

PROPOSITION 200

OFFICIAL TITLE

AN INITIATIVE MEASURE

CREATING THE ARIZONA VOTER REWARD ACT AND AMENDING ARIZONA REVISED STATUTES SECTIONS 5-518 AND 5-522 RELATING TO THE ARIZONA LOTTERY COMMISSION.

TEXT OF PROPOSED AMENDMENT

*Be it enacted by the voters of the State of Arizona:*

SECTION 1. In title 16, add new Chapter 9:

ARTICLE I. ARIZONA VOTER REWARD ACT

Section 16-1201. INTENT

A. The people of Arizona declare our intent to create a reward system that will improve the public participation in Arizona state government by encouraging citizen participation in the political process, and particularly voting at elections.

B. The intent of the Arizona Voter Reward Act is to increase voter turnout at the state primary and general elections. Only eligible voters who vote at an eligible election shall be eligible to participate. Only voters who consent to participate may receive a reward. The winner of the reward shall be determined by lot.

C. Notwithstanding any other provisions of law to the contrary, it shall be lawful for the Arizona Voter Reward Commission to offer the reward to electors as an inducement to vote.

D. The Arizona Voter Reward is open to all Arizona qualified electors at no cost.

Section 16-1202. DEFINITIONS

A. In this Chapter, unless the context otherwise requires:

- (1) "ACT" means the Arizona Voter Reward Act.
- (2) "ARIZONA VOTER REWARD FUND" shall consist of monies and other items of value received by the Arizona Voter Reward Commission for the purpose of making rewards to eligible voters under this Act.
- (3) "COMMISSION" means the "Arizona Voter Reward Commission."
- (4) "COUNTY OFFICER" means the county recorder or the county officer in charge of elections.
- (5) "ELIGIBLE ELECTION" means the Arizona biennial primary and general election as established by A.R.S. §16-201 and A.R.S. §16-211 as may be hereafter amended.
- (6) "ELIGIBLE VOTER" means a qualified Arizona elector pursuant to A.R.S. Section 16-121 who has cast a lawful ballot at an eligible election whether by early ballot; by mail, or in person.
- (7) "FUND" means the "Arizona Voter Reward Fund."
- (8) "NUMBER" or "VOTER REWARD NUMBER" means the unique number assigned to each eligible voter at an eligible election which is created by the Commission or created in coordination with county election officers.
- (9) "REWARD" means the reward provided for in this Act.
- (10) "VOTER" means "Qualified Elector" under A.R.S. § 16-121.

Section 16-1203. ARIZONA VOTER REWARD COMMISSION

A. There is established an "Arizona Voter Reward Commission" consisting of the members of the Arizona State Lottery Commission. If the Arizona State Lottery Commission is abolished or otherwise prevented from

performing the duties required by this Act the Arizona Citizens Clean Elections Commission shall be the successor.

B. The Governor may select another state agency to fulfill the provisions of this Chapter should the Lottery Commission and Citizens Clean Elections Commission be unable to act.

C. The Chairman of the Arizona State Lottery Commission shall be the Chairman of the Arizona Voter Reward Commission.

D. The executive director of the State Lottery shall be the Administrator of the Arizona Voter Reward Commission.

E. The administrative expenses of the Commission shall be paid from the Fund. Such expenses shall not exceed seven per cent of the total annual receipts of the Fund.

Section 16-1204. ELIGIBILITY FOR REWARD

To qualify to receive a reward, a voter must be an eligible voter who consents to participate in an eligible election. The appearance of the voter's name upon a precinct roll used at an eligible election together with his/her signature thereon shall prima facie be proof of the voter's eligible status.

Section 16-1205. ARIZONA VOTER REWARD FUND

A. The Arizona Voter Reward Fund is created and it shall be held and administered by the Commission and shall consist of the monies and other items of value received by the fund or Commission on behalf of the fund.

B. The legislature may appropriate additional funds if revenues from other sources are inadequate.

Section 16-1206. MANNER OF SELECTION OF VOTER REWARD NUMBER

A. The county officer, in coordination with the Commission, shall assign unique numbers to eligible voters who cast lawful ballots in each primary and general election and deliver the lists of numbers and corresponding names of voters to the Commission within 30 days after final canvass of the general election. The lists shall be accompanied by the transmitting officers' attestation that each such voter on the list is an eligible voter who cast a ballot at the immediately preceding primary or general election. If a voter casts a vote in both the primary and general elections, he or she will be assigned two unique numbers.

B. The county officer shall prepare an additional list which identifies the voter assigned to each number, except that the secrecy of names of confidential voters under A.R.S. § 16-153 shall be maintained. Should a number be selected as a winner which is assigned to a confidential voter, the Commission shall contact the county officer who shall privately contact the voter concerning the reward. Unless the winner declines the reward, the Commission shall require the public disclosure of the name of a winning voter but not the address.

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

C. The Commission shall prescribe the format of the voter number assigned by each county officer so that the numbers are compatible with a lottery-type game and are not duplicative of any other numbers.

D. The Commission shall determine the manner in which numbers will be selected for second rewards.

Section 16-1207. SELECTION OF WINNERS

A. The Commission shall select the winner of the rewards by a lottery drawing. Drawings shall be public. The Commission may adopt such other procedures as are appropriate to publicize and promote the drawings.

B. Prior to announcement of the name of a reward winner, the Commission shall verify the eligible status of the winner.

C. A reward is not transferable except in the event of death of the winner prior to the drawing. In such event, the reward shall go to the heir or heirs of the deceased.

D. Proof of a fraudulent voter registration shall disqualify any winner and the Commission shall seek to recover the prize awarded, if any.

E. The date of the drawing shall be established by the Commission after receipt of voter reward numbers from all the lists from the county officers.

Section 16-1208. DETERMINATION OF REWARD AMOUNT

A. Subject to the availability of funds, a First Reward of one million dollars (\$1,000,000.00) or more, adjusted for inflation, shall be awarded at each drawing.

B. The Commission may establish as many second rewards as feasible. Second rewards may consist of money or anything of value received by the Commission for the purpose of the Act.

C. Procedures for payments to winners from the Arizona Voter Reward Fund shall be established by rule or order of the Commission. Notwithstanding any other statute, monies in the Arizona Voter Reward Fund are not subject to appropriation by the legislature. Monies in the fund shall be exempt from the lapsing provisions of A.R.S. § 35-190.

Section 16-1209. CRIMINAL VIOLATIONS AND PENALTIES

A. A person who knowingly violates any provision of this Article is guilty of a class 1 misdemeanor.

B. Any person who knowingly receives a prize when ineligible to vote by reason of conviction of a felony that has not been expunged or voting rights have not been restored or by lack of United States citizenship is guilty of a Class 6 felony.

Section 16-1210. DUTIES OF THE COMMISSION

A. The Commission shall:

1. Develop, in coordination with the county officers, a procedure for including, with ballots mailed to electors casting early ballots pursuant to section 16-542, subsection c and with the sample ballots mailed to other electors pursuant to section 16-461, subsection d and section 16-510, subsection c, informational messages concerning the rewards under the Act. The county board of supervisors shall present to the Commission a certified claim for the actual cost of including the messages in such mailings in accordance with the procedure developed, and the Commission shall direct payment of the claims from the fund.

2. Sponsor nonpartisan events in such manner as determined by the Commission for the purpose of pro-

moting voter registration and turnout. The Commission may specify by rule the details of such events.

3. Prescribe forms for reports, statements, notices, and other documents required by this article.

4. Prepare and publish instructions concerning methods of bookkeeping and preservation of records to facilitate compliance with this article.

5. Prescribe powers and duties for staff persons and committees created by the Commission in carrying out the purposes of the Act.

6. Produce a yearly report to the Governor describing the Commission's activities, any recommendations for changes of law, administration, or funding amounts, and accounting for monies in the fund.

7. The Commission may adopt rules to carry out the purposes and provisions of this article and to govern procedures of the Commission.

8. Prescribe procedures for the acceptance of donation of monies or items of value from the public.

9. Otherwise enforce the provisions of this Act.

Section 16-1211. CONSTRUCTION AND SEVERABILITY.

This Act shall be liberally construed so as to effectuate the intent and purposes stated herein. The provisions of this Act shall be severable and if any phrase, clause, sentence or provision of this compact is held or declared to be invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provisions or application, and to this end the provisions of the Act are severable.

In any court challenge to the validity of this article, the Commission and Arizonans For Voter Rewards shall have standing to intervene.

SECTION 2.

In title 5, Chapter 5, Article 1, the following amendments shall be made:

§5-518. DISPOSITION OF UNCLAIMED PRIZE MONEY

Unclaimed prize money for the prize on a winning ticket or share shall be retained for the person entitled to the prize for one hundred eighty days after the drawing in which the prize was won in the case of a drawing prize and for one hundred eighty days after the announced end of the game in question in the case of a prize determined in any manner other than by means of a drawing. If a claim is not made for the money within the applicable period, TWENTY PER CENT OF THE PRIZE MONEY SHALL BE TRANSFERRED MONTHLY TO THE ARIZONA VOTER REWARD FUND, FIFTY ~~seventy~~ per cent of the prize money shall be held in the state lottery prize fund for use as additional prizes in future games and thirty per cent shall be transferred monthly to the court appointed special advocate fund established by section 8-524. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, BEGINNING ON THE EFFECTIVE DATE OF THIS SECTION, THE ARIZONA STATE LOTTERY COMMISSION SHALL, AS A HIGHEST ORDER, PAY TO THE ARIZONA VOTER REWARD FUND, FROM THE UNCLAIMED PRIZE MONEY, THE SUM OF FIVE HUNDRED THOUSAND DOLLARS, AND ANOTHER FIVE HUNDRED THOUSAND DOLLARS ONE YEAR LATER.

SECTION 3.

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In title 5, Chapter 5, Article 1, the following amendments shall be made:

§5-522. USE OF MONIES IN STATE LOTTERY FUND

A. The monies in the state lottery fund shall be expended only for the following purposes and in the order provided:

1. For the expenses of the commission incurred in carrying out its powers and duties and in the operation of the lottery AND THE ARIZONA VOTER REWARD ACT.
  2. For payment to the commerce and economic development commission fund established by section 41-1505.10 of not less than twenty-one and one-half per cent of the revenues received from the sale of two special lottery games conducted for the benefit of economic development.
  3. Except as provided in subsection F of this section, for payment to the local transportation assistance fund established by section 28-8101 of not less than twenty-nine per cent of the revenues received from the sale of multistate lottery games, up to a maximum of eighteen million dollars each fiscal year.
  4. For payment to the state general fund of not less than twenty-one and one-half per cent of the revenues received from the sale of any instant bingo games conducted by the state lottery and not less than twenty-nine per cent of the revenues received from the sale of any on-line three-number games conducted by the state lottery, up to a maximum of ten million dollars each fiscal year, except that if on or before June 1 of each fiscal year the state lottery director determines that monies available to the Arizona state parks board heritage fund under subsection D of this section may not equal ten million dollars in that fiscal year or that the monies available to the Arizona game and fish commission heritage fund under subsection D of this section may not equal ten million dollars in that fiscal year, or both, the director shall authorize deposits to the Arizona state parks board heritage fund in an amount so that the total monies in that fund in that fiscal year equal ten million dollars or to the Arizona game and fish commission heritage fund in an amount so that the total monies in that fund in that fiscal year equal ten million dollars, or both. The state lottery director shall not make any deposits pursuant to this paragraph until after the director's determination each fiscal year.
  5. Of the monies remaining in the state lottery fund from the sale of instant bingo games and on-line three-number games each fiscal year, thirty per cent shall be allocated to the funds and programs described in subsection E of this section and seventy per cent shall be deposited in the local transportation assistance fund established by section 28-8101. The director shall not allocate more than the amount specified in subsection E of this section for each fiscal year to the funds and programs described in subsection E of this section from the state lottery fund pursuant to this paragraph and subsection E of this section. A maximum of eighteen million dollars may be deposited in the local transportation assistance fund each fiscal year from the state lottery fund pursuant to this paragraph and paragraph 3 of this subsection.
- B. Of the monies remaining in the state lottery fund

after the appropriations authorized in subsection A of this section seventy-five per cent up to a maximum of twenty-three million dollars each fiscal year shall be deposited in the local transportation assistance fund established pursuant to section 28-8101 and twenty-five per cent up to a maximum of seven million six hundred fifty thousand dollars each fiscal year shall be deposited in the county assistance fund established pursuant to section 41-175. Monies distributed pursuant to this subsection shall be in addition to monies distributed pursuant to subsection A, paragraphs 3 and 5 of this section.

C. Notwithstanding subsection B of this section, if the state lottery director determines at the beginning of any fiscal year that monies available to cities, towns and counties under this section may not equal thirty million six hundred fifty thousand dollars, the director shall not authorize deposits to the county assistance fund until the deposits to the local transportation assistance fund equal twenty-three million dollars.

D. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A, B and C of this section, ten million dollars shall be deposited in the Arizona state parks board heritage fund established pursuant to section 41-502 and ten million dollars shall be deposited in the Arizona game and fish commission heritage fund established pursuant to section 17-297.

E. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A, B, C and D of this section, and appropriations and deposits to the local transportation assistance fund authorized by this section, five million dollars shall be allocated to the department of economic security for the healthy families program established by section 8-701, four million dollars shall be allocated to the Arizona board of regents for the Arizona area health education system established by section 15-1643, three million dollars shall be allocated to the department of health services to fund the teenage pregnancy prevention programs established in Laws 1995, chapter 190, sections 2 and 3, two million dollars shall be allocated to the department of health services for the health start program established by section 36-697, two million dollars shall be deposited in the disease control research fund established by section 36-274 and one million dollars shall be allocated to the department of health services for the federal women, infants and children food program. The allocations in this subsection shall be adjusted annually according to changes in the GDP price deflator as defined in section 41-563 and the allocations are exempt from the provisions of section 35-190, relating to lapsing of appropriations. If there are not sufficient monies available pursuant to this subsection, the allocation of monies for each program shall be reduced on a pro rata basis.

F. Notwithstanding subsection A, paragraph 3 of this section, if the state lottery director determines that monies available to the state general fund from the sale of multistate lottery games may not equal thirty-one million dollars in a fiscal year, the director shall not authorize deposits to the local transportation assistance fund pursuant to subsection A, paragraph 3 of this section until the deposits to the state general fund from the sale of multistate lottery games equal thirty-

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one million dollars in a fiscal year.

G. All monies remaining in the state lottery fund after the appropriations and deposits authorized in this section shall be deposited in the state general fund.

H. Except for monies expended for prizes as provided in section 5-504, subsection H and section 41-1505.10, monies expended under subsection A of this section shall be subject to legislative appropriation.

**SECTION 4. RETROACTIVITY**

This Act shall be retroactively applied to voters who voted at the primary and general elections in the year 2006. The winners shall be selected from the county lists of voters who voted at the elections. For the year 2006 elections only, the Commission shall publicize to the public that voters who elect to not participate in the voter reward drawing must contact the Commission, at least ten days prior to the drawing, requesting that their names be removed.

**ANALYSIS BY LEGISLATIVE COUNCIL**

Proposition 200 would establish a \$1,000,000 prize to be awarded to a randomly selected person who voted in the primary or general election. Anyone who voted in the primary or general election would be automatically entered in the drawing for the prize money, and if a person voted in both the primary and the general election, that person's name would be entered twice in the drawing.

Proposition 200 would provide money for the cash prize by transferring unclaimed lottery winnings into a separate Voter Reward Fund, to be overseen by the Arizona State Lottery Commission. Money would be awarded every two years, after each statewide general election is held. If there is sufficient money, the commission could establish additional prizes for the drawings.

Under Proposition 200, county voter registration and election officials would provide a list of numbers for the drawing with each number designating a person who voted in the primary or general election. The drawing would be conducted in public, with only the name of the winner disclosed. The winner could also refuse the prize money, and no name would be disclosed.

Proposition 200 would apply for statewide primary and general elections held in 2006 and later.

**FISCAL IMPACT STATEMENT**

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. The Voter Reward Fund would receive 20% of unclaimed lottery prizes under Proposition 200. Based on a 5-year average, this amount is estimated to be approximately \$1.5 million per fiscal year. The unclaimed prize monies are otherwise used to supplement prizes paid to winners of Arizona Lottery games. Up to 7% of the Voter Reward Fund is available for administration.

**ARGUMENTS "FOR" PROPOSITION 200**

Some criticize "Voter Rewards" as being morally wrong. If that might be the case, we should look to the ultimate authority on morals and ethics. What does God say? Do what you are supposed to do and I will REWARD you with eternal life in heaven. What are we saying? Do what you are supposed to do, vote, and we will REWARD you with a chance to win a million dollars. If incentives are good enough for God, they are good enough for the voters of Arizona!

There are opponents that say we are "bribing" people to vote. No, bribery is when money is given to politicians to buy influence. We are using a capitalist incentive to reward citizens for exercising their patriotic duty. Why did capitalism win out over communism? Because capitalism has incentives built into the system and communism doesn't. We incentivize high school students to study diligently with college scholarships. We incentivize employees to work hard with commissions, pay raises, bonuses and promotions. Lets do the same thing with voting.

The complaint is made that the million dollar incentive will bring out the wrong people or uneducated voters. Democracy is meant to be government of ALL the people without any qualifiers such as race, creed, literacy, IQ, party affiliation or political correctness. We want every eligible citizen to vote; period! Currently, many millions of dollars are wasted on minimally effective Get-Out-The-Vote (GOTV) efforts. With one million dollars, which comes from the unclaimed prize fund of the Arizona Lottery, we can get everyone to the polls and all the saved GOTV money can be used to educate those voters. We will have everyone voting and educated about the issues and candidates. A true Win-Win result.

Mark Osterloh, MD, JD, Chairman, Arizonans for Voter Rewards, Tucson

*Paid for by "Arizonans for Voter Rewards"*

**ARGUMENTS "AGAINST" PROPOSITION 200**

The Arizona Farm Bureau opposes proposition 200.

Voting is a right and a privilege – not a chance at the lottery.

The prospects of a million dollar prize for voting may entice more voters to the polls, but our democracy deserves more. It requires an informed citizenry, rather than people voting only to possibly win a lottery. For all who have sacrificed, so that we might enjoy the blessings of liberty, we believe it sullies the process to lure voters with financial rewards.

Kevin G. Rogers, President, Arizona Farm Bureau, Mesa

James W. Klinker, Chief Administrative Officer, Arizona Farm Bureau, Mesa

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As a candidate for Peoria School Board, voter registration volunteer, and an American citizen, I OPPOSE this proposition. I certainly don't want someone voting on important issues that affect our children and community, when their only motivation is to win \$1 Million! Don't get me wrong; I'm in favor of getting more people to vote. In fact, I volunteer many hours throughout the year registering voters. But, do we really want someone whose only motivation to vote is winning \$1 Million making important decisions for the rest of us? I don't think so. Please join me in voting NO.

Debbie Lesko, Voter Registration Volunteer and Candidate for Peoria School Board, Glendale

**Vote NO on Proposition 200: Protect the Integrity and Security of Arizona's Elections**

Encouraging more Arizonans to fulfill their civic duty of voting is a noble endeavor. However, enticing residents to vote that would otherwise not do so with the prospect of winning a million dollars does nothing to further our democracy and will encourage voter fraud.

Our system of government becomes stronger when voters choose to become informed about the issues and the candidates on the ballot so that they can make wise choices. This initiative encourages people to cast a ballot even if they are completely uninformed and uninterested.

Throughout our country's history, disenfranchised groups – from women to racial minorities – have fought for the right to vote. The fact that the debate over fair and accurate elections continues to this day is testament to the value Americans place on the voting process.

Voter lotteries are untried in other states. Arizona would be the first state to implement such a radical and frivolous system if this initiative passes. Proposition 200: is truly a gamble for our state that will encourage some to commit voter fraud.

Voting is both a privilege and a responsibility of citizenship. Let's not belittle it by turning it into a game.

There are far better ways to increase voter participation and motivate citizens to become involved in the political process. **The Arizona Chamber of Commerce and Industry urges Arizonans to vote NO on 200 as a way to show we take our voting rights seriously. A NO vote on Proposition 200 also prevents the devaluing of votes of informed voters with a system that entices potential voters to the polls who really do not care about the issues.**

Let's maintain the integrity and security of Arizona's elections, vote **NO on Proposition 200.**

Steve Twist, Chairman of Board of Directors,  
Arizona Chamber of Commerce and Industry,  
Scottsdale

James J. Apperson, President & CEO, Arizona  
Chamber of Commerce and Industry,  
Scottsdale

*Paid for by "Arizona Chamber of Commerce and Industry"*

**BALLOT FORMAT**

**PROPOSITION 200**

PROPOSED AMENDMENT BY INITIATIVE PETITION

**OFFICIAL TITLE**

AN INITIATIVE MEASURE  
CREATING THE ARIZONA VOTER REWARD ACT AND  
AMENDING ARIZONA REVISED STATUTES SECTIONS 5-518  
AND 5-522 RELATING TO THE ARIZONA LOTTERY COMMIS-  
SION.

**DESCRIPTIVE TITLE**

ESTABLISHES \$1,000,000 PRIZE FOR RANDOMLY SELECTED  
VOTER WHO VOTES IN PRIMARY OR GENERAL ELECTION;  
ESTABLISHES FUNDING SOURCE OF 20% OF UNCLAIMED  
LOTTERY PRIZE MONEY; CREATES ARIZONA VOTER  
REWARD COMMISSION AND FUND AND CRITERIA FOR  
SELECTING WINNERS IN A PUBLIC DRAWING; REQUIRES  
COMMISSION SPONSORSHIP OF NONPARTISAN VOTER  
REGISTRATION AND TURNOUT EVENTS.

**PROPOSITION 200**

A "yes" vote shall have the effect of establishing a  
\$1,000,000 lottery for voters who vote in the pri-  
mary or general elections that would be funded by  
a percentage of unclaimed state lottery prize  
money and creating the Arizona Voter Reward  
Commission and Fund.

YES

A "no" vote shall have the effect of retaining the  
current laws regarding voting.

NO

PROPOSITION 200