gone for the slot machines. Faster, faster, faster, and that's what we're asking-- they're asking for now is-- so the faster you play, the faster you lose your money. As Nate mentioned, keno is the second-highest form of gambling addiction that's being treated by the Gamblers Assistance Program at the moment. And we have to say why would we want to increase that? Gambling With The Good Life has always looked out for the families of Nebraska and any money that is lost in any form of gambling, whether it's keno or lottery tickets or, or at the casinos, that's money that's not being used in the marketplace. It's not being-- buying the kids school clothes or paying tuition. It's, it's money that usually goes to the operators. In the case of, of keno, the operators receive almost twice the profits as the cities that bear the burdens of the gambling to negative effect. So if there's \$10 million that, that the, the city or the community gains for, quote, parks and recreation, you've got to figure that, you know, \$25 million was, was taken out of the, the marketplace, was taken out of the pockets of the, the citizens and there's heartache. National statistics will show that for every dollar a state gains in gambling revenue of any source, it costs them \$3 in social costs. And so we would like to urge you today that-- not to do the ABCs of gambling, which is addiction, bankruptcy, and crime and in the end, "D", destruction of families. The bottom line is that the state-sponsored gambling is not an ethical way to raise revenue for parks or baseball uniforms or anything else because it hurts the poorest and most vulnerable.

BRIESE: OK, thank you for your testimony. Any questions? Senator Wayne.

WAYNE: I just got a general question. So is it state-- like, you-- I keep hearing state-sponsored gambling. Is it, like, state sponsor providing alcohol to adults to get drunk? It's like the state doing

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

that too? I'm just trying to understand because both of them are
harmful if you overabuse them.

PAT LOONTJER: Oh, I agree, I agree. That's not our issue, but I, I
would agree with you.

WAYNE: All right, I just-- I appreciate your consistency. I really, I
really do and I've always said that.

PAT LOONTJER: I know. Senator Jensen got me into this 26 years ago by
telling me it was a three-month position, but whenever I'm-- we're
together and I get to saying-- I say whatever you do, don't listen to
Jim Jensen because 26 years later, it doesn't look like it's ever
going to end.

WAYNE: Well, I appreciate it. Thank you.

BRIESE: Thank you, Senator Wayne. Anyone else? Senator Groene.

GROENE: Have you ever heard of the Laffer curve? The Laffer curve? The
more you tax, the less activity?

PAT LOONTJER: No.

GROENE: Would you support a tax that any time you cash it in, we take
20 percent right off the top of what they get back when they cash in
their chips? Do you think that would deter maybe some gambling?

PAT LOONTJER: You know, anytime you tax anyone, it's going to deter
something, but--

GROENE: Thank you.

BRIESE: Thank you, Senator Groene. Any other questions? Seeing none,
thank you for your testimony today.

PAT LOONTJER: Thank you.

BRIESE: Next opponent testifier. Good afternoon and welcome.

AL RISKOWSKI: Good afternoon. I'll try and be brief this afternoon. Al
Riskowski, it's A-l and Riskowski is R-i-s-k-o-w-s-k-i. I'm on the
board of Gambling With The Good Life, retired years ago from Nebraska
Family Alliance, and before that, was in the ministry. And in my years

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

of experience, one of the experiences I've had is certainly with families being in the ministry and Nebraska Family Alliance and over the years, serving down here at the State Capitol for probably around 20 years. Actually, Ernie Chambers served in the military under my dad, so we always had a special little connection in regard to that. But this was always one area that we very much agreed on. The expansion of gambling was harmful to the citizens of the state of Nebraska. There are many individuals who will go and play keno very responsibly, but there is a large percentage that do not play responsible-- responsibly and I think we here-- or you here, as representatives of the people, are here to protect those citizens that don't play as responsibly as they should. Throughout the years, I have done counseling, financial counseling because of the responsibilities that I've had and in financial accounting for people who are struggling with their finances, to work more with cash helps them to balance their accounts. When you've actually got to count out how much money you're spending, it makes a great difference as to how much they spend as to when you can either use a credit card or in this case here, a debit card or some way where you're not actually accounting for how much you're spending. You're spending it, you're not even realizing how much you are spending. That is one of the reasons that I have a great concern about this, that it is speeding up the spending of their money. It's obvious that each testifier who was in favor of this bill testified that it will-- there will be greater losses if this is, in fact, enacted and I would just encourage the committee to reconsider passing of this amendment. We-- it's unprecedented, the gambling that is going to be unleashed here in the state of Nebraska, and I, I'm very concerned about continuing to up the level of ease that individuals can lose their money here in our state. So thank you for your time and your consideration.

BRIESE: Thank you for your testimony. Any questions? Just one, we've talked a lot today about speed and the ease of losing your money and the need for this amendment, how it may or may not or presumably would increase the amount of money wagered on keno. Has anybody tried to quantify that? I mean, it's a question that has been asked in various forms several times today, but do we-- does anybody have a number on that or-- we don't, do we?

AL RISKOWSKI: We do not. I, I believe the-- it seems the obvious intent by the proponents of the bill is that if there is a hope by

*Indicates written testimony submitted prior to the public hearing per
our COVID-19 response protocol

upping the ability to use a debit card and etcetera, it-- people will
lose more money and--

BRIESE: OK.

AL RISKOWSKI: --will wager more and thus lose more money in regard to
keno.

BRIESE: OK, thank you. Thank you, thank you for your testimony.

AL RISKOWSKI: Thank you.

BRIESE: Next opponent testifier. Seeing none, do we have any one
wishing to testify in a neutral capacity? Seeing none, Senator
Cavanaugh, you were initially going to introduce this. Would you like
to close or should we waive it?

J. CAVANAUGH: I can waive. I don't think I have anything to add to the
testimony.

BRIESE: OK, yeah, we'll-- so that will end our hearing on AM639 today.
Thank you for-- everyone for your testimony and for your opinions.
Thank you, committee, for using up your noon hour doing this.

BRANDT: Do you have to introduce letters?

BRIESE: Yes, I do. Where's that at?

BREWER: Keep things straight.

BRANDT: It's been awhile.

BRIESE: Yes, we had three letters for the record: two proponent
records from Doug Kindig, mayor of La Vista; Lynn Rex, League of
Municipalities; one neutral letter from former Senator Paul
Schumacher. And that will conclude our hearing.