

APR 09 2014

<p>SUPREME COURT OF COLORADO 2 East 14th Ave. Denver, CO 80203</p> <hr/> <p>Original Proceeding Pursuant to Colo. Rev. Stat. § 1-40-107(2) Appeal from the Ballot Title Board</p> <hr/> <p>In the Matter of the Title, Ballot Title, and Submission Clause for Proposed Initiative 2013-2014 #80 ("Proceeds from Video Lottery Terminals for K-12 Education")</p> <p><b>Petitioner: RICHARD EVANS</b> v. <b>Respondents: VICKI ARMSTRONG and BOB HAGEDORN</b></p> <p>and</p> <p><b>Title Board: SUZANNE STAIERT; DANIEL DOMENICO; and JASON GELENDER</b></p>	<p>DATE FILED: April 9, 2014 OF THE STATE OF COLORADO Christopher T. Ryan, Clerk</p> <p>▲ COURT USE ONLY ▲</p>
<p>Attorneys for Petitioner: Mark G. Grueskin, #14621 RECHT KORNFELD, P.C. 1600 Stout Street, Suite 1000 Denver, CO 80202 Phone: 303-573-1900 Facsimile: 303-446-9400 Email: <a href="mailto:mark@rechtkornfeld.com">mark@rechtkornfeld.com</a></p>	<p>Case No. <u>145A99</u></p>
<p><b>PETITION FOR REVIEW OF FINAL ACTION OF BALLOT TITLE SETTING BOARD CONCERNING PROPOSED INITIATIVE 2013- 2014 #80 ("PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR K-12 EDUCATION")</b></p>	

Richard Evans (“Petitioner”), registered elector of the State of Colorado, through undersigned counsel, respectfully petitions this court pursuant to C.R.S. § 1-40-107(2), to review the actions of the Title Setting Board with respect to the title, ballot title, and submission clause set for Initiative 2013-2014 #80 (“Proceeds from Video Lottery Terminals for K-12 Education”).

## **STATEMENT OF THE CASE**

### **A. Procedural History of Proposed Initiative #80**

Vicki Armstrong and Bob Hagedorn (hereafter “Proponents”) proposed Initiative 2013-2014 #80 (the “Proposed Initiative”). A review and comment hearing was held before representatives of the Offices of Legislative Council and Legislative Legal Services. Thereafter the Proponents submitted a final version of the Proposed Initiative to the Secretary of State for purposes of submission to the Title Board, of which the Secretary or his designee is a member.

A Title Board hearing was held on March 19, 2014 to establish the Proposed Initiative’s single subject and set a title. On March 26, 2014 Petitioner filed a Motion for Rehearing, alleging that the title was misleading to voters and failed provide vital information regarding the measure. The rehearing was held on April 2, 2014, at which time the Title Board granted in part the Motion for Rehearing to

cure certain deficiencies in the title it had set but denied the Motion in other respects, some of which are at issue in this appeal.

### **B. Jurisdiction**

Petitioner is entitled to a review before the Colorado Supreme Court pursuant to C.R.S. § 1-40-107(2). Petitioner timely filed the Motion for Rehearing with the Title Board. *See* C.R.S. § 1-40-107(1). Additionally, Petitioner timely filed this Petition for Review within five days from the date of the hearing on the Motion for Rehearing. C.R.S. § 1-40-107(2).

As required by C.R.S. § 1-40-107(2), attached to this Petition for Review are certified copies of: (1) the draft, amended, and final versions of the initiative filed by the Proponents; (2) the original ballot title set for this measure; (3) the Motion for Rehearing filed by the Petitioner; and (4) the ruling on the Motion for Rehearing as reflected by the title and ballot title and submission clause set by the Board. Petitioner believes that the Title Board erred in denying certain aspects of the Motion for Rehearing. Consequently, this matter is properly before this Court.

### **ADVISORY STATEMENT OF GROUNDS FOR APPEAL**

In violation of C.R.S. §§ 1-40-106, -107, the title set by the Title Board is misleading, does not fairly and correctly express the true meaning of the Proposed

Initiative, and will lead to voter confusion. The following is an advisory list of issues to be addressed in Petitioner's brief:

1. The title's references, "to increase K-12 education" and "allocating approximately 95 percent," are political statements that do not accurately or fairly inform voters of the actual wording and intent of the measure.
2. The combination of the total tax increase of \$120,700,000 and the "approximately 95 percent" estimate will mislead voters into thinking that K-12 education will benefit from 95 percent of the total tax increase.
3. Disclosure of the actual expansion of gaming to three major population centers in the State is hidden between the title's references to education funding which is, at best, a by-product of this gambling expansion.
4. The title omits any reference to the new tax and actual tax rate of thirty-nine percent (39%), which represents the triggering event for TABOR ballot question wording, in the initiative.
5. The title omits reference to fact that no fewer than 2,500 slot machines can be placed at the three racetrack casinos and there is no maximum number of gaming devices.

6. The title omits reference to fact that the measure permits local jurisdictions to expand gaming hours to 24 hours per day.
7. The title is silent on the important issue of local voter approval, either by voters in the three counties as a condition to licensing or by voters in such counties as to expansion to 24-hour gambling.

### **PRAYER FOR RELIEF**

Petitioner respectfully requests that, after consideration of the parties' briefs, this Court determine that the title set for the Proposed Initiative is neither fair nor accurate and remand the Proposed Initiative to the Title Board with instructions to redraft the title to accurately and fairly represent the text of the Proposed Initiative.

Respectfully submitted this 9<sup>th</sup> day of April, 2014.



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**ATTORNEYS FOR PETITIONERS**

**CERTIFICATE OF SERVICE**

I, Erin Holweger, hereby affirm that a true and accurate copy of the **PETITION FOR REVIEW OF FINAL ACTION OF BALLOT TITLE SETTING BOARD CONCERNING PROPOSED INITIATIVE 2013-2014 #80 (“PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR K-12 EDUCATION”)** was sent this day, April 9<sup>th</sup>, 2014, via first class U.S. mail, postage pre-paid to the proponents and their counsel and to counsel for the Title Board at:

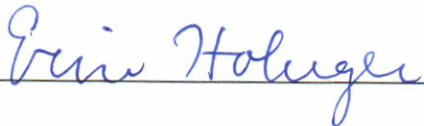
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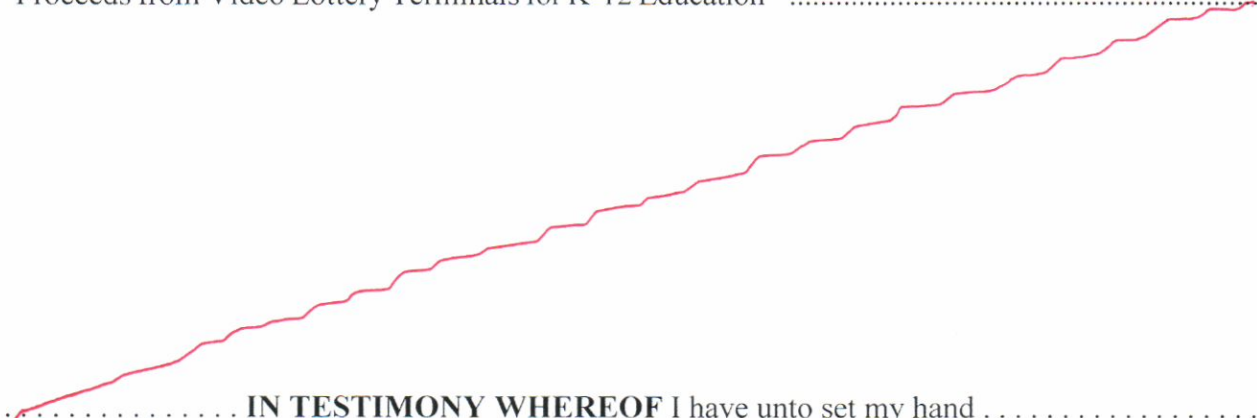
# STATE OF COLORADO

DEPARTMENT OF  
STATE

## CERTIFICATE

I, **SCOTT GESSLER**, Secretary of State of the State of Colorado, do hereby certify that:

the attached are true and exact copies of the original text, amended text, final text, motion for rehearing, titles, and the rulings thereon of the Title Board on Proposed Initiative "2013-2014 #80 'Proceeds from Video Lottery Terminals for K-12 Education'".....



..... **IN TESTIMONY WHEREOF** I have unto set my hand .....  
and affixed the Great Seal of the State of Colorado, at the  
City of Denver this 4<sup>th</sup> day of April, 2014.



A blue ink signature of Scott Gessler, written in a cursive style.

SECRETARY OF STATE

RECEIVED

MAR 07 2014

S. WARD  
2:05 P.M.

Colorado Secretary of State

*Be it Enacted by the People of the State of Colorado:*

**SECTION 1.** In the constitution of the state of Colorado, **add** section 17 to article XVIII as follows:

**Section 17. K-12 education fund.** (1) IN ORDER TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS BY PROVIDING ADDITIONAL REVENUE TO ADDRESS LOCAL NEEDS, INCLUDING REDUCING CLASS SIZES, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES, THERE IS HEREBY ESTABLISHED THE K-12 EDUCATION FUND, AND NOTWITHSTANDING ANY PROVISIONS OF THIS CONSTITUTION OR OTHER LAW TO THE CONTRARY, THE COLORADO LOTTERY COMMISSION AND STATE LOTTERY DIVISION ARE DIRECTED TO IMPLEMENT THE USE OF VIDEO LOTTERY TERMINALS AT EXCLUSIVE LOCATIONS, AS SET FORTH IN THIS SECTION.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COMMISSION" MEANS THE COLORADO LOTTERY COMMISSION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-207, COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(b) "DIRECTOR" MEANS THE DIRECTOR OF THE STATE LOTTERY DIVISION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-204, COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(c) "DIVISION" MEANS THE STATE LOTTERY DIVISION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-202, COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(d) "EXCLUSIVE LOCATIONS" MEANS THE FOLLOWING LOCATIONS:

(I) ONE LICENSED CLASS B HORSE RACETRACK LOCATED IN EACH OF THE COLORADO COUNTIES OF ARAPAHOE, MESA, AND PUEBLO THAT HAS BEEN CONTINUOUSLY OPERATED AND HAS BEEN LICENSED BY THE COLORADO RACING COMMISSION, OR SUCCESSOR AGENCY, AS A CLASS B HORSE RACETRACK TO CONDUCT LIVE HORSE RACE MEETS AND TO CONDUCT PARI-MUTUEL WAGERING ON HORSE RACES FOR A PERIOD OF NOT LESS THAN FIVE YEARS AS OF JANUARY 1, 2014, OR FOR FIVE YEARS IMMEDIATELY PRECEDING THE CLASS B HORSE RACETRACK'S APPLICATION FOR A LICENSE TO OPERATE VIDEO LOTTERY TERMINALS; AND

(II) THE LICENSED LIMITED GAMING ESTABLISHMENTS IN THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, AND THE CITY OF CRIPPLE CREEK QUALIFIED UNDER SECTION 9 OF THIS ARTICLE.

(e) "HOST COMMUNITY" MEANS THE SINGLE LOCAL JURISDICTION THAT ISSUES THE PERMITS AND APPROVALS NECESSARY FOR THE OPERATIONS OF AN EXCLUSIVE LOCATION THAT OPERATES VIDEO LOTTERY TERMINALS.



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(f) "NET VLT PROCEEDS" MEANS THE TOTAL AMOUNT OF CURRENCY AND CURRENCY EQUIVALENTS, SUCH AS ITEMS REDEEMABLE FOR CURRENCY, WAGERED IN VIDEO LOTTERY TERMINALS LESS THE TOTAL AMOUNT OF CURRENCY AND CURRENCY EQUIVALENTS WON BY PLAYERS.

(g) "VIDEO LOTTERY TERMINAL," "TERMINAL," OR "VLT" MEANS AN ELECTRONIC GAME MACHINE THAT:

(I) IS CONNECTED TO A CENTRAL MONITORING SYSTEM OPERATED, MONITORED, CONTROLLED, AND AUDITED BY THE DIVISION;

(II) UPON THE INSERTION OF CURRENCY OR ELECTRONIC CREDITS, VIA A VOUCHER, TICKET, OR OTHERWISE, IS AVAILABLE TO PLAY A VIDEO GAME AUTHORIZED BY THE DIVISION IN WHICH THE OUTCOME IS DETERMINED PREDOMINANTLY BY CHANCE, INCLUDING VIRTUAL SLOT MACHINE GAMES AND VIRTUAL TABLE GAMES INCLUDING POKER, BLACKJACK, ROULETTE, AND CRAPS.

(III) USES MICROPROCESSORS TO AWARD TO WINNING PLAYERS FREE GAMES OR ELECTRONIC CREDITS REDEEMABLE FOR CURRENCY, WHICH ELECTRONIC CREDITS MAY BE CREDITED TO A CARD, PRINTED PAY VOUCHER, OR OTHER MEDIUM THAT STORES ELECTRONIC DATA; AND

(IV) SHOWS THE OUTCOME OF GAMES USING VIDEO DISPLAYS OR MECHANICAL SPINNING REELS, OR BOTH.

(3) (a) THE COMMISSION AND DIRECTOR SHALL ALLOW THE USE OF VIDEO LOTTERY TERMINALS TO COMMENCE NO LATER THAN NOVEMBER 1, 2015.

(b) THE COMMISSION SHALL PROMULGATE ALL NECESSARY RULES TO REGULATE THE USE OF VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION NO LATER THAN JULY 1, 2015.

(I) THE RULES OF THE COMMISSION SHALL MAXIMIZE THE NET VLT PROCEEDS AVAILABLE FOR DISTRIBUTION TO THE K-12 EDUCATION FUND.

(II) THE RULES OF THE COMMISSION SHALL BE CONSISTENT WITH THIS SECTION AND, TO THE EXTENT PRACTICABLE, THE ACCEPTED STANDARDS FOR REGULATION OF VIDEO LOTTERY TERMINALS AND RETAILERS IN OTHER STATES.

(III) THE RULES OF THE COMMISSION SHALL PROVIDE FOR LICENSING REQUIREMENTS FOR EXCLUSIVE LOCATIONS THAT ARE NO MORE RESTRICTIVE THAN THOSE APPLICABLE TO LICENSING OF VIDEO LOTTERY RETAILERS IN OTHER STATES, AND APPROVAL OF A LICENSE SHALL NOT BE UNREASONABLY WITHHELD.

(c) THE DIRECTOR MAY TAKE REASONABLE MEASURES AS NECESSARY TO ESTABLISH, OPERATE, AND SUPERVISE THE USE OF VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION, AND THE RULES ADOPTED BY THE COMMISSION PURSUANT TO THIS SECTION.

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(4) (a) UPON THE APPROVAL OF THE LICENSE APPLICATION BY THE DIRECTOR OF THE EXCLUSIVE LOCATION LISTED IN SUBPARAGRAPH (I) OF PARAGRAPH (d) OF SUBSECTION (2) OF THIS SECTION, THE DIRECTOR SHALL APPROVE THE USE OF THE GREATER OF TWO THOUSAND FIVE HUNDRED VIDEO LOTTERY TERMINALS OR SUCH OTHER NUMBER AS REQUESTED BY THE OPERATOR OF A LICENSED EXCLUSIVE LOCATION AND AS DETERMINED BY THE DIRECTOR TO MAXIMIZE REVENUE TO THE K-12 EDUCATION FUND.

(b) UPON THE APPROVAL OF THE LICENSE APPLICATION BY THE DIRECTOR OF A LICENSED LIMITED GAMING ESTABLISHMENT LISTED IN SUBPARAGRAPH (II) OF PARAGRAPH (d) OF SUBSECTION (2) OF THIS SECTION, THE DIRECTOR SHALL APPROVE THE USE OF VIDEO LOTTERY TERMINALS AT THE EXCLUSIVE LOCATION REFERENCED IN THE APPLICATION IN A NUMBER THAT THE DIRECTOR DEEMS TO BE ECONOMICALLY FEASIBLE AS DETERMINED BY THE DIRECTOR.

(c) ADDITIONAL TERMINALS ARE NOT PERMITTED AT ANY EXCLUSIVE LOCATION WITHOUT PRIOR APPROVAL BY THE DIRECTOR.

(d) THE COMMISSION AND DIVISION MAY NOT AUTHORIZE THE OPERATION OF VIDEO LOTTERY TERMINALS EXCEPT AT EXCLUSIVE LOCATIONS.

(5) THE OPERATION OF VIDEO LOTTERY TERMINALS AT EXCLUSIVE LOCATIONS IS SUBJECT TO THE FOLLOWING:

(a) THE OPERATION OF VIDEO LOTTERY TERMINALS AT EACH EXCLUSIVE LOCATION IS PROHIBITED BETWEEN THE HOURS OF 2 A.M. AND 8 A.M., UNLESS THE HOURS ARE EXPANDED BY THE APPLICABLE HOST COMMUNITY OF THE EXCLUSIVE LOCATION. EACH HOST COMMUNITY IN WHICH VIDEO LOTTERY TERMINALS ARE OPERATED IS AUTHORIZED TO EXTEND THE HOURS OF OPERATION UP TO TWENTY-FOUR HOURS PER DAY, SEVEN DAYS PER WEEK.

(b) SUBJECT TO LICENSURE BY THE STATE AND LOCAL LIQUOR LICENSING AUTHORITIES, ALCOHOLIC BEVERAGES MAY BE SOLD AT EXCLUSIVE LOCATIONS THAT OPERATE VIDEO LOTTERY TERMINALS.

(c) ACCESS TO AND USE OF VIDEO LOTTERY TERMINALS IS RESTRICTED TO PERSONS TWENTY-ONE YEARS OF AGE OR OLDER.

(d) VIDEO LOTTERY TERMINALS MUST NOT ACCEPT A WAGER OF GREATER THAN ONE HUNDRED DOLLARS PER PLAY.

(e) ALL WAGERS ON GAMES MUST BE PLACED IN PERSON ON THE LICENSED PREMISES OF AN EXCLUSIVE LOCATION'S PHYSICAL PLACE OF BUSINESS.

(6) NOTWITHSTANDING SECTION 24-35-204.5(1)(a), COLORADO REVISED STATUTES, SUCCESSOR STATUTE, OR OTHER LAW, THE OPERATOR OF AN EXCLUSIVE LOCATION MAY ACQUIRE VIDEO LOTTERY TERMINALS BY PURCHASE, LEASE, OR OTHER ASSIGNMENT FROM MANUFACTURERS OR SUPPLIERS APPROVED BY THE DIRECTOR.

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(7) IN ORDER TO OPERATE VIDEO LOTTERY TERMINALS, IN ADDITION TO ANY APPLICABLE LICENSE FEES, EACH LICENSED EXCLUSIVE LOCATION MUST:

(a) UPON COMMENCEMENT OF OPERATIONS OF VIDEO LOTTERY TERMINALS, MAKE A ONE-TIME PAYMENT IN THE AMOUNT OF TEN MILLION DOLLARS AS A FEE TO THE HOST COMMUNITY OF THE EXCLUSIVE LOCATION.

(b) UPON THE COMMENCEMENT OF OPERATIONS OF VIDEO LOTTERY TERMINALS, MAKE A ONE-TIME PAYMENT IN THE AMOUNT OF TWENTY-FIVE MILLION DOLLARS TO THE STATE TREASURER FOR DEPOSIT IN THE K-12 EDUCATION FUND.

(8) (a) BEGINNING WITH THE FIRST STATE FISCAL YEAR IN WHICH VIDEO LOTTERY TERMINALS GENERATE NET VLT PROCEEDS, EACH EXCLUSIVE LOCATION OPERATING VIDEO LOTTERY TERMINALS SHALL PAY TO THE STATE TREASURER:

(I) THIRTY-SEVEN PERCENT OF NET VLT PROCEEDS GENERATED PER YEAR FOR DEPOSIT INTO THE K-12 EDUCATION FUND; AND

(II) TWO PERCENT OF NET VLT PROCEEDS GENERATED PER YEAR FOR DISTRIBUTION TO THE HOST COMMUNITY.

(b) EACH EXCLUSIVE LOCATION SHALL RETAIN THE BALANCE OF NET VLT PROCEEDS NOT PAID TO THE STATE TREASURER PURSUANT TO THIS SUBSECTION 8.

(c) NET VLT PROCEEDS SHALL BE SET ASIDE, ALLOCATED, ALLOTTED, AND CONTINUOUSLY APPROPRIATED FOR DISTRIBUTION IN ACCORDANCE WITH THIS SECTION, NOTWITHSTANDING THE PROVISIONS OF SECTION 2 OF THIS ARTICLE, ARTICLE XXVII OF THIS CONSTITUTION, SECTIONS 22-43.7-104(2)(b)(III) AND 24-35-203, COLORADO REVISED STATUTES, SUCCESSOR STATUTES, OR OTHER LAW.

(9) (a) THE K-12 EDUCATION FUND CONSISTS OF THE MONEYS AS PROVIDED IN PARAGRAPH (b) OF SUBSECTION (7) AND SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (8) OF THIS SECTION. ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE K-12 EDUCATION FUND SHALL BE CREDITED TO THE K-12 EDUCATION FUND.

(b) THE STATE TREASURER SHALL PAY FROM THE MONEYS IN THE K-12 EDUCATION FUND ALL NECESSARY EXPENSES OF THE COMMISSION AND THE DIVISION RELATED TO THE ADMINISTRATION OF THE USE OF VIDEO LOTTERY TERMINALS. THE STATE TREASURER SHALL MAKE THE PAYMENT UPON PROPER PRESENTATION OF A VOUCHER PREPARED IN ACCORDANCE WITH STATUTES GOVERNING PAYMENTS OF LIABILITIES INCURRED ON BEHALF OF THE STATE. THE PAYMENTS WILL NOT BE CONDITIONED ON ANY APPROPRIATION BY THE GENERAL ASSEMBLY.

(c) THE STATE TREASURER SHALL ANNUALLY DISTRIBUTE TO EACH SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, ON A PER PUPIL BASIS, A SHARE OF THE TOTAL BALANCE REMAINING IN THE K-12 EDUCATION FUND. THE PER PUPIL AMOUNT IS DETERMINED BY DIVIDING THE TOTAL AMOUNT TO BE

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DISTRIBUTED BY THE STATEWIDE PUBLIC SCHOOL ENROLLMENT. THE AMOUNT DISTRIBUTED TO EACH SCHOOL DISTRICT IS THE PER PUPIL AMOUNT MULTIPLIED BY THE SCHOOLS DISTRICT'S PUPIL ENROLLMENT, AND THE AMOUNT DISTRIBUTED TO THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, IS THE PER PUPIL AMOUNT MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED AT INSTITUTE CHARTER SCHOOLS.

(d) MONEYS DISTRIBUTED TO THE SCHOOL DISTRICTS AND THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, UNDER THIS SUBSECTION (9) ARE IN ADDITION TO ANY OTHER MONEYS APPROPRIATED FOR DISTRIBUTION TO SCHOOL DISTRICTS OR THE CHARTER SCHOOL INSTITUTE OR OTHERWISE ALLOCATED TO SCHOOL DISTRICTS OR THE CHARTER SCHOOL INSTITUTE. NO SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL IS REQUIRED TO USE MONEY DISTRIBUTED UNDER THIS SUBSECTION (9) AS A CONTRIBUTION TO ANY FUNDING FORMULA CONTAINED IN LAW.

(e) EACH SCHOOL DISTRICT AND EACH INSTITUTE CHARTER SCHOOL HAS THE DISCRETION TO USE THE MONEYS RECEIVED FROM THE K-12 EDUCATION FUND TO ADDRESS LOCAL NEEDS TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS, INCLUDING REDUCING CLASS SIZE, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES.

(f) THE STATE AUDITOR SHALL AUDIT OR DIRECT AN AUDIT OF THE K-12 EDUCATION FUND AT LEAST ANNUALLY AND SHALL SUBMIT A REPORT OF THE AUDIT TO THE LEGISLATIVE AUDIT COMMITTEE. EACH LICENSED EXCLUSIVE LOCATION SHALL KEEP A COMPLETE AND ACCURATE SET OF BOOKS AND RECORDS, AND COMPLY WITH ALL INSPECTION, EXAMINATION, AND AUDITING REQUIREMENTS AS REQUIRED BY RULE.

(10) THE STATE AND LOCAL GOVERNMENTS SHALL COLLECT, DISTRIBUTE, AND SPEND ALL TAX AND FEE REVENUES DERIVED FROM NET VLT PROCEEDS AND THE INITIAL ONE-TIME PAYMENT COLLECTED BY THE STATE TREASURER UNDER PARAGRAPH (b) OF SUBSECTION (7) OF THIS SECTION AS VOTER-APPROVED REVENUE CHANGES WITHOUT REGARD TO ANY LIMITATION CONTAINED IN SECTION 20 OF ARTICLE X OF THIS CONSTITUTION OR ANY OTHER LAW.

(11) IF ANY PROVISION OF THIS SECTION IS HELD INVALID, THE REMAINDER OF THIS SECTION REMAINS UNIMPAIRED.

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S.WARD  
2:05 P.M.

Initiative 2013-2014 #80 Amended Text

Colorado Secretary of State

~~An Initiative Proposal to Increase K-12 Education Funding From New Revenues Generated by the Use of Video Lottery Terminals at Class B Colorado Horse Racetracks and at Licensed Limited Gaming Establishments.~~

*Be it Enacted by the People of the State of Colorado:*

~~AN AMENDMENT TO THE CONSTITUTION OF THE STATE OF COLORADO, AMENDING ARTICLE XVIII, ADDING A NEW SECTION TO~~  
READ: SECTION 1. In the constitution of the state of Colorado, add section 17 to article XVIII as follows:

**Section 17. K-12 education fund.** (1) ~~IN~~ IN ORDER TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS BY PROVIDING ADDITIONAL REVENUE TO ADDRESS LOCAL NEEDS, INCLUDING, ~~BUT NOT LIMITED TO,~~ REDUCING CLASS SIZES, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES, THERE IS HEREBY ESTABLISHED ~~A~~ THE K-12 EDUCATION FUND, AND NOTWITHSTANDING ANY PROVISIONS OF THIS CONSTITUTION OR OTHER LAW TO THE CONTRARY, THE COLORADO LOTTERY COMMISSION AND STATE LOTTERY DIVISION ARE DIRECTED TO IMPLEMENT THE USE OF VIDEO LOTTERY TERMINALS AT EXCLUSIVE LOCATIONS, AS SET FORTH IN THIS SECTION.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COMMISSION" MEANS THE COLORADO LOTTERY COMMISSION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-207, ~~C.R.S.~~ COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(b) "DIRECTOR" MEANS THE DIRECTOR OF THE STATE LOTTERY DIVISION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-204, ~~C.R.S.~~ COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(c) "DIVISION" MEANS THE STATE LOTTERY DIVISION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-202, ~~C.R.S.~~ COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(d) "EXCLUSIVE LOCATIONS" MEANS THE FOLLOWING LOCATIONS:

(I) ONE LICENSED CLASS B HORSE RACETRACK LOCATED IN EACH OF THE COLORADO COUNTIES OF ARAPAHOE, MESA, AND PUEBLO THAT HAS BEEN CONTINUOUSLY OPERATED AND HAS BEEN LICENSED BY THE COLORADO RACING COMMISSION, OR SUCCESSOR AGENCY, AS A CLASS B HORSE RACETRACK TO CONDUCT LIVE HORSE RACE MEETS AND TO CONDUCT PARI-MUTUEL WAGERING ON HORSE RACES FOR A PERIOD OF NOT LESS THAN FIVE YEARS AS OF JANUARY 1, 2014, OR FOR FIVE YEARS IMMEDIATELY PRECEDING THE CLASS B HORSE RACETRACK'S APPLICATION FOR A LICENSE TO OPERATE VIDEO LOTTERY TERMINALS; AND

(II) THE LICENSED LIMITED GAMING ESTABLISHMENTS IN THE ~~CITY~~ CITY OF ~~BLACKHAWK,~~ CENTRAL, THE CITY OF BLACK HAWK, AND THE ~~CITY~~ CITY OF CRIPPLE CREEK QUALIFIED UNDER SECTION 9 OF THIS ARTICLE.

Initiative 2013-2014 #80 Amended Text

(e) "HOST COMMUNITY" MEANS THE SINGLE LOCAL JURISDICTION THAT ISSUES THE PERMITS AND APPROVALS NECESSARY FOR THE OPERATIONS OF AN EXCLUSIVE LOCATION ~~TO OPERATE~~ THAT OPERATES VIDEO LOTTERY TERMINALS.

(f) "NET VLT PROCEEDS" MEANS THE TOTAL AMOUNT OF CURRENCY AND CURRENCY EQUIVALENTS ~~(I.E., SUCH AS~~ ITEMS REDEEMABLE FOR CURRENCY), WAGERED IN VIDEO LOTTERY TERMINALS LESS THE TOTAL AMOUNT OF CURRENCY AND CURRENCY EQUIVALENTS WON BY PLAYERS.

(g) "VIDEO LOTTERY TERMINAL," ~~OR~~ "TERMINAL," OR "VLT" MEANS AN ELECTRONIC GAME MACHINE THAT:

(I) IS CONNECTED TO A CENTRAL MONITORING SYSTEM OPERATED, MONITORED, CONTROLLED, AND AUDITED BY THE DIVISION;

(II) UPON THE INSERTION OF CURRENCY OR ELECTRONIC CREDITS, ~~(VIA A VOUCHER, TICKET, OR OTHERWISE),~~ IS AVAILABLE TO PLAY A VIDEO GAME AUTHORIZED BY THE DIVISION IN WHICH THE OUTCOME IS DETERMINED PREDOMINANTLY BY CHANCE, INCLUDING VIRTUAL SLOT MACHINE GAMES AND VIRTUAL TABLE GAMES INCLUDING POKER, BLACKJACK, ROULETTE, AND CRAPS.

(III) USES MICROPROCESSORS TO AWARD TO WINNING PLAYERS FREE GAMES OR ELECTRONIC CREDITS REDEEMABLE FOR CURRENCY, WHICH ELECTRONIC CREDITS MAY BE CREDITED TO A CARD, PRINTED PAY VOUCHER, OR OTHER MEDIUM THAT STORES ELECTRONIC DATA; AND

(IV) SHOWS THE OUTCOME OF GAMES USING VIDEO DISPLAYS OR MECHANICAL SPINNING REELS, OR BOTH.

(3) (a) THE COMMISSION AND ~~DIVISION~~ DIRECTOR SHALL ~~APPROVE~~ ALLOW THE USE OF VIDEO LOTTERY TERMINALS TO COMMENCE NO LATER THAN NOVEMBER 1, 2015.

(b) THE COMMISSION SHALL PROMULGATE ALL NECESSARY RULES TO REGULATE THE USE OF VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION NO LATER THAN JULY 1, 2015.

(I) THE RULES OF THE COMMISSION SHALL MAXIMIZE THE NET VLT PROCEEDS AVAILABLE FOR DISTRIBUTION TO THE K-12 EDUCATION FUND.

(II) THE RULES OF THE COMMISSION SHALL BE CONSISTENT WITH THIS SECTION AND, TO THE EXTENT PRACTICABLE, THE ACCEPTED STANDARDS FOR REGULATION OF VIDEO LOTTERY TERMINALS AND RETAILERS IN OTHER STATES.

(III) THE RULES OF THE COMMISSION SHALL PROVIDE FOR LICENSING REQUIREMENTS FOR EXCLUSIVE LOCATIONS THAT ARE NO MORE RESTRICTIVE THAN THOSE APPLICABLE TO LICENSING OF VIDEO LOTTERY RETAILERS IN OTHER STATES, AND APPROVAL OF A LICENSE SHALL NOT BE UNREASONABLY WITHHELD.

Initiative 2013-2014 #80 Amended Text

(c) THE ~~DIVISION AND~~ DIRECTOR MAY TAKE ~~SUCH~~ REASONABLE MEASURES AS NECESSARY TO ESTABLISH, OPERATE, AND SUPERVISE THE USE OF VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION, AND THE RULES ADOPTED BY THE COMMISSION PURSUANT TO THIS SECTION.

(4) (a) UPON THE APPROVAL OF THE LICENSE APPLICATION BY THE DIRECTOR OF THE EXCLUSIVE LOCATION LISTED IN SUBPARAGRAPH (I) OF PARAGRAPH (d) OF SUBSECTION (2)~~(D)(H)~~ OF THIS SECTION, THE ~~DIVISION~~DIRECTOR SHALL APPROVE THE USE OF THE GREATER OF TWO THOUSAND FIVE HUNDRED VIDEO LOTTERY TERMINALS OR SUCH OTHER NUMBER AS REQUESTED BY THE OPERATOR OF A LICENSED EXCLUSIVE LOCATION AND AS DETERMINED BY THE ~~DIVISION~~DIRECTOR TO MAXIMIZE REVENUE TO THE K-12 EDUCATION FUND.

(b) UPON THE APPROVAL OF THE LICENSE APPLICATION BY THE DIRECTOR OF A LICENSED LIMITED GAMING ESTABLISHMENT LISTED IN SUBPARAGRAPH (II) OF PARAGRAPH (d) OF SUBSECTION (2)~~(D)(H)~~ OF THIS SECTION, THE ~~DIVISION~~DIRECTOR SHALL APPROVE THE USE OF VIDEO LOTTERY TERMINALS AT THE EXCLUSIVE LOCATION REFERENCED IN THE APPLICATION IN A NUMBER THAT THE ~~DIVISION~~DIRECTOR DEEMS TO BE ECONOMICALLY FEASIBLE AS DETERMINED BY THE ~~DIVISION~~DIRECTOR.

(c) ~~NO~~ ADDITIONAL TERMINALS ~~SHALL BE~~ ARE NOT PERMITTED AT ANY EXCLUSIVE LOCATION WITHOUT PRIOR APPROVAL BY THE ~~DIVISION~~DIRECTOR.

(d) THE COMMISSION AND DIVISION ~~SHALL~~ MAY NOT AUTHORIZE THE OPERATION OF VIDEO LOTTERY TERMINALS EXCEPT AT EXCLUSIVE LOCATIONS.

(5) THE OPERATION OF VIDEO LOTTERY TERMINALS AT EXCLUSIVE LOCATIONS ~~SHALL BE~~ IS SUBJECT TO THE FOLLOWING:

(a) THE OPERATION OF VIDEO LOTTERY TERMINALS AT EACH EXCLUSIVE LOCATION ~~SHALL BE~~ IS PROHIBITED BETWEEN THE HOURS OF 2 A.M. AND 8 A.M., UNLESS THE HOURS ARE EXPANDED BY THE APPLICABLE HOST COMMUNITY OF ~~SUCH~~ THE EXCLUSIVE LOCATION. EACH HOST COMMUNITY IN WHICH VIDEO LOTTERY TERMINALS ARE OPERATED IS AUTHORIZED TO EXTEND THE HOURS OF OPERATION UP TO TWENTY-FOUR HOURS PER DAY, SEVEN DAYS PER WEEK.

(b) SUBJECT TO LICENSURE BY THE STATE AND LOCAL LIQUOR LICENSING AUTHORITIES, ALCOHOLIC BEVERAGES MAY BE SOLD AT EXCLUSIVE LOCATIONS THAT OPERATE VIDEO LOTTERY TERMINALS.

(c) ACCESS TO AND USE OF VIDEO LOTTERY TERMINALS ~~SHALL BE~~ IS RESTRICTED TO PERSONS TWENTY-ONE YEARS OF AGE OR OLDER.

(d) VIDEO LOTTERY TERMINALS ~~SHALL~~ MUST NOT ACCEPT A WAGER ~~UP TO A~~ MAXIMUM OF GREATER THAN ONE HUNDRED DOLLARS PER PLAY.

(e) ALL WAGERS ON GAMES MUST BE PLACED IN PERSON ON THE LICENSED PREMISES OF AN EXCLUSIVE LOCATION'S PHYSICAL PLACE OF BUSINESS.

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(6) NOTWITHSTANDING SECTION 24-35-204.5(1)(a), ~~C.R.S. COLORADO REVISED STATUTES~~, SUCCESSOR STATUTE, OR OTHER LAW, THE OPERATOR OF AN EXCLUSIVE LOCATION MAY ACQUIRE VIDEO LOTTERY TERMINALS BY PURCHASE, LEASE, OR OTHER ASSIGNMENT FROM MANUFACTURERS OR SUPPLIERS APPROVED BY THE DIRECTOR.

(7) ~~FOR THE PRIVILEGE OF OPERATING~~IN ORDER TO OPERATE VIDEO LOTTERY TERMINALS, IN ADDITION TO ANY APPLICABLE LICENSE FEES, EACH LICENSED EXCLUSIVE LOCATION ~~SHALL~~MUST:

(a) ~~UPON~~UPON COMMENCEMENT OF OPERATIONS OF VIDEO LOTTERY TERMINALS, MAKE A ONE-TIME PAYMENT IN THE AMOUNT OF TEN MILLION DOLLARS AS A FEE TO THE HOST COMMUNITY OF ~~SUCH~~THE EXCLUSIVE LOCATION.

(b) ~~UPON~~UPON THE COMMENCEMENT OF OPERATIONS OF VIDEO LOTTERY TERMINALS, MAKE A ONE-TIME PAYMENT IN THE AMOUNT OF TWENTY-FIVE MILLION DOLLARS TO THE STATE TREASURER FOR DEPOSIT IN THE K-12 EDUCATION FUND.

(8) (a) BEGINNING WITH THE FIRST STATE FISCAL YEAR IN WHICH VIDEO LOTTERY TERMINALS GENERATE NET VLT PROCEEDS, EACH EXCLUSIVE LOCATION OPERATING VIDEO LOTTERY TERMINALS SHALL PAY TO THE STATE TREASURER:

(I) ~~THIRTY~~THIRTY-SEVEN PERCENT OF NET VLT PROCEEDS GENERATED PER YEAR FOR DEPOSIT INTO THE K-12 EDUCATION FUND; AND

(II) TWO PERCENT OF NET VLT PROCEEDS GENERATED PER YEAR FOR DISTRIBUTION TO THE HOST COMMUNITY.

(b) EACH EXCLUSIVE LOCATION SHALL RETAIN THE BALANCE OF NET VLT PROCEEDS NOT PAID TO THE STATE TREASURER PURSUANT TO THIS SUBSECTION 8.

(c) NET VLT PROCEEDS SHALL BE SET ASIDE, ALLOCATED, ALLOTTED, AND CONTINUOUSLY APPROPRIATED FOR DISTRIBUTION IN ACCORDANCE WITH THIS SECTION, NOTWITHSTANDING THE PROVISIONS OF SECTION 2 OF THIS ARTICLE XVIII, ~~SECTION 2 OF THE STATE CONSTITUTION, ARTICLE XXVII OF THE STATE~~THIS CONSTITUTION, SECTIONS 22-43.7-104(2)(b)(III) AND 24-35-203, C.R.S. COLORADO REVISED STATUTES, SUCCESSOR STATUTES, OR OTHER LAW.

(9) (a) THE K-12 EDUCATION FUND ~~SHALL CONSIST~~ CONSISTS OF ~~SUCH~~THE MONEYS AS PROVIDED IN ~~SUBSECTIONS 7~~PARAGRAPH (b) OF SUBSECTION (7) AND (8)(A) SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (8) OF THIS SECTION. ~~THE STATE TREASURER SHALL INVEST~~ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE K-12 EDUCATION FUND, ~~AND ANY INTEREST EARNED ON SUCH INVESTMENTS~~ SHALL BE ~~DEPOSITED IN~~CREDITED TO THE K-12 EDUCATION FUND.

(b) THE STATE TREASURER SHALL PAY FROM THE MONEYS IN THE K-12 EDUCATION FUND ALL NECESSARY EXPENSES OF THE COMMISSION AND THE DIVISION RELATED TO THE ADMINISTRATION OF THE USE OF VIDEO LOTTERY TERMINALS. ~~SUCH PAYMENT SHALL BE MADE BY THE~~THE STATE TREASURER SHALL MAKE THE PAYMENT



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UPON PROPER PRESENTATION OF A VOUCHER PREPARED IN ACCORDANCE WITH STATUTES GOVERNING PAYMENTS OF LIABILITIES INCURRED ON BEHALF OF THE STATE. ~~SUCH~~THE PAYMENTS ~~SHALL~~WILL NOT BE CONDITIONED ON ANY APPROPRIATION BY THE GENERAL ASSEMBLY.

(c) THE STATE TREASURER SHALL ANNUALLY DISTRIBUTE TO EACH SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, ON A PER PUPIL BASIS, A SHARE OF THE TOTAL BALANCE REMAINING IN THE K-12 EDUCATION FUND. THE PER PUPIL AMOUNT ~~SHALL BE IS~~ DETERMINED BY DIVIDING THE TOTAL AMOUNT TO BE DISTRIBUTED BY THE STATEWIDE PUBLIC SCHOOL ENROLLMENT. THE AMOUNT DISTRIBUTED TO EACH SCHOOL DISTRICT ~~AND THE STATE CHARTER SCHOOL INSTITUTE SHALL BE IS~~ THE PER PUPIL AMOUNT MULTIPLIED BY ~~EACH DISTRICTS' OR THE INSTITUTE'S PUPIL ENROLLMENT~~THE SCHOOLS DISTRICT'S PUPIL ENROLLMENT, AND THE AMOUNT DISTRIBUTED TO THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, IS THE PER PUPIL AMOUNT MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED AT INSTITUTE CHARTER SCHOOLS.

(d) MONEYS DISTRIBUTED TO THE SCHOOL DISTRICTS AND THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, UNDER THIS SUBSECTION (9) ~~SHALL BE ARE~~ IN ADDITION TO ANY OTHER MONEYS APPROPRIATED FOR DISTRIBUTION TO SCHOOL DISTRICTS OR THE CHARTER SCHOOL INSTITUTE OR OTHERWISE ALLOCATED TO SCHOOL DISTRICTS OR THE CHARTER SCHOOL INSTITUTE. NO SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL ~~SHALL BE IS~~ REQUIRED TO USE MONEY DISTRIBUTED UNDER THIS SUBSECTION (9) AS A CONTRIBUTION TO ANY FUNDING FORMULA CONTAINED IN LAW, ~~NOR SHALL ANY SCHOOL DISTRICT BE REQUIRED TO OFFSET DISTRIBUTIONS FROM THE FUND WITH LOCAL PROPERTY TAX REVENUE.~~

(e) EACH SCHOOL DISTRICT AND EACH INSTITUTE CHARTER SCHOOL ~~SHALL HAVE HAS~~ THE DISCRETION TO USE THE MONEYS RECEIVED FROM THE K-12 EDUCATION FUND TO ADDRESS LOCAL NEEDS TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO ~~PUBLIC~~PUBLIC SCHOOLS, INCLUDING, ~~BUT NOT LIMITED TO,~~ REDUCING CLASS SIZE, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES.

(f) THE STATE AUDITOR SHALL AUDIT OR DIRECT AN AUDIT OF THE K-12 EDUCATION FUND ~~SHALL BE AUDITED~~ AT LEAST ANNUALLY ~~BY OR UNDER THE DIRECTION OF THE STATE AUDITOR, WHO~~AND SHALL SUBMIT A REPORT OF THE AUDIT TO THE LEGISLATIVE AUDIT COMMITTEE. EACH LICENSED EXCLUSIVE LOCATION SHALL KEEP A COMPLETE AND ACCURATE SET OF BOOKS AND RECORDS, AND COMPLY WITH ALL INSPECTION, EXAMINATION, AND AUDITING REQUIREMENTS AS REQUIRED BY RULE.

(10) ~~ALL~~THE STATE AND LOCAL GOVERNMENTS SHALL COLLECT, DISTRIBUTE, AND SPEND ALL TAX AND FEE REVENUES ~~ATTRIBUTABLE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS SECTION 17 SHALL BE COLLECTED, DISTRIBUTED, AND SPENT BY STATE AND LOCAL GOVERNMENTS~~DERIVED FROM NET VLT PROCEEDS AND THE INITIAL ONE-TIME PAYMENT COLLECTED BY THE STATE TREASURER UNDER PARAGRAPH (b) OF SUBSECTION (7) OF THIS SECTION AS VOTER-APPROVED REVENUE CHANGES WITHOUT

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REGARD TO ANY LIMITATION CONTAINED IN ~~ARTICLE X~~, SECTION 20 OF ARTICLE X OF THIS CONSTITUTION OR ANY OTHER LAW.

(11) IF ANY PROVISION OF THIS SECTION ~~(17)~~ IS HELD INVALID, THE REMAINDER OF THIS ~~SECTION (17) SHALL REMAIN~~SECTION REMAINS UNIMPAIRED.

Vickie L. Armstrong  
678 W. 11<sup>th</sup> Street  
Akron, CO 80720  
[6717406\\_2.DOCX](#)

Bob Hagedorn  
1278 Sable Blvd.  
Aurora, CO 80011

**An Initiative Proposal to Increase K-12 Education Funding From New Revenues Generated by the Use of Video Lottery Terminals at Qualified Class B Colorado Horse Racetracks and at Licensed Limited Gaming Establishments.**

*Be it Enacted by the People of the State of Colorado:*

AN AMENDMENT TO THE CONSTITUTION OF THE STATE OF COLORADO, AMENDING ARTICLE XVIII, ADDING A NEW SECTION TO READ:

**SECTION 17. K-12 EDUCATION FUND.** (1) IN ORDER TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS BY PROVIDING ADDITIONAL REVENUE TO ADDRESS LOCAL NEEDS, INCLUDING, BUT NOT LIMITED TO, REDUCING CLASS SIZES, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES, THERE IS HEREBY ESTABLISHED A K-12 EDUCATION FUND, AND NOTWITHSTANDING ANY PROVISIONS OF THIS CONSTITUTION OR OTHER LAW TO THE CONTRARY, THE COLORADO LOTTERY COMMISSION AND STATE LOTTERY DIVISION ARE DIRECTED TO IMPLEMENT THE USE OF VIDEO LOTTERY TERMINALS AT EXCLUSIVE LOCATIONS, AS SET FORTH IN THIS SECTION.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(A) "COMMISSION" MEANS THE COLORADO LOTTERY COMMISSION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-207, C.R.S., OR SUCCESSOR STATUTE.

(B) "DIRECTOR" MEANS THE DIRECTOR OF THE STATE LOTTERY DIVISION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-204, C.R.S., OR SUCCESSOR STATUTE.

(C) "DIVISION" MEANS THE STATE LOTTERY DIVISION, OR SUCCESSOR AGENCY, AS ESTABLISHED IN SECTION 24-35-202, C.R.S., OR SUCCESSOR STATUTE.

(D) "EXCLUSIVE LOCATIONS" MEANS THE FOLLOWING LOCATIONS:

(I) ONE LICENSED CLASS B HORSE RACETRACK LOCATED IN EACH OF THE COLORADO COUNTIES OF ARAPAHOE, MESA, AND PUEBLO THAT HAS BEEN CONTINUOUSLY OPERATED AND HAS BEEN LICENSED BY THE COLORADO RACING COMMISSION, OR SUCCESSOR AGENCY, TO CONDUCT LIVE HORSE RACE MEETS AND TO CONDUCT PARI-MUTUEL WAGERING ON HORSE RACES FOR A PERIOD OF NOT LESS THAN FIVE YEARS AS OF JANUARY 1, 2014, OR FOR FIVE YEARS IMMEDIATELY PRECEDING THE CLASS B HORSE RACETRACK'S APPLICATION FOR A LICENSE TO OPERATE VIDEO LOTTERY TERMINALS; AND

(II) THE LICENSED LIMITED GAMING ESTABLISHMENTS IN THE CITY OF BLACKHAWK, CENTRAL CITY, AND THE CITY OF CRIPPLE CREEK QUALIFIED UNDER SECTION 9 OF THIS ARTICLE.

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(E) "HOST COMMUNITY" MEANS THE SINGLE LOCAL JURISDICTION THAT ISSUES THE PERMITS AND APPROVALS NECESSARY FOR AN EXCLUSIVE LOCATION TO OPERATE VIDEO LOTTERY TERMINALS.

(F) "NET VLT PROCEEDS" MEANS THE TOTAL AMOUNT OF CURRENCY AND CURRENCY EQUIVALENTS (I.E., ITEMS REDEEMABLE FOR CURRENCY) WAGERED IN VIDEO LOTTERY TERMINALS LESS THE TOTAL AMOUNT OF CURRENCY AND CURRENCY EQUIVALENTS WON BY PLAYERS.

(G) "VIDEO LOTTERY TERMINAL" OR "TERMINAL" MEANS AN ELECTRONIC GAME MACHINE THAT:

(I) IS CONNECTED TO A CENTRAL MONITORING SYSTEM OPERATED, MONITORED, CONTROLLED, AND AUDITED BY THE DIVISION;

(II) UPON THE INSERTION OF CURRENCY OR ELECTRONIC CREDITS (VIA A VOUCHER, TICKET, OR OTHERWISE) IS AVAILABLE TO PLAY A VIDEO GAME AUTHORIZED BY THE DIVISION IN WHICH THE OUTCOME IS DETERMINED PREDOMINANTLY BY CHANCE, INCLUDING VIRTUAL SLOT MACHINE GAMES AND VIRTUAL TABLE GAMES INCLUDING POKER, BLACKJACK, ROULETTE, AND CRAPS.

(III) USES MICROPROCESSORS TO AWARD TO WINNING PLAYERS FREE GAMES OR ELECTRONIC CREDITS REDEEMABLE FOR CURRENCY, WHICH ELECTRONIC CREDITS MAY BE CREDITED TO A CARD, PRINTED PAY VOUCHER, OR OTHER MEDIUM THAT STORES ELECTRONIC DATA; AND

(IV) SHOWS THE OUTCOME OF GAMES USING VIDEO DISPLAYS OR MECHANICAL SPINNING REELS, OR BOTH.

(3) (A) THE COMMISSION AND DIVISION SHALL APPROVE THE USE OF VIDEO LOTTERY TERMINALS TO COMMENCE NO LATER THAN NOVEMBER 1, 2015.

(B) THE COMMISSION SHALL PROMULGATE ALL NECESSARY RULES TO REGULATE THE USE OF VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION NO LATER THAN JULY 1, 2015.

(I) THE RULES OF THE COMMISSION SHALL MAXIMIZE THE NET VLT PROCEEDS AVAILABLE FOR DISTRIBUTION TO THE K-12 EDUCATION FUND.

(II) THE RULES OF THE COMMISSION SHALL BE CONSISTENT WITH THIS SECTION AND, TO THE EXTENT PRACTICABLE, THE ACCEPTED STANDARDS FOR REGULATION OF VIDEO LOTTERY TERMINALS AND RETAILERS IN OTHER STATES.

(III) THE RULES OF THE COMMISSION SHALL PROVIDE FOR LICENSING REQUIREMENTS FOR EXCLUSIVE LOCATIONS THAT ARE NO MORE RESTRICTIVE THAN THOSE APPLICABLE TO LICENSING OF VIDEO LOTTERY RETAILERS IN OTHER STATES, AND APPROVAL OF A LICENSE SHALL NOT BE UNREASONABLY WITHHELD.

Initiative 2013-2014 #80 Original Text

(C) THE DIVISION AND DIRECTOR MAY TAKE SUCH REASONABLE MEASURES AS NECESSARY TO ESTABLISH, OPERATE AND SUPERVISE THE USE OF VIDEO LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION, AND THE RULES ADOPTED BY THE COMMISSION PURSUANT TO THIS SECTION.

(4) (A) UPON THE APPROVAL OF THE LICENSE APPLICATION OF THE EXCLUSIVE LOCATION LISTED IN SUBSECTION (2)(D)(I) OF THIS SECTION, THE DIVISION SHALL APPROVE THE USE OF THE GREATER OF TWO THOUSAND FIVE HUNDRED VIDEO LOTTERY TERMINALS OR SUCH OTHER NUMBER AS REQUESTED BY THE OPERATOR OF A LICENSED EXCLUSIVE LOCATION AND AS DETERMINED BY THE DIVISION TO MAXIMIZE REVENUE TO THE K-12 EDUCATION FUND.

(B) UPON THE APPROVAL OF THE LICENSE APPLICATION OF A LICENSED LIMITED GAMING ESTABLISHMENT LISTED IN SUBSECTION (2)(D)(II) OF THIS SECTION, THE DIVISION SHALL APPROVE THE USE OF VIDEO LOTTERY TERMINALS AT THE EXCLUSIVE LOCATION REFERENCED IN THE APPLICATION IN A NUMBER THAT THE DIVISION DEEMS TO BE ECONOMICALLY FEASIBLE AS DETERMINED BY THE DIVISION.

(C) NO ADDITIONAL TERMINALS SHALL BE PERMITTED AT ANY EXCLUSIVE LOCATION WITHOUT PRIOR APPROVAL BY THE DIVISION.

(D) THE COMMISSION AND DIVISION SHALL NOT AUTHORIZE THE OPERATION OF VIDEO LOTTERY TERMINALS EXCEPT AT EXCLUSIVE LOCATIONS.

(5) THE OPERATION OF VIDEO LOTTERY TERMINALS AT EXCLUSIVE LOCATIONS SHALL BE SUBJECT TO THE FOLLOWING:

(A) THE OPERATION OF VIDEO LOTTERY TERMINALS AT EACH EXCLUSIVE LOCATION SHALL BE PROHIBITED BETWEEN THE HOURS OF 2 A.M. AND 8 A.M., UNLESS THE HOURS ARE EXPANDED BY THE APPLICABLE HOST COMMUNITY OF SUCH EXCLUSIVE LOCATION. EACH HOST COMMUNITY IN WHICH VIDEO LOTTERY TERMINALS ARE OPERATED IS AUTHORIZED TO EXTEND THE HOURS OF OPERATION UP TO TWENTY-FOUR HOURS PER DAY, SEVEN DAYS PER WEEK.

(B) SUBJECT TO LICENSURE, ALCOHOLIC BEVERAGES MAY BE SOLD AT EXCLUSIVE LOCATIONS THAT OPERATE VIDEO LOTTERY TERMINALS.

(C) ACCESS TO AND USE OF VIDEO LOTTERY TERMINALS SHALL BE RESTRICTED TO PERSONS TWENTY-ONE YEARS OF AGE OR OLDER.

(D) VIDEO LOTTERY TERMINALS SHALL ACCEPT A WAGER UP TO A MAXIMUM OF ONE HUNDRED DOLLARS PER PLAY.

(E) ALL WAGERS ON GAMES MUST BE PLACED IN PERSON ON THE LICENSED PREMISES OF AN EXCLUSIVE LOCATION'S PHYSICAL PLACE OF BUSINESS.

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(6) NOTWITHSTANDING 24-35-204.5(1)(a), C.R.S., SUCCESSOR STATUTE, OR OTHER LAW, THE OPERATOR OF AN EXCLUSIVE LOCATION MAY ACQUIRE VIDEO LOTTERY TERMINALS BY PURCHASE, LEASE OR OTHER ASSIGNMENT FROM MANUFACTURERS OR SUPPLIERS APPROVED BY THE DIRECTOR.

(7) FOR THE PRIVILEGE OF OPERATING VIDEO LOTTERY TERMINALS, IN ADDITION TO ANY APPLICABLE LICENSE FEES, EACH LICENSED EXCLUSIVE LOCATION SHALL:

(A) UPON COMMENCEMENT OF OPERATIONS OF VIDEO LOTTERY TERMINALS, MAKE A ONE-TIME PAYMENT IN THE AMOUNT OF TEN MILLION DOLLARS AS A FEE TO THE HOST COMMUNITY OF SUCH EXCLUSIVE LOCATION.

(B) UPON THE COMMENCEMENT OF OPERATIONS OF VIDEO LOTTERY TERMINALS, MAKE A ONE-TIME PAYMENT IN THE AMOUNT OF TWENTY-FIVE MILLION DOLLARS TO THE STATE TREASURER FOR DEPOSIT IN THE K-12 EDUCATION FUND.

(8) (A) BEGINNING WITH THE FIRST STATE FISCAL YEAR IN WHICH VIDEO LOTTERY TERMINALS GENERATE NET VLT PROCEEDS, EACH EXCLUSIVE LOCATION OPERATING VIDEO LOTTERY TERMINALS SHALL PAY TO THE STATE TREASURER:

(I) THIRTY-SEVEN PERCENT OF NET VLT PROCEEDS GENERATED PER YEAR FOR DEPOSIT INTO THE K-12 EDUCATION FUND; AND

(II) TWO PERCENT OF NET VLT PROCEEDS GENERATED PER YEAR FOR DISTRIBUTION TO THE HOST COMMUNITY.

(B) EACH EXCLUSIVE LOCATION SHALL RETAIN THE BALANCE OF NET VLT PROCEEDS NOT PAID TO THE STATE TREASURER PURSUANT TO THIS SUBSECTION 8.

(C) NET VLT PROCEEDS SHALL BE SET ASIDE, ALLOCATED, ALLOTTED, AND CONTINUOUSLY APPROPRIATED FOR DISTRIBUTION IN ACCORDANCE WITH THIS SECTION, NOTWITHSTANDING THE PROVISIONS OF ARTICLE XVIII, SECTION 2 OF THE STATE CONSTITUTION, ARTICLE XXVII OF THE STATE CONSTITUTION, SECTIONS 22-43.7-104(2)(b)(III) AND 24-35-203, C.R.S., SUCCESSOR STATUTES, OR OTHER LAW.

(9) (A) THE K-12 EDUCATION FUND SHALL CONSIST OF SUCH MONEYS AS PROVIDED IN SUBSECTIONS 7(B) AND (8)(A)(I) OF THIS SECTION. THE STATE TREASURER SHALL INVEST MONEYS IN THE FUND, AND ANY INTEREST EARNED ON SUCH INVESTMENTS SHALL BE DEPOSITED IN THE FUND.

(B) THE STATE TREASURER SHALL PAY FROM THE MONEYS IN THE K-12 EDUCATION FUND ALL NECESSARY EXPENSES OF THE COMMISSION AND THE DIVISION RELATED TO THE ADMINISTRATION OF THE USE OF VIDEO LOTTERY TERMINALS. SUCH PAYMENT SHALL BE MADE BY THE STATE TREASURER UPON PROPER PRESENTATION OF A VOUCHER PREPARED IN ACCORDANCE WITH STATUTES GOVERNING PAYMENTS OF LIABILITIES INCURRED ON BEHALF OF THE STATE. SUCH PAYMENTS SHALL NOT BE CONDITIONED ON ANY APPROPRIATION BY THE GENERAL ASSEMBLY.

Initiative 2013-2014 #80 Original Text

(c) THE STATE TREASURER SHALL DISTRIBUTE TO EACH SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL INSTITUTE, ON A PER PUPIL BASIS, A SHARE OF THE TOTAL BALANCE REMAINING IN THE K-12 EDUCATION FUND. THE PER PUPIL AMOUNT SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT TO BE DISTRIBUTED BY THE STATEWIDE PUBLIC SCHOOL ENROLLMENT. THE AMOUNT DISTRIBUTED TO EACH SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL INSTITUTE SHALL BE THE PER PUPIL AMOUNT MULTIPLIED BY EACH DISTRICTS' OR THE INSTITUTE'S PUPIL ENROLLMENT.

(d) MONEYS DISTRIBUTED TO SCHOOL DISTRICTS AND THE STATE CHARTER SCHOOL INSTITUTE UNDER THIS SUBSECTION (9) SHALL BE IN ADDITION TO ANY OTHER MONEYS APPROPRIATED FOR DISTRIBUTION TO SCHOOL DISTRICTS OR OTHERWISE ALLOCATED TO SCHOOL DISTRICTS. NO SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL SHALL BE REQUIRED TO USE MONEY DISTRIBUTED UNDER THIS SUBSECTION (9) AS A CONTRIBUTION TO ANY FUNDING FORMULA CONTAINED IN LAW, NOR SHALL ANY SCHOOL DISTRICT BE REQUIRED TO OFFSET DISTRIBUTIONS FROM THE FUND WITH LOCAL PROPERTY TAX REVENUE.

(e) EACH SCHOOL DISTRICT AND EACH INSTITUTE CHARTER SCHOOL SHALL HAVE THE DISCRETION TO USE THE MONEYS RECEIVED FROM THE K-12 EDUCATION FUND TO ADDRESS LOCAL NEEDS TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS, INCLUDING, BUT NOT LIMITED TO, REDUCING CLASS SIZE, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES.

(f) THE K-12 EDUCATION FUND SHALL BE AUDITED AT LEAST ANNUALLY BY OR UNDER THE DIRECTION OF THE STATE AUDITOR, WHO SHALL SUBMIT A REPORT OF THE AUDIT TO THE LEGISLATIVE AUDIT COMMITTEE. EACH LICENSED EXCLUSIVE LOCATION SHALL KEEP A COMPLETE AND ACCURATE SET OF BOOKS AND RECORDS, AND COMPLY WITH ALL INSPECTION, EXAMINATION, AND AUDITING REQUIREMENTS AS REQUIRED BY RULE.

(10) ALL TAX AND FEE REVENUES ATTRIBUTABLE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS SECTION 17 SHALL BE COLLECTED, DISTRIBUTED, AND SPENT BY STATE AND LOCAL GOVERNMENTS AS VOTER-APPROVED REVENUE CHANGES WITHOUT REGARD TO ANY LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THIS CONSTITUTION OR ANY OTHER LAW.

(11) IF ANY PROVISION OF THIS SECTION (17) IS HELD INVALID, THE REMAINDER OF THIS SECTION (17) SHALL REMAIN UNIMPAIRED.

Vickie L. Armstrong  
678 W. 11<sup>th</sup> Street  
Akron, CO 80720

Bob Hagedorn  
1278 Sable Blvd.  
Aurora, CO 80011

Ballot Title Setting Board

**Proposed Initiative 2013-2014 #80<sup>1</sup>**

The title as designated and fixed by the Board is as follows:

SHALL STATE TAXES BE INCREASED \$107.6 MILLION ANNUALLY IN THE FIRST FULL FISCAL YEAR, AND BY SUCH AMOUNTS THAT ARE RAISED THEREAFTER, BY TAXING AUTHORIZED HORSE RACETRACKS' AND LIMITED GAMING ESTABLISHMENTS' NET PROCEEDS FROM VIDEO LOTTERY TERMINALS, AMENDING THE COLORADO CONSTITUTION TO PERMIT VIDEO LOTTERY TERMINALS TO BE OPERATED IN SPECIFIED LIMITED LOCATIONS, ALLOCATING APPROXIMATELY 95 PERCENT OF THE RESULTING TAX REVENUES TO A NEW K-12 EDUCATION FUND TO BE DISTRIBUTED TO SCHOOL DISTRICTS AND THE CHARTER SCHOOL INSTITUTE FOR LOCAL K-12 EDUCATION, AND ALLOCATING THE REMAINDER TO HOST COMMUNITIES?

The ballot title and submission clause as designated and fixed by the Board is as follows:

SHALL STATE TAXES BE INCREASED \$107.6 MILLION ANNUALLY IN THE FIRST FULL FISCAL YEAR, AND BY SUCH AMOUNTS THAT ARE RAISED THEREAFTER, BY TAXING AUTHORIZED HORSE RACETRACKS' AND LIMITED GAMING ESTABLISHMENTS' NET PROCEEDS FROM VIDEO LOTTERY TERMINALS, AMENDING THE COLORADO CONSTITUTION TO PERMIT VIDEO LOTTERY TERMINALS TO BE OPERATED IN SPECIFIED LIMITED LOCATIONS, ALLOCATING APPROXIMATELY 95 PERCENT OF THE RESULTING TAX REVENUES TO A NEW K-12 EDUCATION FUND TO BE DISTRIBUTED TO SCHOOL DISTRICTS AND THE CHARTER SCHOOL INSTITUTE FOR LOCAL K-12 EDUCATION, AND ALLOCATING THE REMAINDER TO HOST COMMUNITIES?

*Hearing March 19, 2014:  
Single subject approved; staff draft amended, titles set.  
Hearing adjourned 3:05 p.m.*

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<sup>1</sup> Unofficially captioned "**Proceeds from Video Lottery Terminals for K-12 Education**" by legislative staff for tracking purposes. This caption is not part of the titles set by the Board.



RECEIVED

MAR 26 2014

Colorado Secretary of State

S.WARD 4:01 P.M.

BEFORE THE COLORADO BALLOT TITLE SETTING BOARD

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Richard Evans, Objector

vs.

Vicki Armstrong and Bob Hagedorn, Proponents.

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**MOTION FOR REHEARING ON INITIATIVE 2013-2014 #80**

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Richard Evans, through his legal counsel, Recht Kornfeld P.C., objects to the Title Board's title and ballot title and submission clause set for Initiative 2013-14 #80 ("Proceeds from Video Lottery Terminals for K-12 Education").

On March 19, 2014, the Board set the following ballot title and submission clause:

SHALL STATE TAXES BE INCREASED \$107.6 MILLION ANNUALLY IN THE FIRST FULL FISCAL YEAR, AND BY SUCH AMOUNTS THAT ARE RAISED THEREAFTER, BY TAXING AUTHORIZED HORSE RACETRACKS' AND LIMITED GAMING ESTABLISHMENTS' NET PROCEEDS FROM VIDEO LOTTERY TERMINALS, AMENDING THE COLORADO CONSTITUTION TO PERMIT VIDEO LOTTERY TERMINALS TO BE OPERATED IN SPECIFIED LIMITED LOCATIONS, ALLOCATING APPROXIMATELY 95 PERCENT OF THE RESULTING TAX REVENUES TO A NEW K-12 EDUCATION FUND TO BE DISTRIBUTED TO SCHOOL DISTRICTS AND THE CHARTER SCHOOL INSTITUTE FOR LOCAL K-12 EDUCATION, AND ALLOCATING THE REMAINDER TO HOST COMMUNITIES?

**ADVISORY GROUNDS FOR RECONSIDERATION**

Contrary to the statutory requirements for a ballot title that is not confusing, not misleading, and is reflective of the intent of the proponents, C.R.S. §§ 1-40-106, -107, the Board has erred by setting titles with the following deficiencies:

**A. Title is misleading to voters concerning tax and licensee revenue**

1. "Allocating approximately 95 percent of the resulting tax revenues to a new K-12 education fund" is a political statement that does not inform voters of the wording of the measure.
2. The title should state that the resulting tax revenue will increase per pupil funding by less than 2%.
3. The title omits any reference to the imposition of a new tax and the actual tax rate of thirty-nine percent (39%), both of which represent triggering events for a TABOR ballot and the ballot question's wording.
4. The title omits reference to fact that racetracks retain sixty-one percent (61%) of all player bets minus winnings.
5. The title omits reference to fact that the measure vests sole discretion in the local school districts concerning the manner of expenditure of these funds.
6. The title should write out the tax increase numerically as other TABOR titles have done (" \$120,700,000" rather than "\$120.7 million").

**B. Title is misleading to voters concerning tracks' location and operations**

1. The title simply refers to "specified limited locations" and omits any reference to existing gaming towns and three named counties to which this form of gaming will expand: Arapahoe, Mesa, and Pueblo.
2. The title omits reference to fact that the measure gives one (1) existing racetrack the exclusive ability to apply for a license and operate as the sole limited gaming facility in the Denver metro area.
3. The title omits reference to fact that the measure postpones two of the racetrack casinos (Pueblo and Mesa) for at least five years.
4. The title omits reference to fact that the measure provides for constitutional authority for alcohol service at racetrack casinos.

**C. Title is misleading to voters concerning the actual gaming being authorized**

1. The title omits reference to the types of gaming devices that will be offered to the public and does not otherwise describe the open-ended definition of "video lottery terminals"

(including "virtual slot machine games and virtual table games including poker, blackjack, roulette, and craps").

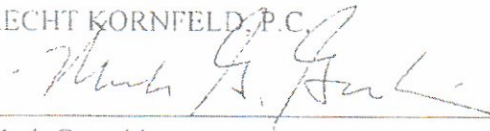
2. The title omits reference to fact that the approved limited gaming will be subject to \$100 bet limits.
3. The title omits reference to fact that no fewer than 2,500 slot machines can be placed at the three racetrack casinos and there is no maximum number of gaming devices.
4. The title omits reference to fact that the measure permits local jurisdictions to expand gaming hours to 24 hours per day.
5. The title fails to state that the initiative does not require operation of the facility as a racetrack after a limited gaming license is granted.
6. Title omits reference to fact that the measure provides for constitutional authority for alcohol service at racetrack casinos.

**D. Title is misleading to voters concerning voter approval**

1. The title omits reference to fact that the measure creates an exception from the requirement in Art. XVIII, sec. 9, for local voter approval for limited gaming and does so solely for the one existing racetrack in Arapahoe County and two possible racetracks in Pueblo and Mesa Counties.
2. The title omits reference to fact that authorization of expanded gaming hours does not require local voter approval, unlike the local voter approval requirement that applies to limited gaming in Art. XVIII, sec. 9.

RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of March, 2014.

RECHT KORNFELD, P.C.



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#### CERTIFICATE OF SERVICE

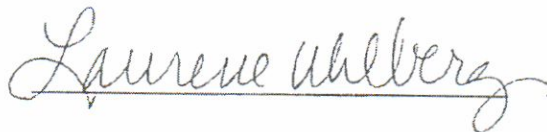
I hereby affirm that a true and accurate copy of the **MOTION FOR REHEARING ON INITIATIVE 2013-2014 #80** was sent this day, March 26, 2014, via first class U.S. mail, postage pre-paid to the proponents and their counsel of record at:

Vickie Armstrong  
678 W. 11th Street  
Akron, CO 80720

Bob Hagedorn  
1278 Sable Blvd.  
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Denver, CO 80202

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1400 Wewatta St #700  
Denver, CO 80202



Ballot Title Setting Board

Proposed Initiative 2013-2014 #80<sup>1</sup>

The title as designated and fixed by the Board is as follows:

SHALL STATE TAXES BE INCREASED \$107,600,000 ANNUALLY IN THE FIRST FULL FISCAL YEAR, AND BY SUCH AMOUNTS THAT ARE RAISED THEREAFTER, BY IMPOSING A NEW TAX ON AUTHORIZED HORSE RACETRACKS' AND LIMITED GAMING ESTABLISHMENTS' NET PROCEEDS FROM ON-SITE ELECTRONIC GAMING IN PART TO INCREASE FUNDING FOR K-12 EDUCATION, AMENDING THE COLORADO CONSTITUTION TO PERMIT ONE QUALIFIED HORSE RACETRACK IN EACH OF THE COUNTIES OF ARAPAHOE, MESA, AND PUEBLO AND LIMITED GAMING ESTABLISHMENTS IN CRIPPLE CREEK, BLACK HAWK, AND CENTRAL CITY TO OPERATE ELECTRONIC GAME MACHINES INCLUDING VIRTUAL SLOT MACHINES AND VIRTUAL TABLE GAME DEVICES, ALLOCATING APPROXIMATELY 95 PERCENT OF THE RESULTING TAX REVENUES TO A FUND TO PAY THE STATE'S ADMINISTRATIVE EXPENSES AND TO BE DISTRIBUTED TO SCHOOL DISTRICTS AND THE CHARTER SCHOOL INSTITUTE FOR LOCAL K-12 EDUCATION, AND ALLOCATING THE REMAINDER TO HOST COMMUNITIES?

The ballot title and submission clause as designated and fixed by the Board is as follows:

SHALL STATE TAXES BE INCREASED \$107,600,000 ANNUALLY IN THE FIRST FULL FISCAL YEAR, AND BY SUCH AMOUNTS THAT ARE RAISED THEREAFTER, BY IMPOSING A NEW TAX ON AUTHORIZED HORSE RACETRACKS' AND LIMITED GAMING ESTABLISHMENTS' NET PROCEEDS FROM ON-SITE ELECTRONIC GAMING IN PART TO INCREASE FUNDING FOR K-12 EDUCATION, AMENDING THE COLORADO CONSTITUTION TO PERMIT ONE QUALIFIED HORSE RACETRACK IN EACH OF THE COUNTIES OF ARAPAHOE, MESA, AND PUEBLO AND LIMITED GAMING ESTABLISHMENTS IN CRIPPLE CREEK, BLACK HAWK, AND CENTRAL CITY TO OPERATE ELECTRONIC GAME MACHINES INCLUDING VIRTUAL SLOT

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<sup>1</sup> Unofficially captioned "**Proceeds from Video Lottery Terminals for K-12 Education**" by legislative staff for tracking purposes. This caption is not part of the titles set by the Board.

MACHINES AND VIRTUAL TABLE GAME DEVICES, ALLOCATING APPROXIMATELY 95 PERCENT OF THE RESULTING TAX REVENUES TO A FUND TO PAY THE STATE'S ADMINISTRATIVE EXPENSES AND TO BE DISTRIBUTED TO SCHOOL DISTRICTS AND THE CHARTER SCHOOL INSTITUTE FOR LOCAL K-12 EDUCATION, AND ALLOCATING THE REMAINDER TO HOST COMMUNITIES?

*Hearing March 19, 2014:*

*Single subject approved; staff draft amended, titles set.*

*Hearing adjourned 3:05 p.m.*

*Hearing April 2, 2014:*

*Motion for Rehearing granted to the extent that the Board made changes to the title; denied in all other respects.*

*Hearing adjourned 2:30 p.m.*