

tracks. Now the task force itself came about as a result of the various quantities of competition that are quickly coming into existence in the entire horse racing industry and competition to, quite frankly, Ak-Sar-Ben and the other tracks in the form of lotteries, in the form of dog racing, in the form of brand new horse tracks. So what does the amendment do? It does three things. Number one, it has an exemption on the first \$7 million, that was the finally agreed upon amount. There were amounts sought such as \$10 million or \$12 million, as low as \$6 million, \$7 million was the amount the task force agreed upon. As I understand it, it is also the amount the Revenue Committee, I believe, has stuck with. The second thing it does, and this is probably the part where Senator Johnson may have some disagreement, and then again he may end up supporting it, I certainly don't know. That would, beginning in January of 1986, reduce the parimutuel tax from five percent to four and a half percent, in other words a half percent reduction. The amendment also does something that Senator Chambers and some of the rest of us thought was necessary over the last couple of years and that is make sure that these taxes are paid on a monthly basis. There were some problems, as you recall, a couple of years ago because the taxes weren't maybe adequately collected, some problems arose. This would clear that up. Finally, and it is important for Lincoln senators to note this, those concerned about the Lincoln track, it does not destroy or alter the very special privilege status of the Lincoln track. In other words, Lincoln, for a variety of reasons which this Legislature went along with, has a lower tax rate. They would maintain that lower tax rate, I believe it is three and a half percent. So that is what the amendment does. What are the reasons for it? I said the origins of the entire study were to do with the competition, the heavy competition, and the need to upgrade the tracks. Now remember, the money that the tracks now spend, that they have available to them, the money all comes, not from any gifts from the state, it all comes from starting from zero and generating their own revenues just as do the taxes. So what the amendment, in effect, says is you can keep a smaller...or a small percentage of the revenue you are bring in in the first place, and you can use that for specific purposes, two purposes. Number one, for bigger purses to attract the better horses, to attract the competition so it will be one of the best tracks. The other half of the money would be spent for improving the facilities, not just Ak-Sar-Ben, but