

was faced with some very, very stiff and serious competition. It seems as though other states have made decisions to countenance both dog racing and horse racing and in doing so a variety of tracks are being constructed in neighboring states. That construction is undoubtedly going to result, according to the industry, in a significant decline over time in the betting handle. So, what the Revenue Committee ended up doing was this. It said, we are not going to touch the parimutuel tax, we're not going to touch it. We're going to leave it at 5 percent, provided, however, if next year the handle of a given track declines by 5 percent, then our parimutuel tax rate shall be 4 1/2 percent or, if the parimutuel handle declines by more than 5 percent, then our parimutuel tax rate shall be 4 percent. Now, obviously should we see a decline in parimutuel handle, then in effect, the State of Nebraska will lose some parimutuel tax. I don't recall offhand without looking at the fiscal note as to what the total possible magnitude of those tax losses would be. My recollection is they will not be more than 1.5 million. I could be a little bit low on that, however. We have tried to, as a Revenue Committee, to reduce, in effect, the loss to the state through the loss in the tax rate. By the same token we have also been very sensitive to the absolutely legitimate concerns of our racing industry in the face of incredibly stiff competition that's coming their way. In some respects there is, you know, the State of Nebraska has a vital stake in the health of its racing industry. The racing industry in our state is a very large operation. It tends to be the top tourist attraction of whatever community one finds a track, whether it be in Columbus or in South Sioux City or Grand Island or Omaha. In fact, Ak-Sar-Ben in Omaha is the leading tourist attraction in our community and inasmuch as none of us in this body wish to ring the death knell for what really is the leading tourist attraction in many of the communities in our state, we on the Revenue Committee have been sensitive to concerns. We are not betting the farm, we are simply saying, if you tracks continue to do as well in succeeding years as you've done this year, you get no tax reduction. On the other hand, if there is some loss in your parimutuel handle, then the rate itself can decline from the current level of 5 percent of the total amount bet except for the first \$7 million to 4 percent of the total amount bet. Now, there are other subtleties in the committee amendments such as we've given Columbus an additional racing day, such as we've had a