

AMENDMENT 33 – VIDEO LOTTERY/TOURISM PROMOTION

1 **Ballot Title:** AN AMENDMENT TO THE COLORADO CONSTITUTION CONCERNING THE
2 GENERATION OF ADDITIONAL STATE REVENUES THROUGH THE AUTHORIZATION OF VIDEO
3 LOTTERY TERMINALS, AND, IN CONNECTION THEREWITH, DIRECTING THE LOTTERY
4 COMMISSION TO ALLOW VIDEO LOTTERY TERMINALS AT DESIGNATED RACETRACK LOCATIONS
5 AND LIMITED GAMING ESTABLISHMENTS; AFTER THE ALLOCATION OF NET PROCEEDS FROM
6 VIDEO LOTTERY TERMINALS TO THE GREAT OUTDOORS COLORADO PROGRAM, ALLOCATING
7 UP TO \$25 MILLION OF SUCH NET PROCEEDS IN A FISCAL YEAR TO AN EXISTING FUND TO
8 PROMOTE TOURISM IN COLORADO; IMPOSING A ONE-TIME \$500 LICENSE FEE ON EACH VIDEO
9 LOTTERY TERMINAL AND ALLOCATING SUCH LICENSE FEES TO THE TOURISM PROMOTION FUND;
10 EXEMPTING NET PROCEEDS AND LICENSE FEES FROM VIDEO LOTTERY TERMINALS FROM ALL
11 RESTRICTIONS ON SPENDING, REVENUES, AND APPROPRIATIONS; AND REPEALING THIS
12 MEASURE ON JULY 1, 2019.

13 **Text of Proposed Amendment:**

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

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

17 **SECTION 15. COLORADO TOURISM PROMOTION PROGRAM.** (1) IN ORDER TO
18 GENERATE ADDITIONAL FUNDS FOR THE PROMOTION OF COLORADO TOURISM, THE COLORADO
19 LOTTERY COMMISSION IS DIRECTED TO IMPLEMENT THE USE OF VIDEO LOTTERY TERMINALS AT
20 EXCLUSIVE LOCATIONS, AND THERE IS IMPOSED A LICENSE FEE FOR EACH VIDEO LOTTERY
21 TERMINAL APPROVED FOR USE AT SUCH EXCLUSIVE LOCATIONS, ALL AS SET FORTH IN THIS
22 SECTION.

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

24 (a) "COLORADO PROMOTION REVENUES" MEANS UP TO THE FIRST TWENTY-FIVE
25 MILLION DOLLARS OF NET VLT PROCEEDS IN ANY STATE FISCAL YEAR, AFTER THE
26 ALLOCATION OF PROCEEDS TO THE GREAT OUTDOORS COLORADO PROGRAM IN ACCORDANCE
27 WITH SECTION 3 OF ARTICLE XXVII OF THE STATE CONSTITUTION AND THIS SECTION.

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

30 (c) "EXCLUSIVE LOCATIONS" MEANS THE FOLLOWING LOCATIONS:

1 (I) PROPERTIES LICENSED AS RACETRACKS AS OF JANUARY 1, 2003, AND DOING
2 BUSINESS AS ARAPAHOE PARK, CLOVERLEAF GREYHOUND TRACK, MILE HIGH GREYHOUND
3 RACING, POST TIME GREYHOUND RACING, AND PUEBLO GREYHOUND PARK; AND

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

7 (d) "NET VLT PROCEEDS" MEANS ALL PROCEEDS FROM THE OPERATION OF VIDEO
8 LOTTERY TERMINALS UNDER THE VIDEO LOTTERY PROGRAM, NET OF PRIZES AND EXPENSES OF
9 THE STATE LOTTERY DIVISION, INCLUDING SALES AGENT COMMISSIONS. REVENUES GENERATED
10 BY THE LICENSE FEE ESTABLISHED BY SUBPARAGRAPH 8 OF THIS SECTION SHALL NOT
11 CONSTITUTE NET VLT PROCEEDS.

12 (e) "PROMOTION FUND" MEANS THE COLORADO TRAVEL AND TOURISM ADDITIONAL
13 SOURCE FUND AS ESTABLISHED IN SECTION 24-49.7-106, C.R.S., OR SUCCESSOR STATUTE.

14 (f) "SALES AGENT COMMISSION" MEANS THE LESSER OF (1) SIX PERCENT OF THE TOTAL
15 AMOUNT OF CURRENCY AND CREDITS WAGERED, OR (2) THIRTY-NINE PERCENT OF ALL
16 CURRENCY WAGERED LESS THE VALUE OF ALL PAY VOUCHERS ISSUED.

17 (g) "VIDEO LOTTERY PROGRAM" MEANS THE STATE-SUPERVISED LOTTERY PROGRAM
18 MANDATED BY THIS SECTION.

19 (h) "VIDEO LOTTERY TERMINAL" OR "TERMINAL" MEANS A COMPUTERIZED VIDEO
20 DEVICE THAT, WHEN ACTIVATED BY INSERTION OF CURRENCY IN THE FORM OF BILLS, PLAYS A
21 LOTTERY GAME APPROVED BY THE COMMISSION AND AWARDS CREDITS, EVIDENCED BY A
22 PRINTED PAY VOUCHER OR AN ELECTRONIC CREDIT REDEEMABLE FOR CASH, ON THE BASIS OF
23 CHANCE. "VIDEO LOTTERY TERMINAL" OR "TERMINAL" DOES NOT INCLUDE ANY MACHINE OR
24 DEVICE REFERRED TO AS A SLOT MACHINE IN SECTION 9 OF THIS ARTICLE OR A MACHINE THAT
25 DIRECTLY DISPENSES COINS, CURRENCY IN THE FORM OF BILLS, TOKENS, OR ANY ITEM OF VALUE
26 OTHER THAN A PRINTED VOUCHER.

27 (3) THE COMMISSION SHALL IMPLEMENT THE VIDEO LOTTERY PROGRAM NO LATER
28 THAN NOVEMBER 1, 2004. THE COMMISSION SHALL PROMULGATE ALL NECESSARY RULES TO
29 REGULATE THE VIDEO LOTTERY PROGRAM IN ACCORDANCE WITH THIS SECTION. THE RULES OF
30 THE COMMISSION SHALL MAXIMIZE THE NET VLT PROCEEDS AVAILABLE FOR DISTRIBUTION
31 UNDER THIS SECTION.

32 (4) UPON THE SUBMISSION OF A SALES AGENT APPLICATION BY THE OPERATOR OF AN
33 EXCLUSIVE LOCATION LISTED IN SUBPARAGRAPH 2 (c) (I) OF THIS SECTION, IN A FORM
34 ACCEPTABLE TO THE COMMISSION, THE COMMISSION SHALL APPROVE THE USE OF FIVE
35 HUNDRED VIDEO LOTTERY TERMINALS AT THE EXCLUSIVE LOCATION REFERENCED IN THE
36 APPLICATION. UPON THE SUBMISSION OF AN ACCEPTABLE APPLICATION BY THE OPERATOR
37 OF A LICENSED GAMING ESTABLISHMENT LISTED IN SUBPARAGRAPH 2 (c) (II) OF THIS SECTION,
38 THE COMMISSION SHALL APPROVE THE USE OF TERMINALS AT THE EXCLUSIVE LOCATION

1 REFERENCED IN THE APPLICATION IN A NUMBER THAT THE COMMISSION DEEMS TO BE
2 ECONOMICALLY FEASIBLE FOR THE COMMISSION'S PURPOSES. NO ADDITIONAL TERMINALS
3 SHALL BE PERMITTED AT ANY EXCLUSIVE LOCATION WITHOUT PRIOR APPROVAL BY THE
4 COMMISSION AFTER ITS CONSIDERATION OF AN APPLICATION FOR ADDITIONAL TERMINALS.

5 (5) THE COMMISSION SHALL NOT AUTHORIZE THE OPERATION OF VIDEO LOTTERY
6 TERMINALS EXCEPT AT EXCLUSIVE LOCATIONS.

7 (6) BEGINNING WITH THE FIRST STATE FISCAL YEAR IN WHICH THE VIDEO LOTTERY
8 PROGRAM GENERATES NET VLT PROCEEDS, SUCH NET VLT PROCEEDS SHALL BE SET ASIDE,
9 ALLOCATED, ALLOTTED, AND CONTINUOUSLY APPROPRIATED FOR DISTRIBUTION IN
10 ACCORDANCE WITH THIS SECTION, NOTWITHSTANDING THE PROVISIONS OF SECTION 22-54-
11 117, C.R.S., OR SUCCESSOR STATUTE. NET VLT PROCEEDS SHALL BE DISTRIBUTED TO THE
12 GREAT OUTDOORS COLORADO PROGRAM IN ACCORDANCE WITH SECTION 3 OF ARTICLE XXVII
13 OF THE STATE CONSTITUTION AFTER ALL NET PROCEEDS FROM ALL OTHER STATE-SUPERVISED
14 LOTTERY PROGRAMS FOR THAT FISCAL YEAR HAVE BEEN DISTRIBUTED TO THE GREAT
15 OUTDOORS COLORADO PROGRAM. BEGINNING WITH THE FIRST STATE FISCAL YEAR IN WHICH
16 THE VIDEO LOTTERY PROGRAM GENERATES COLORADO PROMOTION REVENUES, SUCH
17 COLORADO PROMOTION REVENUES SHALL BE SET ASIDE, ALLOCATED, ALLOTTED, AND
18 CONTINUOUSLY APPROPRIATED, AND SHALL BE DISTRIBUTED ANNUALLY TO THE PROMOTION
19 FUND. ALL NET VLT PROCEEDS SHALL BE EXEMPT FROM ANY RESTRICTIONS ON SPENDING,
20 REVENUES, OR APPROPRIATIONS, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS OF
21 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

22 (7) ALL NET VLT PROCEEDS SHALL BE ACCOUNTED FOR SEPARATELY FROM PROCEEDS
23 FROM ALL OTHER STATE-SUPERVISED LOTTERY PROGRAMS AND SHALL BE SEPARATELY
24 ALLOCATED IN ACCORDANCE WITH THIS SECTION. NET VLT PROCEEDS SHALL NOT AFFECT
25 THE ALLOCATION OF NET PROCEEDS FROM OTHER STATE-SUPERVISED LOTTERY PROGRAMS TO
26 THE GREAT OUTDOORS COLORADO PROGRAM OR OTHER PROGRAMS FUNDED IN WHOLE OR IN
27 PART BY STATE-SUPERVISED LOTTERY PROCEEDS.

28 (8) UPON THE APPROVAL OF AN APPLICATION MADE PURSUANT TO SUBPARAGRAPH
29 4 OF THIS SECTION, THE STATE OF COLORADO, THROUGH THE DEPARTMENT OF REVENUE,
30 SHALL COLLECT FROM THE APPLICANT A ONE-TIME LICENSE FEE OF FIVE HUNDRED DOLLARS
31 MULTIPLIED BY THE NUMBER OF VIDEO LOTTERY TERMINALS APPROVED FOR USE PURSUANT
32 TO THAT APPLICATION. ALL REVENUES GENERATED BY THIS LICENSE FEE SHALL BE ALLOCATED
33 AND DISTRIBUTED TO THE PROMOTION FUND WITHIN THIRTY DAYS OF COLLECTION. SUCH
34 REVENUES SHALL BE EXEMPT FROM ANY RESTRICTIONS ON SPENDING, REVENUES, OR
35 APPROPRIATIONS, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS OF SECTION 20 OF
36 ARTICLE X OF THE STATE CONSTITUTION. SUCH REVENUES SHALL NOT CONSTITUTE PROCEEDS
37 FROM LOTTERY PROGRAMS AS DEFINED IN SECTION 3 OF ARTICLE XXVII OF THE STATE
38 CONSTITUTION AND SHALL NOT BE SUBJECT TO ALLOCATION AS SET FORTH THEREIN.

39 (9) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2019.