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TO: COLORADO HOUSE AGRICULTURE, LIVESTOCK & NATURAL
RESOURCES COMMITTEE
RE: HB12-1280 Video Lottery Terminals
DATE: February 21, 2012

As we understand, the legislation would permit two entities to be lottery retailers and install and operate VLTs. These VLTs need to be located at more than three different sites in Colorado **OR** be located in any city, town or county unless first approved by the citizens (voters) or governing board (city councils/county commissions?) of that geographic area.

The first retailer can just set up three different sites without any vote (governing body or citizens) and the second retailer needs approval from citizens or a governing Board. So, that means the second retailer can set up 3 sites as well for a total of six sites in the State? With six sites, 2500 electronic devices x 6 sites would be about 15,000 VLTs/slot machines in Colorado without a vote of the people. Correct? Currently, there are 14,500 legal slot machines in operation in Colorado.

Reviewing the fiscal note, it states **"Impact on Limited Gaming and Other Lottery Games.** *Adding three new VLT locations to the Colorado market with up to 2,500 video lottery terminals per location will to an unknown degree compete directly and effectively with Colorado's limited stakes gaming industry. The new facilities will reduce future gaming in the three Colorado mountain communities where gaming is legal. Depending on the location, the Tribal casinos in southwestern Colorado, may be negatively impacted as well, although these casinos pay no state tax. To a lesser extent, bingo, and other lottery games may also experience a loss of playership. Other forms of public entertainment, as well as travel to other gambling destinations outside of Colorado may also be impacted by the local availability of VLTs. Other than recognizing a potential loss, no estimate on these impacts or the effects on state tax revenue from these sources has been made at this time.*

The fiscal note also compares the VLTs potential revenue with the current legal slot machines in Colorado. In essence, VLTs are slot machines.

Action 22 opposes this legislation on two main premises: 1. These electronic devices do not fit into the PowerBall and scratch ticket scenario and should go under the Gaming Commission rather than the Lottery Commission and 2. If gaming is to be expanded, it should be taken to the vote of the people of Colorado. And if so voted to expand gaming, each community should have a vote of its citizens to implement gaming.

There are other areas of concern such as loss of income to current existing gaming communities which would cause a domino affect on where the money goes -- such state tourism efforts.

Action 22 urges you to oppose this legislation and urge the proponents to take the VLTs, place under the gaming commission and take to the vote of the people.

Sincerely,

CATHY

Catherine A Garcia
President/CEO