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MEMORANDUM

April 2, 2014

TO: Richard Evans, Stephen Roark, and Mark Grueskin

FROM: Legislative Council Staff and Office of Legislative Legal Services

SUBJECT: Proposed initiative measure 2013-2014 #142, concerning Prohibition on Casino-style Gambling Monopolies

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2013-2014 #138 to 141. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2013-2014 #138 to 141, except as necessary to fully understand the issues raised by the revised proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are hereby incorporated by reference in this memorandum. Only new comments and questions are included in this memorandum.

Purposes

The major purposes of the proposed amendment to the **Colorado constitution** appear to be:

1. To prohibit the state licensing authority from granting a license to conduct casino-style gambling if the license would result in a licensee's monopoly on one or more types of gambling within any county; and
2. To define casino-style gambling to include slot machines, poker, blackjack, craps, roulette, and video lottery terminals.

Technical Comments

There are no new technical comments, but the comments in the memoranda for proposed initiatives 2013-2014 #138 to 141 apply.

Substantive Comments and Questions

The substance of the proposed initiative raises the following comments and questions:

1. Article V, section 1 (5.5) of the Colorado constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. Is the initiative intended to require revocation of a license issued to a person who conducts casino-style gambling and who becomes a monopoly? In a county with only two casino-style gambling licensees, does the closure of the establishment(s) operated by one licensee result in the other licensee's loss of license?
3. In a county without any casino-style gambling establishments, does the initiative prohibit a state agency from issuing a license to any applicant, since issuing a first license would at least temporarily result in a monopoly for the licensee?