

PROPOSITION 304

OFFICIAL TITLE

HOUSE BILL 2158

REPEALING SECTION 41-2998.10, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2999.14; REPEALING SECTION 41-2999.14, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3003.10; PROVIDING FOR REFERENDUM; RELATING TO THE STATE LOTTERY COMMISSION.

TEXT OF THE AMENDMENT

Be it enacted by the Legislature of the State of Arizona:

Sec. 3. Repeal

Section 41-2999.14, Arizona Revised Statutes, is repealed.

~~41-2999.14. Arizona state lottery commission; termination July 1, 1999-~~

~~A. The Arizona State Lottery Commission Terminates On July 1, 1999-~~

~~B. Title 5, Chapter 5 Is Repealed On January 1, 2000-~~

Sec. 4. Title 41, chapter 27, article 2, Arizona Revised Statutes, is amended by adding section 41-3003.10, to read:

41-3003.10. ARIZONA STATE LOTTERY COMMISSION; TERMINATION JULY 1, 2003

A. THE ARIZONA STATE LOTTERY COMMISSION TERMINATES ON JULY 1, 2003.

B. TITLE 5, CHAPTER 5 IS REPEALED ON JANUARY 1, 2004.

Sec. 10. Referendum; state lottery; vote at general election

A. Under the power of the referendum, as vested in the legislature, sections 3 and 4 of this act are enacted, to become valid as law if approved by the voters and on proclamation of the governor.

B. The secretary of state shall submit sections 3 and 4 of this act to the voters at the next general election as provided by article IV, part 1, section 1, Constitution of Arizona.

FINAL VOTE CAST BY THE LEGISLATURE ON HB 2158

House - Ayes, 40	Senate - Ayes, 16
Nays, 10	Nays, 13
Not Voting, 10	Not Voting, 1

ANALYSIS BY LEGISLATIVE COUNCIL

(In Compliance With A.R.S. Section 19-124)

Proposition 304 would amend state law to continue the Arizona State Lottery until July 1, 2003.

Spelling, grammar, and punctuation were reproduced exactly as submitted in the "for" and "against" arguments.

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All state agencies, including the Arizona State Lottery, have a scheduled termination date that is periodically reviewed by the State Legislature. This year the State Legislature decided to ask the voters to decide whether to extend the termination date of the Arizona State Lottery.

If the voters approve Proposition 304, the Arizona State Lottery will be scheduled to terminate on July 1, 2003. If Proposition 304 is not approved, the Arizona State Lottery is scheduled to terminate on July 1, 1999.

ARGUMENT “FOR” PROPOSITION 304

Healthy Arizona Coalition Statement on Continuation of Lottery Commission

The Healthy Arizona suggests a “Yes” vote on Prop 304. At the same time we urge strong public scrutiny of the misuse of lottery money by the legislature and their disrespect for the public’s mandate that lottery funds be prioritized to benefit healthcare (“Healthy Arizona”) and the environment (“Heritage Fund.”)

The Healthy Arizona Coalition represents over 40 public service and healthcare organizations, coalitions and agencies in Arizona which came together to work for the Healthy Arizona Initiative (then Prop 203), passed by 73% of voters in 1996. A key part of our initiative was the funding, from lottery monies, of six successful healthcare programs (Healthy Families, Health Start, WIC, teenage pregnancy prevention, rural health and research) created by the legislature, but later defunded or underfunded. Lottery money was to have paid first for Heritage Fund projects (previously mandated, also by direct vote of the citizenry), then healthcare.

But the legislature has ignored the will of the people. Instead legislators argued that Powerball money was “not lottery” and endorsed the little rule they had made for themselves legislatively that the first 25 or so million from Powerball was theirs to spend as they decide, leaving no money for projects as the voters have decided.

Two years, and two legislative sessions, after one of the most overwhelming initiative votes in the state’s history, not one lottery dollar has gone to healthcare. Programs like Health Start have been completely defunded.

A “yes” vote here, coupled with a “yes” vote on Prop 104, will support democracy in Arizona, reaffirming the votes for healthcare access you have previously cast.

(See our comment under Prop 104 for more analysis of what happened with previous initiative votes.)

Steve Nash, Chair
Healthy Arizona Coalition
Tucson

Maryetta Patch, Vice Chair
Healthy Arizona Coalition
Phoenix

ARGUMENT “FOR” PROPOSITION 304

Vote “Yes” on Lottery

Protect Arizona’s Natural Heritage

The Grand Canyon Chapter of the Sierra Club strongly supports reauthorization of the Arizona lottery, because it provides \$10 million dollars per year to State Parks

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and \$10 million dollars per year to the Game and Fish Department through the Arizona Heritage Fund.

In 1990, Arizona voters passed the Heritage Fund into law by a decisive two-to-one margin. The Heritage Fund was designed to provide funding from lottery proceeds for protection of habitat for Arizona's wildlife; support historic preservation and preservation of archaeological sites; create and improve community and state parks; promote an excellent trail system in Arizona; and provide funding for environmental education.

Since its passage, thousands of school children throughout the state have benefited from "schoolyard grants" and the creation of dozens of community parks. The Heritage Fund provides lottery dollars for many miles of trails, including the Arizona Trail, and acquisition of important habitat for endangered and threatened species. Kartchner Caverns State Park, scheduled to open up some time next year, has received significant funding from the Heritage Fund.

The reason conservationists worked to bring the Heritage Fund to the voters eight years ago was because year after year Arizona Legislators refused to provide adequate funding for State Parks and for the non-game activities at the Arizona Game and Fish Department. Prior to passage of the Heritage Fund our state parks system ranked as one of the worst in the country. Considering the current legislature's hostility to environmental protection, it is doubtful that they would ever provide funding for any of these activities if there were no lottery and therefore no Heritage Fund.

Please support the Heritage Fund by voting YES to continue the Arizona Lottery. Your vote will help maintain meaningful protection for Arizona's natural heritage.

Kathy Roediger
Chair

Sierra Club - Grand Canyon Chapter
Phoenix

Sharon Galbreath
Conservation Chair

Sierra Club - Grand Canyon Chapter
Flagstaff

ARGUMENT "FOR" PROPOSITION 304

ARGUMENT IN FAVOR OF PROPOSITION 304

The Arizona State Lottery provides critical funds for the transportation systems in Arizona cities and towns. \$23 million of the proceeds from the lottery are distributed to cities and towns each year for street and road projects, filling potholes, sidewalk and street light construction and for public transit operating expenses. All cities and towns can use 10% of the monies for cultural, educational, historical or similar projects if there is an equal match from non-public funds.

All cities and towns and their citizens benefit from these transportation dollars. By voting "Yes" you will allow these monies to continue to flow to our local communities.

Cities and towns are also eligible recipients for monies from the Heritage Funds for park and recreation projects that benefit local citizens. These projects help our communities become attractive and livable places and improve the quality of life of all residents.

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The dollars from your lottery are being used for important and useful purposes. We ask you to continue these projects by voting to continue the lottery.

Chris Bavasi
Mayor, Flagstaff
President

The League of Arizona Cities & Towns
Flagstaff

Mark Schnepf
Mayor, Queen Creek
Vice President
The League of Arizona Cities & Towns
Queen Creek

ARGUMENT “FOR” PROPOSITION 304

Vote “Yes” on 304: Reauthorize the Lottery and Preserve Our Natural Heritage

The Nature Conservancy’s Arizona Chapter strongly supports the reauthorization of the Arizona lottery because it reinvests \$20 million dollars per year in Arizona’s most precious resource: its natural and cultural heritage. Through the Arizona Heritage Fund, the \$20 million dollar allocation is divided equally between State Parks and the Arizona Game and Fish Department for parks and recreation, natural areas, wildlife habitat, environmental education and preservation of historical and archaeological sites.

In 1990, The Nature Conservancy helped launch the Arizona Heritage Alliance of more than 100 citizens groups to bring the Heritage Fund ballot initiative to Arizona voters. Although the Conservancy rarely engages in public policy issues on this scale, we supported the Heritage Fund because the need to preserve our state’s wildlife and natural habitat was overwhelming and urgent and no other reliable source of funding existed.

Our state ranks sixth in the nation in the diversity of its plant and animal life, but falls close to the bottom in spending for these resources. When the people of Arizona passed the Heritage Fund into law by a decisive margin, they ensured that Arizonans would not sit by and watch irreplaceable resources vanish.

Arizona is the second fastest growing state in the nation. Today, more than ever, we need the Heritage Fund to preserve our way of life and protect our future. The Arizona Chapter of The Nature Conservancy urges you to reinvest in Arizona by voting “yes” to continue the state lottery.

Leslie N. Corey
Vice President and Executive Director
The Nature Conservancy Arizona
Chapter
Phoenix

Bruce Williams
Vice Chairman, Board of Trustees,
Arizona Chapter
The Nature Conservancy
Arizona Chapter
Phoenix

ARGUMENT “FOR” PROPOSITION 304

The Arizona Heritage Alliance supports reauthorization of the Arizona Lottery because it reinvests \$20 million each year in Arizona’s natural and cultural heritage through the Arizona Heritage Fund.

The Arizona Heritage Fund was created by voter initiative in 1990. The Fund provides \$20 million annually, \$10 million each to the Arizona State Parks and Arizona

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Game & Fish Departments, to protect Arizona's natural, cultural, and recreational heritage.

Heritage Fund monies are improving the quality of life for all Arizonans by:

Creation of more than 300 miles of non-motorized trails throughout Arizona;

Development of outdoor education programs and learning facilities, including field experiences for inner-city youth, conversion of schoolyard areas into wildlife habitat with student learning centers, and development of wildlife/environmental curricula;

Protection of Arizona's cultural and historic resources, including the renovation and restoration of San Xavier del Bac Mission, Prescott's Sacred Heart Church, and Phoenix's Orpheum Theatre;

Purchase of natural open space and critical habitat for wildlife including Whitewater Draw, Sipes White Mountain Wildlife Area, and the Sonoita Creek Natural Area;

Development of community parks and outdoor recreation facilities throughout the state, such as public pools, ball fields, and other facilities;

Monitoring, management and protection of wildlife, and reintroduction of endangered black-footed ferrets, Mexican gray wolves, and California condors;

Purchase and development of new state parks, including Kartchner Caverns, and improvement of existing state parks.

Prior to passage of the Arizona Heritage Fund, neither the Game & Fish nor State Parks Departments had funding to undertake these projects, despite repeated requests for appropriations from the Legislature. If the Lottery is discontinued, the Heritage Fund will lose its sole source of revenue. Vote "Yes" to reauthorize the Lottery and ensure the Heritage Fund continues to protect Arizona's unique natural and cultural heritage.

Andy Gordon, President
Arizona Heritage Alliance
Tempe

Bart Patterson, Secretary
Arizona Heritage Alliance
Tempe

ARGUMENT "FOR" PROPOSITION 304

The Heritage Fund, passed by a vast majority of voters in the 1990 state election, provides up to \$20 million annual funding, divided equally, to the Arizona Game and Fish Department and Arizona State Parks. All Heritage funding comes directly from Arizona state lottery revenues. No taxes or general fund money is touched. The Heritage Initiative clearly defines the amount of annual revenues each agency may expend and how those funds are to be utilized.

Arizona boasts some of the finest state parks in the nation. Much of the funding to acquire prime lands – such as those at Oracle and Red Rock – has come directly from Heritage Funding. Of their annual allotment, Arizona State Parks uses five percent for local, regional and state trails and thirty-five percent on parks for outdoor recreation and open space. Seventeen percent targets acquisition of natural areas. An additional seventeen percent is spent on local, regional, and state historic preservation projects. Five percent is spent on environmental education.

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The Arizona Game and Fish Department uses sixty percent of their Heritage dollars to identify, inventory, acquire, protect, and manage sensitive habitat for Arizona's wildlife. (Of this, at least forty percent acquires sensitive habitat used by endangered, threatened, or candidate species.) Fifteen percent evaluates and protects habitat. Fifteen percent is spent on urban wildlife and urban wildlife habitat programs. Five percent goes to environmental education – including grant money available to educators for developing environmental education curriculum and converting schoolyards into native habitats for Arizona's wildlife species.

The Arizona state lottery provides funding for these environmental and outdoor programs. A "Yes" on the Arizona state lottery will continue to help ensure future citizens of Arizona have an opportunity to enjoy the unique and diverse scenery and wildlife of our state for years to come.

Lynn Krigbaum, President AALE (Arizona Association for Learning in and about the Environment) Phoenix	Mike Baker, President-elect AALE (Arizona Association for Learning in and about the Environment) Phoenix
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Paid for by Robert O. Schedler and Karen K. Schedler

ARGUMENT "FOR" PROPOSITION 304

Argument in favor of Lottery Initiative 304, HB 2158

The Valley Metro transit system in the greater Phoenix area receives more than 16% of its operating funds from the Arizona State Lottery. If lottery funding is discontinued, there is no plan to replace this amount in the transit budget, resulting in a reduction of transit services, and a complete loss of access to public transportation for some riders.

Valley Metro has more than 125,000 boardings a day. Of these trips, 45% are used to go to work, 16% are for school, 17% are for shopping, and the remaining 22% are for medical appointments and other needs. If public transit services are reduced, it will be a great hardship on those who have no other means of transportation. Currently, four out of five riders of public transportation in the metropolitan area do not have a vehicle available to them, either as a driver or a passenger.

Many of the transit patrons are persons with disabilities, seniors, and low-income workers who totally depend on buses and Dial-a-Ride for mobility and freedom. Students of all ages in the Phoenix area use the bus to get to school and after school jobs. The Welfare to Work program would not be successful without the availability of public transportation.

Voters have consistently rejected additional sales tax for public transportation, which forces cities to fund transit services out of their general funds. This leads to competition with necessary services, such as police and fire protection.

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Proposition 304

The Arizona State Lottery is critical to the mobility of many citizens. Please vote to retain it.

Susan Webb	Phil Pangrazio
Executive Director	Treasurer
Arizona Bridge to Independent Living	Arizona Bridge to Independent Living
Phoenix	Phoenix

ARGUMENT “FOR” PROPOSITION 304

STATEMENT IN SUPPORT OF THE ARIZONA LOTTERY (PROPOSITION 304)

The Arizona Lottery Commission was established in 1980 by vote of the people. In 1997-98 the lottery generated more than \$7 million for public transit services in the State. If the lottery goes away, there is no plan to replace these funds and transit services will have to be reduced.

Public transit provides an important service to Arizonans. It provides mobility to the one-third of Arizonans who are not licensed drivers. It serves many including the disabled, the elderly, students and job seekers. Transit is part of Arizona’s present and future mobility. The Arizona State Lottery’s financial support for transit is critical.

This year the State Legislature decided to allow the voters to again decide whether the Arizona Lottery Commission should continue to exist. If the voters do not approve Proposition 303, the Arizona State Lottery will terminate July 1, 1999. Please vote to continue the Arizona State Lottery and vote yes on Proposition 304.

John Anderson	James Shipman
AzTA Executive Committee	AzTA Executive Director
Arizona Transit Association	Arizona Transit Association
Phoenix	Phoenix

ARGUMENT “FOR” PROPOSITION 304

A public vote in 1980 created the state lottery as a new way to fund public programs through voluntary contributions rather than taxes. In 1990, the voters dedicated \$10 million of the annual lottery revenues to the Arizona Game and Fish Commission Heritage Fund to be used for the management and protection of habitat for wildlife species that are not hunted or fished.

Prior to the funding provided by the lottery, hunting and fishing license fees were the primary source of funding for managing all of the State’s wildlife. These Heritage Fund lottery revenues have allowed the State Game and Fish Department to provide a more complete and well-rounded wildlife management program. The future well being of Arizona’s wildlife depends on continued funding of the Game and Fish Heritage Fund.

We ask that you please vote YES on proposition 304.

Herb R. Guenther	Bill Berlat	Michael M. Golightly
Arizona State Game & Fish Commissioner	Arizona State Game & Fish Commissioner	Arizona State Game & Fish Commissioner
Yuma	Tucson	Flagstaff

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Dennis D. Manning
Arizona State Game &
Fish Commissioner
Alpine

Jean Hassell
Arizona State Game &
Fish Commissioner
Phoenix

ARGUMENT “FOR” PROPOSITION 304

“YES” ON REAUTHORIZATION OF THE ARIZONA LOTTERY

In 1990 Arizona’s voters overwhelmingly (almost 2-1) created the Arizona Heritage Fund to provide \$20 million each year (\$10M for Arizona State Parks and \$10M for the Game and Fish Department), for the purpose of protecting Arizona’s unique natural beauty and wildlife, preserving our history and culture, providing environmental education and enhancing statewide outdoor recreation opportunities. The solo source of this \$20 million dollars for the Heritage Fund has been the Arizona Lottery. (The Lottery also pays for the Local Transportation Assistance Fund, the Clean Air Fund, and other worthy programs.)

These Heritage funds have had a significant positive impact on our quality of life, assisting in conservation and wildlife management, purchase and protection of critical wildlife habitat, creation of hiking trails, renovation and restoration of historic and culturally significant properties, development of outdoor education curricula and learning facilities, creation of neighborhood parks and recreation facilities and many other accomplishments. Historically, the Arizona Legislature had refused to fund these programs, despite repeated requests for appropriations. It is clear that Arizona citizens cannot rely on funding from the general fund for these purposes by our Legislature in the future.

Unfortunately, some legislators disagree with the voters and wish to cut off the funding for these important purposes, by letting the Arizona Lottery die. Remember that the funding at issue is not obtained through a tax, but through revenues generated by the voluntary actions of Lottery players. Remember also that Arizona’s voters apparently need to send a second message to the Legislature about our priorities.

Vote “yes” to reauthorize the Arizona Lottery.

Carm R. Moehle, Chairman
Trout Unlimited, Arizona Council
Phoenix

Craig D. Hegel, Treasurer
Trout Unlimited, Arizona Council
Phoenix

Pat Leitner, Treasurer
Tucson Audubon Society
Tucson

Joyce M. Lebowitz, Secretary
Tucson Audubon Society
Tucson

Paid for by Arizona Council of Trout Unlimited; Carm R. Moehle, Chairman

ARGUMENT “AGAINST” PROPOSITION 304

Have your taxes gone down since the Lottery started in 1981? Of course not. The Lottery funds only 1% of Arizona State government. And State government spending is growing by 11% this year alone!

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If you vote to end the Lottery, you'll just force Arizona State government to grow by 10% instead of 11% for one year, for example. The Lottery doesn't cut your taxes, it increases government spending.

Did you know that gambling addiction is one America's fastest growing mental health problems? It's up 65% since the 1980s – with no end in sight. Ending the Lottery won't solve the problem, of course, but it'll help slow down the rapid expansion of commercial gambling and gambling addiction in Arizona.

Ending the Lottery will definitely solve one problem – the nearly \$200 million of government spending for Lottery advertising that tells us that gambling is good and fun. This government advertising invades our homes and lives involuntarily.

The government ads say we can get rich from gambling. What a terribly unrealistic and unhealthy attitude towards gambling the government is trying to teach my two kids and hundreds of thousands of others! Is it any wonder why gambling addiction is such a rapidly growing mental health problem?

Please vote to quit the Lottery. Let's just try not having a lottery for a change and see if we like it.

John L. Wake
Scottsdale

ARGUMENT “AGAINST” PROPOSITION 304

Government should not be in the business of preying on the weaknesses of people by promoting gambling in the form of the lottery. The net societal effect of our government-run lottery has been disastrous. The lottery seeks to entice everyone, but particularly the financially disadvantaged with the unrealistic hope of instant riches. As a result, it actually worsens the plight of everyone who participates, but, again, particularly our poorest citizens.

The lottery undermines the work ethic. It is based on the premise of something for nothing, a concept that encourages laziness rather than personal responsibility and hard work.

The lottery hurts those who can least afford it. Recent surveys in homeless shelters show that nearly 20 percent of homeless say gambling, especially lotteries, has played a part in their homelessness.

The lottery is also bad economics. According to some studies, for every \$1.00 the state collects from the lottery, it costs the private sector between \$2.75 and \$4.75.

The lottery is both bad public policy and bad business. Our state is destroying the very people that need help the most.

While some level of gambling as a form of entertainment may be appropriate in our society, the state government should not be in the business of promoting and operating gambling. Please join me in voting no on Proposition 304 and putting an end government sponsored gambling.

John Shadegg, Congressman
Phoenix

Paid for by John Shadegg for Congress

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“for” and “against” arguments.*

ARGUMENT “AGAINST” PROPOSITION 304

State government’s role should not be to run organized gambling. For many of our citizens, gambling is considered morally wrong, and yet their state government not only officially condones gambling but actually runs the operation and take their cut of the profits. For other citizens gambling may not be a moral issue. However, those voters should consider the adverse impacts of the Lottery to our way of life. Just as marijuana is often a gateway activity to use of heroin or cocaine, the Lottery is billed as “family entertainment” when in fact it also acts as a gateway to more serious gambling and for some addictions. The state sponsoring of gambling is in part responsible for the environment in which our own college athletic programs have the disturbing problem of athletes with gambling addictions and criminal activity. Our college students are increasingly plagued with dropping out due to gambling losses and addiction while we use a state publicly advertise and encourage gambling. Eliminating the Lottery will not prevent gambling at horse and dog tracks, tribal casinos, or even a trip to Las Vegas. It will prevent the damage caused by the state government sanctioning and promoting gambling for no other reason than a little profit. As Charles Haddon Spurgeon so aptly explained, “Nothing hardens a man’s heart toward God as gambling, for in it he forsakes his trust in the Lord and places his trust in mere chance instead.” Vote No on Proposition 304.

Pastor Leo Godzich
Cave Creek

ARGUMENT “AGAINST” PROPOSITION 304

We ask you to join us in voting NO on Proposition 304 to continue the Arizona Lottery for another five years.

It is wrong for government to encourage gambling. Yet, the state spends millions of dollars (and estimated \$9.4 million last fiscal year) in clever advertising trying to entice more people to gamble. This is necessary because lottery sales have been declining.

Because an estimated five percent of gamblers become addicted to gambling (potentially resulting in suicides, broken families and bankruptcies), the government should not be in the business of getting more people to gamble. It costs society at least as much to deal with problems associated with gambling as it takes in revenues.

Moreover, as governments are trying to discourage other addictive behaviors (*e.g.*, drugs, smoking and alcohol abuse), we send the wrong message when government promotes gambling.

The people who profit from the lottery are mainly the big international gambling companies, advertisers, lottery retailers and the state bureaucracy. Lottery sales have declined from a peak in 1990 and now the state’s profit accounts for only one half of one percent of total state expenditures. Clearly, we can make up that money.

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Proposition 304

Whatever you think of gambling, it is not something government should be encouraging or promoting. Let's do the right thing: VOTE NO on Proposition 304.

Jon Kyl U.S. Senator – Arizona Phoenix	Jeff Groscost Speaker, Arizona House of Representatives Mesa	Bob Stump U.S. Representative – District 3 Tolleson
John Shadegg U.S. Representative – District 4 Phoenix	Matt Salmon U.S. Representative – District 1 Mesa	

ARGUMENT “AGAINST” PROPOSITION 304

State government's role should not be to run organized gambling. For many of our citizens, gambling is considered morally wrong, and yet their state government not only officially condones gambling but actually runs the operation and takes their cut of the profits. For other citizens gambling may not be a moral issue. However, those voters should consider the adverse impacts of the Lottery to our way of life. Just as marijuana is often a gateway activity to use of heroin or cocaine, the Lottery is billed as “family entertainment” when in fact it also acts a gateway to more serious gambling and for some addiction. The state sponsoring of gambling is in part responsible for the environment in which our own college athletic programs have the disturbing problem of athletes with gambling addictions and criminal activity. Our college students are increasingly plagued with dropping out due to gambling losses and addiction while we as a state publicly advertise and encourage gambling. Eliminating the Lottery will not prevent gambling at horse and dog tracks, tribal casinos, or even a trip to Las Vegas. It will prevent the damage caused by the state government sanctioning and promoting gambling for no other reason than a little profit. Vote No on Proposition 304.

Larry Chesley
Gilbert

ARGUMENT “AGAINST” PROPOSITION 304

Prop 304 – No

An independent audit by the State Auditor General includes the following examples of your Arizona Lottery. The Lottery is owed \$800,000 by retailers but will not collect. The Lottery spent \$30,000 promoting a game and purchased \$154,000 of excess inventory and only sold \$52,000 of tickets for a loss of over \$130,000 on a single game. The Lottery spent seven months and significant money developing a game that was eventually canceled due to planning problems. As a result of poor planning, 51 million excess unsold instant tickets were purchased by the Lottery at a cost of over \$1 million in printing costs alone, with additional disposal costs. Employees have unlimited access to cash drawers and vaults, making theft possible and difficult to detect. The Lottery does not adequately protect cash on hand and other state assets. The Lottery staff have distributed game prizes to retailers and others in violation of statutory provisions. The Lottery computer system lacks adequate security. The list of

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Proposition 304

mismanagement and abuse goes on for 42 pages. Enough is enough! Get rid of this abuse now! Vote No on Proposition 304.

Rebecca S. Bradley
Glendale

ARGUMENT “AGAINST” PROPOSITION 304

The citizens of Arizona set up a system of government in which each state agency comes up for termination under what are called Sunset Laws. At the time of an agency sunset, the Legislature must review whether an agency is fulfilling its duties and meeting its goals and make decisions about whether or not to continue the agency or make changes to how it is operated. When the Lottery came up for review, it was found that it was not meeting its statutory goal and despite nearly two decades of efforts to improve the agency it continued to be dreadfully mismanaged. The Legislature is entrusted by the people it represents to discontinue mismanaged and ineffective programs. In preparation of determining the Lottery’s future the Legislature directed the non-partisan Auditor General to perform a performance audit on the Lottery. The resulting 42 page audit report condemned every section of the Lottery as mismanaged. In light of this devastating evidence, the Legislature could not be true to its public trust and vote to continue the Lottery. However, since the Lottery was created 18 years ago by a narrow 51% public initiative vote, it was decided to give the voters directly the decision of whether to continue the Lottery or not. I urge you not to continue this agency plagued with waste and abuse. Join me and Vote No on Proposition 304.

Bernice C. Roberts
Former Maricopa County
Republican Chairwoman
Phoenix

Paid for by Richard Bark

ARGUMENT “AGAINST” PROPOSITION 304

It’s in the news everyday. A college athlete caught fixing a game. A casino won’t pay a prize. A family torn apart by gambling addiction and bankruptcy. What is the state doing about this? Promoting gambling with state lottery funds to encourage these occurrences. Under the guise of an innocent lottery we are addicting our citizens to a destructive lifestyle of looking to get rich without working for it. We are providing a gateway activity to train our young people in the lottery only to whet their taste for more hard core gambling. Why do we do this? To make a little money off the poor who dream of a better life but end up having precious dollars removed from their children’s food budget to pay for state encouraged gambling. This is a moral outrage! It is bad enough that the state allows gambling in the first place but to prey upon its own citizens by encouraging them to participate in self-destructive and addictive behavior is reprehensible. Join me in ending this outrage, Vote No on Proposition 304.

Marilyn Jarrett
Mesa

Paid for by Committee to Re Elect Marilyn Jarrett

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ARGUMENT “AGAINST” PROPOSITION 304

Arizona should not be in the position of spending our taxpayer dollars to promote gambling. But every year since we’ve had the lottery, the state takes your money and encourages our citizens – often those who can least afford it -- to gamble away their paychecks on the false hope of riches. In reality, you’ve got a better chance of being repeatedly struck by lightning than winning the Arizona lottery.

If the government should only perform certain functions, we cannot justify having the state not only promote gambling, but actually running the operation and profiting from it.

Gambling is the fastest growing addiction in America. The highest rate of addiction is among children. What begins with lottery tickets often ends up in full-fledged gambling addiction. While we spend millions of dollars to encourage kids not to smoke or chew tobacco, we turn around and spend more money encouraging them to gamble. Having the state promote a social vice that often leads to addiction, bankruptcy, suicide and criminality is a total outrage.

The lottery itself has been plagued by scandal and mismanagement. The promised state money never materialized, except in the pockets of out-of-state companies who pushed the lottery through in the first place.

Meanwhile, our “watchdog” news media sells out objectivity by gleefully announcing the winning numbers on its nightly news broadcasts. Only rarely does the media focus on the real legacy of gambling – broken and bankrupt families, kids left in cars while Mom gambles, college students committing suicide over debts, athletes being paid to throw games, crimes committed to feed a gambling addiction.

And what is the state of Arizona doing about these problems? Spending your money to encourage everyone to start gambling! Vote “no” on Proposition 304, and get the government out of the gambling business.

Len Munsil, Esq.
President
The Center for Arizona Policy
Scottsdale

Marion “Mac” Magruder
Board of Directors
The Center for Arizona Policy
Phoenix

BALLOT FORMAT

PROPOSITION 304

**PROPOSED AMENDMENT TO THE ARIZONA REVISED STATUTES
REFERRED BY THE LEGISLATURE**

<p><u>OFFICIAL TITLE</u></p> <p>HOUSE BILL 2158 REPEALING SECTION 41-2998.10, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2999.14; REPEALING SECTION 41- 2999.14, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAP- TER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SEC- TION 41-3003.10; PROVIDING FOR REFERENDUM; RELATING TO THE STATE LOTTERY COMMISSION.</p>
<p><u>DESCRIPTIVE TITLE</u></p> <p>PROVIDING FOR EXTENSION OF THE TERMINATION DATE OF THE ARIZONA STATE LOTTERY FROM THE CURRENT TERMINATION DATE OF JULY 1, 1999 UNTIL JULY 1, 2003.</p>

PROPOSITION 304

<p>A “yes” vote shall have the effect of extending the termination date for the Arizona State Lottery until July 1, 2003.</p>	<p>YES <input type="checkbox"/></p>
<p>A “no” vote shall have the effect of keeping the current date of July 1, 1999 as the date for termination of the Arizona State Lottery.</p>	<p>NO <input type="checkbox"/></p>

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