

and mirrors. Let's deal straight. The people of Nebraska are making an investment of their tax dollars to make, to cause the racing industry to survive. That is fine with me, but let's say what it is. Thanks.

SENATOR MORRISSEY PRESIDING

SENATOR MORRISSEY: Thank you, Senator Ashford. The next speaker is Senator Chambers.

SENATOR CHAMBERS: Mr. President and members of the Legislature, now that Senator Landis is back, I'd like to ask him a question. Senator Landis, do you think what is being done here for Ak-Sar-Ben constitutes good policy for the state to adopt and it should be applied with reference to other operations that are in the process of failing at the time we move in to bail them out?

SENATOR LANDIS: I am not sure in doing each and every operation. I do think it is an appropriate policy in this setting. There is a number of factors that go into that.

SENATOR CHAMBERS: Do you think that Ak-Sar-Ben can succeed as a revenue-generating operation without this 1061 amendment?

SENATOR LANDIS: My guess is that at a 9 percent tax rate on... I am sorry, 9 percent bond rate, that there would be a cash flow problem in '94 and '95, that it would not operate without a tax credit, that is a projection of the case.

SENATOR CHAMBERS: Well, Senator...

SENATOR LANDIS: The interest rate of the bonds will determine how much they have to pay off in those costs.

SENATOR CHAMBERS: Senator Landis, if Ak-Sar-Ben continues its downward slide in terms of the annual take, where is the revenue going to come from to pay off the bonds? If the track is not generating enough money, where will the revenue come from to pay off the bonds?

SENATOR LANDIS: You raise a good point. My suggestion is, let me answer that the first source of revenue is the operation of the track itself. Secondly, bondholders may, in the process of determining the bonds, negotiate additional revenue streams to support that revenue stream. Since this is a revenue bond and not a general obligation bond, it does not go against the taxing