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March 23, 2012

**VIA HAND DELIVERY**

Mike Mauer, Director  
Colorado Legislative Council Staff  
Room 029  
State Capitol Building  
Denver, Colorado 80203  
E-mail: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

Dear Mr. Mauer:

Attached please find two draft initiatives, submitted for the 2012 ballot, dealing with voter approval of private benefits from video lottery terminals and voter approval of slot machines. The designated representatives of this measure are:

Richard G. Evans; 1330 S. Dahlia St., Denver, CO 80222; [Richard@reiter5280.com](mailto:Richard@reiter5280.com)

Stacie Marie Kemp; 12745 Winona Circle, Broomfield, CO 80020; [Kemp.stacie@gmail.com](mailto:Kemp.stacie@gmail.com)

If you would direct all related correspondence to them, as required by law, but also provide copies to me, as their counsel, I would appreciate it. My address is:

Mark Grueskin, 2401 15<sup>th</sup> St., Ste. 300, Denver, CO 80202; [mgrueskin@hpgfirm.com](mailto:mgrueskin@hpgfirm.com)

Thank you very much.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark G. Grueskin'.

Mark G. Grueskin

enclosure

# Income Generated by Video Lottery Terminals

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

Article XVIII of the Colorado Constitution is amended BY THE ADDITION OF A NEW SECTION to read:

## **SECTION 16. VOTER APPROVAL OF PRIVATE BENEFITS FROM VIDEO LOTTERY TERMINALS.**

(1) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, AFTER NOVEMBER 6, 2012, ALL NET MACHINE INCOME GENERATED BY VIDEO LOTTERY TERMINALS SHALL BE PAID TO THE GOVERNMENTAL RECIPIENTS OF LOTTERY FUNDS, AS PROVIDED BY LAW, REGARDLESS OF WHEN VIDEO LOTTERY TERMINALS WERE OR WILL BE INSTALLED FOR USE.

(2) ANY PRIVATE PARTY WHO OPERATES VIDEO LOTTERY TERMINALS MAY REDUCE THE AMOUNTS PAID TO THE STATE FOR THE BENEFIT OF LOTTERY FUND RECIPIENTS ONLY IF EXPRESSLY AUTHORIZED TO DO SO BY STATEWIDE ELECTORS, THE BALLOT TITLE OF WHICH SHALL STATE BOTH THE PERCENTAGE AND THE FIRST YEAR'S PROJECTED DOLLAR AMOUNT OF NET MACHINE INCOME TO BE RETAINED FOR THE BENEFIT OF THE PRIVATE PARTY. SUCH APPROVAL MAY ONLY BE GRANTED AT A GENERAL ELECTION HELD DURING AN EVEN-NUMBERED YEAR.

(3) (a) "VIDEO LOTTERY TERMINAL" MEANS A FORM OF SLOT MACHINE THAT IS OPERATED BY OR FOR THE STATE LOTTERY AND INCLUDES BUT IS NOT LIMITED TO "ELECTRONIC KENO," "INSTANT RACING," OR ANY SIMILAR DEVICE THAT REQUIRES INSERTION OF ANY FORM OF CONSIDERATION INTO A MECHANICAL OR ELECTRONIC DEVICE, IN RETURN FOR WHICH, BASED UPON CHANCE, A PLAYER MAY WIN A PRIZE THAT HAS VALUE, INCLUDING MONEY.

(b) "NET MACHINE INCOME" MEANS THE TOTAL AMOUNT OF MONEY BET BY VIDEO LOTTERY TERMINAL PLAYERS MINUS THE TOTAL AMOUNT OF MONEY PAID OUT TO WINNERS AND THE VALUE OF REDEEMABLE GAMES.

(4) THIS SECTION SHALL NOT IMPOSE ADDITIONAL VOTER APPROVAL REQUIREMENTS ON SLOT MACHINES USED IN LIMITED GAMING TO THE EXTENT THEIR USE HAS BEEN APPROVED BY ELECTORS PURSUANT TO ARTICLE XVIII, SECTION 9, OF THE CONSTITUTION OR IN GAMING LOCATED UPON INDIAN RESERVATIONS AS APPROVED PURSUANT TO FEDERAL LAW.

