

let alone this body, so we came back with a zero effect proposal. We will not lose any money next year. We will lose a potential for some money, but because of the increase in the racing days, we will not lose any money. It will be a revenue neutral bill and we have to recognize that the reason this is all coming about is because we have a \$350 million plus industry, the racing industry, which involves a lot of agricultural animals, horses, that are feeding these small tracks that eventually then feeds Ak-Sar-Ben. We have a \$350 million industry that is going to have some competition. I think this may have been explained before but we have been an island out here as far as horse racing goes in that we had no competition. Now we are beginning to get...we are going to have competition, and the question is, can we meet this competition? And, of course, the Racing Commission has come back and said that we need to lower our tax rate so that we can keep our handles up, so that we can keep our purses up so that we can attract good horses so that we will keep our \$350 million business viable. The trouble is we don't have a real measure of that yet. We don't have a measure of what competition will do. Each one of us know what competition can do. If you have an absolute advantage, only one race track, you are going to get all the business. If you have two race tracks well run as these will be, you will get approximately half of the business. Not only do we have other horse race tracks but we have a dog race track coming in in Iowa, and so to meet competition, we really don't know what we have to do. We are going to wait a year to see what that competition does to us, to see if, in fact, people are going to the dog race track or the horse race track, to see if we have to raise our purses to get the better horses, to get higher race dollars over a Minnesota track. We can't tell that right now but we have through this bill kept a revenue neutral effect and tried to meet the competition this year, and these are after our Racing Commission has come in and suggested that we take the parimutuel racing tax down to 3 percent. We have kept it at 5.

SENATOR MOREHEAD: One minute.

SENATOR MILLER: We have raised the exemption from 1 million to 7 million dollars which is a 7 percent decrease but we have recognized that there will be a 7 percent increase in the total handle. So we will have a revenue neutral bill. I think this is prudent legislation. These amendments