

May 7, 1991

LB 849
LR 24

has added, right now they are in the process of implementing a state lottery. Now the upshot is that 33 states and the District of Columbia right now either operate or are in the process of beginning to operate a state lottery. There are also several regional lotteries, ranging from Lotto America, which covers several different states all across the United States, to the Tri-State Lottery, which is a very small multistate lottery in the northeast. And if you do glance at the map, you will notice that north of the Mason-Dixon Line, there is only a handful of states that have not implemented a state lottery. Nevada, for obvious reasons, has other gaming revenue that they operate on. Utah has cultural and religious characteristics that I suspect they will never adopt a state lottery. So other than that, when you get to the northern plains, only Nebraska, Wyoming, and North Dakota don't have lotteries. Wyoming and North Dakota are both low population states. Now Wyoming has access to a lot of revenue through severance taxes that they don't have the revenue pressure to adopt anything like a lottery, in addition to the fact that they don't have the population base. And North Dakota has both a small population base and legalized blackjack. So that leaves Nebraska as the only state sitting out there that doesn't have extraordinary conditions in some other respects that has not implemented a state lottery in the northern part of the United States. All but one of the bordering states have state lotteries and, you bet, we are losing revenue to those states. The entire population of Douglas and Sarpy Counties, for instance, is within an easy drive of Iowa, and when you look at the Iowa figures, they tell us that between 5 and 10 percent of their lottery proceeds come from Nebraska. You look at, if I recall correctly, of the major outlets in Iowa, that is the single retail stores that sell the most lottery tickets, three of the top six are along the Nebraska border, two of them in Council Bluffs and one in Sioux City. Now that indicates something to me because Sioux City and Council Bluffs, while they are cities, don't have the population base to make those outlets that big, plus I know, I think if I remember correctly, the single largest one is Rog and Scotty's, it is just across the bridge, and that is not all Council Bluffs people that are buying those tickets. So I think given those arguments, the lottery proponents are saying, yeah, it is high time Nebraska started a lottery. The trend nationwide is to go to lotteries for an additional revenue source. People have indicated that they want to play lottery, and what we are proposing with the combination of LR 24 and LB 849 is a very cautious approach, I think. We are not saying,