



Subsidizing Gambling in Nebraska

The legislature is once again dealing with one of the state's most divisive issues, gambling. Presently, Nebraska possesses a strained compromise between the two camps consisting of a patchwork of laws outlawing some forms of gambling (i.e. slot machines) while allowing others (i.e. Lottery, Keno, Pari-mutuel). In previous years, gambling interests waged well-funded campaigns to expand the range of legal gambling, but time and again their interests were thwarted at the ballot box. Groups such as *Gambling with the Good Life* worked smartly to limit gambling, and with names such as Warren Buffet and Tom Osborne onboard, their influence is a powerful force. So when Sen. Karpisek submitted several bills designed to both expand Keno receipts and then utilize some of those new funds to subsidize horseracing, he must have known he was opening a can of worms.

The Platte Institute for Economic Research holds as a core value free-market enterprise and personal responsibility, and as such, questions LB 256 and its subsidization of the declining live horseracing industry.

LB 256, which has been amended to include elements of LB 299, legislation also introduced by Sen. Karpisek that allows tracks to trade days with other horse tracks. In practice, LB 256 makes it possible for race tracks in Nebraska to operate as long as 15 years without ever hosting a live horse race. LB 256 flies in the face of current Nebraska law and will eventually lead to the end of live horse racing in Nebraska, which is what simulcast was originally brought in to prevent.

The Platte Institute is concerned LB 256 will cost taxpayer money to defend what the Attorney General's office says may be a losing case. Horse tracks in Nebraska were not intended to become simulcast centers, and LB 256 is a potentially expensive departure from the status quo.

In an opinion written May 3rd, the Attorney General's office writes: "We believe a court may well conclude that such a result cannot be countenanced under art. III, § 24, as it is questionable whether a racetrack location or facility that conducts no live racing can constitute a legitimate licensed racetrack enclosure." LB 256 will put Nebraska at odds with its own statutes and welcomes a lawsuit that will be expensive for Nebraska taxpayers.

The Platte Institute for Economic Research opposes using taxpayer money to fund

expensive lawsuits to enable horse tracks to no longer operate as horse tracks. LB 256 allows horse tracks to qualify as horse tracks although live races will be discontinued; in effect the facilities become simulcast centers, or simply put glorified keno parlors. Nebraska taxpayers should not be on the hook to expand simulcast betting in our state.



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