

PROPOSITION 201
OFFICIAL TITLE**AN INITIATIVE MEASURE**

AMENDING SECTIONS 5-101, 5-110, 5-111, 5-112, 5-113 AND 5-601, ARIZONA REVISED STATUTES; REPEALING SECTION 5-601.01, ARIZONA REVISED STATUTES MAKING AN APPROPRIATION; RELATING TO GAMING.

TEXT OF THE PROPOSED AMENDMENT

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

Section 1. Title

This act may be cited as the "Fair Gaming Act."

Section 2. Purpose and intent

The people of this state declare that the intent and purposes of this Act include the following:

1. To assure the continuation of Indian casinos after the expiration of the current tribal-state compacts.

2. To require substantially similar regulation and supervision of tribal and racing permittee gaming devices.

3. To require full public disclosure of all gaming revenues by both Indian tribes and racing permittees.

4. To limit non-tribal gaming devices to not more than ten dog, horse and harness racetrack enclosures, at not more than two race-track enclosures in each county and not more than 6,450 gaming devices statewide and to require a substantial part of the gaming device revenues be used to preserve live dog and horse racing in this state to preserve the jobs of over 6,000 people in the agricultural and racing industries.

5. To use 40 percent of the revenues from non-tribal gaming devices primarily to support:

--reading programs for students in kindergarten through third grade;

--prescription drugs for seniors and for rural health care;

--scholarships for graduates of Arizona high schools and community colleges;

--enhanced police, fire and emergency services;

--tourism promotion;

--a compulsive gambling fund;

--the general fund of this state.

6. To authorize 8 percent of the revenues from tribal gaming devices to be shared with this state for tribes electing to receive gaming rights beyond what this state must allow to tribes.

7. To allow rural tribes that cannot now enjoy the benefits of Indian gaming to share in those benefits by enabling them to transfer their gaming device allocations to other tribes.

8. To assure that rural tribes receive a fair share of gaming revenues by requiring minimum payments by the receiving tribes to the transferring tribes.

9. To prevent any future expansion of gaming in this state unless approved by a vote of the people pursuant to the Voter Protection Act.

10. To establish that the authorization, regulation and limitation of commercial gaming, including horse, harness and dog racing, pari-mutuel wagering, operation and use of gaming devices and card games, are matters of statewide concern requiring uniform and exclusive regulation by this state and to provide for state regulation and taxation of the operation of gaming devices and to preempt local taxation and regulation of the operation of pari-mutuel wagering and gaming devices at racetrack enclosures.

11. To override all other laws, ordinances and enactments that are inconsistent with this Act.

Section 4. Section 5-101, Arizona Revised Statutes, is amended to read:

5-101. Definitions

In this article, unless the context otherwise requires:

1. "Additional wagering facility" means a facility which is not the enclosure in which authorized racing takes place but which meets the requirements of section 5-111, subsection A and is used by a permittee for handling pari-mutuel wagering.

2. "Applicant" means a person, partnership, association or corporation placing before the department an application for a permit or license.

3. "Association" means a body of persons, corporations, partnerships or associations, united and acting together without a charter from the state for the prosecution of some common enterprise.

4. "Commercial horse racing" means horse racing conducted other than by a county fair association.

5. "Commission" means the Arizona racing commission.

6. "Concessionaire" means a person, partnership, association or corporation that offers goods or services for sale to the public, a permittee or a licensee at an enclosure in which authorized racing takes place or an additional wagering facility.

7. "County fair facility" means any place, enclosure or track constructed in accordance with a permit issued by the commission for the purpose of running county fair horse racing dates as well as any commercial dates for horse racing that may be awarded by the commission in reference to such a location.

8. "County fair racing association" means an association duly authorized by the board of supervisors to conduct a county fair racing meeting for the benefit of the county.

9. "Dark day simulcast" means a simulcast received on a day when there are no posted races conducted at the enclosure in which authorized racing takes place.

10. "Department" means the Arizona department of racing.

11. "Desensitized" means that a horse's or dog's legs upon arrival at the receiving barn, saddling paddock or lockout kennel do not respond appropriately to tests for feeling administered by an official veterinarian.

12. "Director" means the director of the Arizona department of racing.

13. "Dog racing" means racing in which greyhound dogs chase a mechanical lure.

14. "Entered" means that a horse or dog has been registered with an authorized racing official as a participant in a specified race and has not been withdrawn prior to presentation of the horse or dog for inspection and testing as provided in section 5-105.

15. "Financial interest" means any direct pecuniary interest.

16. "Firm" means a business unit or enterprise that transacts business.

17. "GAMING DEVICE" MEANS AN ELECTROMECHANICAL DEVICE OR A DEVICE CONTROLLED BY AN ELECTRONIC MICROPROCESSOR OR ANOTHER MANNER THAT ALLOWS A PLAYER OR PLAYERS TO PLAY GAMES OF CHANCE, WHETHER OR NOT THE OUTCOME ALSO IS AFFECTED IN SOME PART BY SKILL, AND WHETHER THE DEVICE ACCEPTS COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF CONSIDERATION AND, THROUGH THE APPLICATION OF CHANCE, ALLOWS A PLAYER OR PLAYERS TO BECOME ENTITLED TO A PRIZE, WHICH MAY BE COLLECTED THROUGH THE DISPENSING OF COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF VALUE.

18. "GROSS GAMING REVENUE" MEANS NET WIN FROM GAMING DEVICES, WHICH IS THE DIFFERENCE BETWEEN GAMING WINS AND LOSSES, BEFORE DEDUCTING COSTS AND EXPENSES.

19. "Handle" means the total amount of money contributed to all pari-mutuel pools by bettors.

~~18-~~ 20. "Harness racing" means horse racing in which the horses are harnessed to a sulky, carriage or similar vehicle and driven by a driver.

~~19-~~ 21. "Horse racing" means racing in which horses are mounted and ridden by jockeys. For purposes of county fair racing meetings, "horse racing" means racing in which horses or mules are mounted and ridden by jockeys.

~~20-~~ 22. "License" means the license issued by the department to each employee or other person participating in any capacity in a racing meeting, including officials and employees of the pari-mutuel department.

~~24-~~ 23. "Pari-mutuel wagering" means a system of betting which provides for the distribution among the winning patrons of at least the total amount wagered less the amount withheld under state law.

~~22-~~ 24. "Permit" means a permit for a racing meeting issued under the provisions of this article.

~~23-~~ 25. "Racing meeting" means a number of days of racing allotted by the commission in one permit.

~~24-~~ 26. "Simulcast" means the telecast shown within this state of live audio and visual signals of horse, harness or dog races conducted at an out-of-state track or the telecast shown outside this state of live audio and visual signals of horse, harness or dog races originating within this state for the purpose of pari-mutuel wagering.

~~25-~~ 27. "Undesirable" includes known bookmakers, touts, persons convicted of a violation of any provision of this article or of any law prohibiting bookmaking or any other illegal forms of wagering, or any other person whose presence would, in the opinion of the director, be inimical to the interests of the state.

~~26-~~ 28. "Week" means seven consecutive days beginning on Monday and ending on Sunday, mountain standard time.

Section 5. Section 5-110, Arizona Revised Statutes, is amended to read:

5-110. Racing days, times and allocations: emergency transfer: county fairs: charity days

A. Permits for horse, harness or dog racing meetings shall be approved and issued for substantially the same dates allotted to permittees for the same type of racing during the preceding year or for other dates that permittees request, provided that, in the event there is a conflict in dates requested between two or more permittees in the same county for the same kind of racing, the permittee whose application is for substantially the same dates as were allotted to the permittee in the preceding year shall be entitled to have preference over other permittees. In the event two or more permittees have agreed that the dates to be allotted to each of them each year shall be alternated from one year to the next, the commission shall recognize their agreement and such permittees may be accorded preference over any other permittee as to those dates to be allotted to such permittees on an alternating basis. Except as otherwise provided, the commission shall allot dates to the respective permittees after giving due consideration to all of the factors involved and the interests of permittees, the public and this state.

B. The commission may require by the terms of any permit that the permittee offer such number of races during any racing meeting as the commission shall determine, provided that the permittee shall be permitted to offer not less than the same number of races each day as offered in the prior year. The commission shall require each horse racing permittee to conduct for a period of thirty days a number of races equal to an average of not less than two races for each day of racing exclusively for quarter horses. If, in the opinion of the commission, the permittee is offering acceptable quarter horse races but an honest effort is not being put forth to fill these races by the horsemen, the commission may rescind the two race per day quarter horse requirement.

C. Live racing and wagering on simulcast races shall be permissible in either daytime or nighttime, but there shall be no live daytime dog racing on the same day that there is live daytime horse

or harness racing in any county in which commercial horse or harness racing has been conducted prior to February 1, 1971, and no live nighttime horse or harness racing on the same day that there is live nighttime dog racing in the same county. There shall be no wagering on simulcast dog races before 4:15 p.m., mountain standard time, on the same day that there is live daytime horse or harness racing in any county in which commercial horse or harness racing has been conducted before February 1, 1971, EXCEPT AT A DOG RACING PERMITTEE'S RACETRACK ENCLOSURE AND, IF CONSENT IS GIVEN BY ALL COMMERCIAL RACING PERMITTEES IN THE COUNTY WHERE THE DOG RACING PERMITTEE'S RACETRACK ENCLOSURE IS LOCATED, AT ANY ADDITIONAL WAGERING FACILITIES OPERATED BY THE DOG RACING PERMITTEE, and no wagering on simulcast horse or harness racing after 7:30 p.m., mountain standard time, on the same day that there is live nighttime dog racing in the same county EXCEPT AT A HORSE OR HARNESS RACING PERMITTEE'S RACETRACK ENCLOSURE AND, IF CONSENT IS GIVEN BY ALL COMMERCIAL RACING PERMITTEES IN THE COUNTY WHERE THE HORSE OR HARNESS RACING PERMITTEE'S RACETRACK ENCLOSURE IS LOCATED, AT ANY ADDITIONAL WAGERING FACILITIES OPERATED BY THE HORSE OR HARNESS RACING PERMITTEE. HORSE OR HARNESS RACING PERMITTEES THAT ACCEPT WAGERS ON SIMULCAST HORSE OR HARNESS RACING AFTER 7:30 P.M. SHALL MAKE THE SAME RACING PROGRAM AVAILABLE TO DOG RACING PERMITTEES IN THE SAME COUNTY UNDER AN ADDITIONAL WAGERING FACILITIES AGREEMENT. DOG RACING PERMITTEES THAT ACCEPT WAGERS ON SIMULCAST DOG RACING BEFORE 4:15 P.M. SHALL MAKE THE SAME RACING PROGRAM AVAILABLE TO HORSE OR HARNESS RACING PERMITTEES IN THE SAME COUNTY UNDER AN ADDITIONAL WAGERING FACILITIES AGREEMENT. The hours during which any other dog, harness or horse racing is to be conducted shall be determined by the commission. The application for a permit shall state the exact days on which racing will be held and the time of day during which racing will be conducted.

D. If the commission determines that an emergency has obligated or may obligate a permittee to discontinue racing at a location, the commission may authorize the permittee to transfer racing for the number of days lost to any other location.

E. A racing meeting, when operated by a county fair racing association or under lease during the county fair to any individual, corporation or association, shall not come under the limitation placed on days of racing in this section.

F. The department shall be the judge of whether a county fair racing meeting is being operated in accordance with the provisions of this section. A county fair racing meeting conducted by an individual, corporation or association, other than the properly authorized county fair racing association, shall come under the general provisions of this article the same as a commercial meeting. Notwithstanding this subsection, a county fair racing meeting, whether conducted by a county fair racing association or by an individual, corporation or association other than a county fair racing association, is exempt from the requirement prescribed in section 5-111 to pay to the state a percentage of the pari-mutuel pool collected at the meeting.

G. The commission may allow a permittee, in addition to the days specified in this permit, to operate up to three racing days during any one meeting as charity days. ~~From the THE amount THAT WOULD OTHERWISE BE deducted from the total handled in the pari-mutuel pool on charity days, the permittee shall deduct an amount equal to the purses and the cost of conducting racing on these days, and shall donate the balance PAYABLE TO THE STATE ON CHARITY DAYS SHALL BE DONATED to nonprofit organizations and corporations which benefit the general public, which are engaged in charitable, benevolent and other like work and which are selected by the permittee and approved by the department. ~~It~~~~

~~no event shall the amount given to charity from charity racing days be less than the amount which otherwise would have gone to this state as the state's share on a noncharity racing day.~~

H. Notwithstanding any other provision of this chapter, any dog racing permittee to which a permit to conduct dog racing in this state has been issued may in any racing year modify the racing date allocations made to the permittee for conducting dog racing at a track by reallocating up to two-thirds of the racing dates allocated to that permittee for dog racing at a track to another track in this state at which the permittee or a corporation of common ownership to the permittee conducts dog racing. For the purpose of this section, a corporation of common ownership to the permittee is a corporation which is owned or controlled, directly or indirectly, by the same corporation that owns or controls the permittee and which holds a permit to conduct dog racing in this state.

I. Notwithstanding any other provision of this article, any dog racing permittee that has offered live dog racing in eight out of ten calendar years from 1980 to 1990 in counties that have a population of less than five hundred thousand persons according to the most recent United States decennial census shall be considered as operating a racetrack enclosure for all purposes under this article and shall not be required to conduct live racing as a condition of that permittee's racing permit. Any permittee qualified under this subsection may conduct wagering on telecasts of races conducted at racetrack enclosures within this state or at racetrack enclosures outside this state without offering live racing at that permittee's racetrack enclosure.

Section 6. Section 5-111, Arizona Revised Statutes, is amended to read:

5-111. Wagering percentage to permittee and state: exemptions

A. The commission shall prescribe rules governing wagering on races under the system known as pari-mutuel wagering. Wagering shall be conducted by a permittee only by pari-mutuel wagering and only on the dates for which racing or dark day simulcasting has been authorized by the commission. Wagering for a licensed racing meeting shall be conducted by a permittee only within an enclosure in which authorized racing takes place and, in counties having a population of less than five hundred thousand persons or at least one million five hundred thousand persons, as shown by the most recent United States decennial census, at those additional facilities which are owned or leased by a permittee and which are used by a permittee for handling wagering as part of the pari-mutuel system and pool of the permittee at the enclosure where the authorized racing is conducted. In all other counties, wagering may also be conducted at additional facilities which are owned or leased by a permittee who is licensed to conduct live racing in those counties or who has the consent of all commercial permittees currently licensed to conduct live racing in those counties and which are used by a permittee for handling wagering and as part of the pari-mutuel system and pool of the permittee at the enclosure where the authorized racing is conducted. If the additional facilities have not been used for authorized racing before their use for handling wagering, a permittee shall not use the facilities for handling wagering before receiving approval for such use by the governing body of the city or town, if located within the corporate limits, or by the board of supervisors, if located in an unincorporated area of the county. A permittee may televise the races to the additional facilities at the times the races are conducted. For the purpose of section 5-110, subsection C only, a race upon which wagering is permitted under this subsection shall be deemed to also occur at the additional facility in the county in which the additional facility is located, and as such shall be limited in the same manner as actual live racing in such county. For the purpose of subsections B and C of this section, the wagering at the additional facility shall be deemed to occur in the county in which the additional facility is located.

B. During the period of any permit for dog racing in any county, the state shall receive five and one-half per cent of all monies handled in the pari-mutuel pool operated by the permittee, to be paid daily during the racing meeting. In all counties having a population of one million five hundred thousand persons or more, according to the most recent United States decennial census, four and three-quarters per cent of the gross amount of monies handled in a pari-mutuel pool shall be deducted from the pari-mutuel pool and shall be deposited daily into a trust account for the payment of purse amounts. In counties having a population of less than one million five hundred thousand persons according to the most recent United States decennial census, four per cent of the gross amount of monies handled in a pari-mutuel pool shall be deducted from the pari-mutuel pool and shall be deposited daily in a trust account for the payment of purse amounts. ~~In addition, twenty-five per cent of any reduction in pari-mutuel taxes each year resulting from the application of the hardship tax reduction credit determined pursuant to subsection I of this section shall be deposited in the trust account for supplementing purse amounts in an equitable manner over the racing meeting as determined by the commission.~~ Notwithstanding any other provision of this subsection, the percentage paid by a permittee to the state does not apply to monies handled in a pari-mutuel pool for wagering on simulcasts of out-of-state races. During a week in which a permittee conducts live racing at the permittee's racetrack enclosure, the permittee shall deduct from monies handled in a pari-mutuel pool for wagering on simulcasts of out-of-state races and deposit daily in a trust account for the payment of purse amounts the same percentage of the pari-mutuel pool as is deducted for purses for live races unless otherwise agreed by written contract. Unless otherwise agreed by written contract, if the commission reasonably determines that live racing will not be conducted within one calendar year at a racetrack enclosure, the permittee shall deduct from monies handled in a pari-mutuel pool for wagering on simulcasts of out-of-state races and deposit daily in a trust account to supplement purses of any dog track where live racing is conducted within a one hundred mile radius. The supplementing provided by this subsection shall be in the most equitable manner possible as determined by the commission. The permittee shall allocate the funds in the trust account and pay purse amounts at least biweekly. The permittee may, at the permittee's discretion, MAY pay additional amounts to augment purses from the amounts received by the permittee under this subsection.

C. During the period of a permit for horse, harness or dog racing, the permittee which conducts such meeting may deduct up to and including twenty-five per cent of the total amount handled in the regular pari-mutuel pools and may, at the permittee's option, deduct up to and including thirty per cent of the total amount handled in the exacta, daily double, quinella and other wagering pools involving two horses or dogs, and up to and including thirty-five per cent of the total amount handled in the trifecta or other wagering pools involving more than two horses or dogs in one or more races. The amounts if deducted shall be distributed as prescribed in subsection D of this section and section 5-111.02 for horse or harness racing permittees. For dog racing permittees, unless otherwise agreed by written contract, the permittee shall allocate to purses from amounts wagered on live racing conducted in this state an amount equal to fifty per cent of any amounts that are deducted pursuant to this subsection in excess of twenty per cent of the total amount handled in the regular pari-mutuel pools, twenty-one per cent of the total amount handled in the exacta, daily double, quinella and other wagering pools involving two dogs or twenty-five per cent of the total amount handled in the trifecta or other wagering pools involving more than two dogs in one or more races. For dog racing permittees the percentages prescribed in subsection B of this section shall be distributed to the state and to the trust account for payment of purse amounts and the permittee shall receive the balance. If the dog racing permittee has made capital improvements, the distri-

bution to the state shall be adjusted as provided in section 5-111.03. Monies deposited in the trust account for payment of purses pursuant to this subsection shall be in addition to amounts deposited pursuant to subsection B of this section.

D. During the period of a permit for horse or harness racing, the state shall receive two per cent of the gross amount of the first one million dollars of the daily pari-mutuel pools and five per cent of the gross amount exceeding one million dollars of the daily pari-mutuel pools. Notwithstanding any other provision of this subsection, the percentage paid by a permittee to the state does not apply to monies handled in a pari-mutuel pool for wagering on simulcasts of out-of-state races. The permittee shall retain the balance of the total amounts deducted pursuant to subsection C of this section. ~~OF~~ FROM the amount retained DEDUCTED by the permittee PURSUANT TO SUBSECTION C OF THIS SECTION FROM LIVE OR SIMULCAST RACING AFTER REDUCTION FOR ALLOCATIONS TO THIS STATE AS PROVIDED IN SUBSECTION C OF THIS SECTION, less the amount payable to the permittee for capital improvements pursuant to section 5-111.02, breakage distributed to the permittee pursuant to section 5-111.01, and other applicable state, county and city transaction privilege or other taxes, unless otherwise agreed by written contract, THE PERMITTEE SHALL ALLOCATE fifty per cent shall be used for OF THE BALANCE TO purses. Unless otherwise agreed by written contract, fifty per cent of the revenues PROCEEDS received by the permittee from simulcasting races as provided in section 5-112, net of costs of advertising, shall be utilized as a supplement to the general purse structure. All amounts which are deducted from the pari-mutuel pool for purses pursuant to this section and sections 5-111.01, 5-112 and 5-114 and revenues PROCEEDS which are received from simulcasting and which are to be used as a supplement to the general purse structure pursuant to this subsection shall be deposited daily into a trust account for the payment of purse amounts.

E. Any county fair racing association may apply to the commission for one racing meeting each year and the commission shall set the number of days and the dates of such meetings. A racing meeting conducted under this subsection shall be operated in such manner that all profits accrue to the county fair racing association, and the county fair racing association may deduct from the pari-mutuel pool the same amount as prescribed in subsection C of this section. All county fair racing meetings, whether conducted by county fair racing associations under the provisions of this subsection or by an individual, corporation or association other than a county fair racing association, are exempt from the payment to the state of the percentage of the pari-mutuel pool prescribed by subsection D of this section and are also exempt from the provisions of section 5-111.01.

F. Monies from charity racing days are exempt from the state percentage of the pari-mutuel pool AND SHARE OF DAILY GROSS GAMING REVENUE prescribed in this section.

G. Sums held by a permittee for payment of unclaimed pari-mutuel tickets AND UNCLAIMED GAMING DEVICE WINNINGS are exempt from the provisions of the revised Arizona unclaimed property act, title 44, chapter 3.

H. All of the amounts received by a permittee from the gross amount of monies handled in a pari-mutuel pool and all amounts held by a permittee for payment of purses pursuant to this section and sections 5-111.01, 5-112 and 5-114 are exempt from the provisions of title 42, chapter 5.

~~1. On August 1 of each year a permittee is eligible for a hardship tax credit pursuant to this subsection. For purposes of this subsection, "permittee" shall include includes any person who has succeeded to the interest of a permittee and who is authorized to conduct racing at the facility for which the permit was issued. The department shall determine the amount of any hardship tax credit as follows:~~

~~1. Determine the percentage decrease in pari-mutuel wagering by determining the percentage decrease in pari-mutuel wager-~~

~~ing between the base period amount and the amount of pari-mutuel wagering in the previous fiscal year at the racetrack and the additional wagering facilities operated by the permittee. The base period amount is the highest total annual pari-mutuel wagering at the racetrack and all additional wagering facilities as reported to the department for fiscal year 1989-1990, 1990-1991, 1991-1992, 1992-1993 or 1993-1994.~~

~~2. Determine the permittee's hardship tax credit by multiplying the total pari-mutuel tax due as a result of wagering at the racetrack and all additional wagering facilities for the previous fiscal year before applying any hardship tax credit amount by the percentage decrease in pari-mutuel wagering determined pursuant to paragraph 1 of this subsection and multiplying the result by three.~~

~~3. The permittee's pari-mutuel tax due as otherwise determined under subsections B and D of this section shall be reduced for the current period and any future periods by an amount equal to the amount of the hardship tax credit determined pursuant to this subsection. The hardship tax credit is in addition to any other tax exemptions, rebates and credits.~~

I. THE OPERATION OF GAMING DEVICES AT RACETRACK ENCLOSURES IS A MATTER OF STATEWIDE CONCERN AND REQUIRES UNIFORM REGULATION BY THE STATE AND NOT BY ANY POLITICAL SUBDIVISION. THE COMMISSION HAS THE EXCLUSIVE AUTHORITY TO REGULATE THE OPERATION OF GAMING DEVICES AND SHALL ADOPT RULES REGULATING THE OPERATION OF GAMING DEVICES. A COMMERCIAL RACING PERMITTEE MAY OPERATE GAMING DEVICES AT A RACETRACK ENCLOSURE AT WHICH IT MAY LAWFULLY CONDUCT LIVE RACING AND IS NOT SUBJECT TO FURTHER COUNTY OR MUNICIPAL LAND USE REGULATION OF THE LOCATION OF GAMING DEVICE OPERATIONS, EXCEPT THAT NOTHING IN THIS SECTION SHALL RESTRICT THE AUTHORITY OTHERWISE GRANTED TO COUNTIES AND MUNICIPALITIES UNDER TITLE 9, CHAPTER 4, ARTICLE 6.1 AND TITLE 11, CHAPTER 6, TO REGULATE BY LAWFUL ORDINANCE THE LOCATION OF RACETRACK ENCLOSURES. THE RULES OF THE COMMISSION SHALL PERMIT THE OPERATION OF GAMING DEVICES BY COMMERCIAL PERMITTEES WITHIN RACETRACK ENCLOSURES ON THE DAYS AND DURING THE HOURS PERMITTED FOR THE SALE OF SPIRITUOUS LIQUOR PURSUANT TO SECTION 4-244. THE COMMISSION IS EXEMPT FROM THE RULE MAKING REQUIREMENTS OF TITLE 41, CHAPTER 6 FOR PURPOSES OF THIS SECTION. THE COMMISSION SHALL ADOPT RULES PURSUANT TO THIS SECTION WITHIN NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. THE RULES SHALL:

1. DEFINE AND LIMIT FORMS OF PAYMENT FOR WAGERS THAT MAY BE USED WITH GAMING DEVICES, INCLUDING COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, PERSONAL CHECKS, CASH, CASH EQUIVALENTS, SMART, DEBIT, CHARGE AND CREDIT CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF CONSIDERATION.

2. LIMIT AMOUNTS TO BE WAGERED ON GAMING DEVICES CONSISTENT WITH SIMILAR LIMITATIONS UNDER SECTION 5-601, SUBSECTION J, PARAGRAPH 30.

3. ESTABLISH STANDARDS FOR AMOUNTS TO BE PAID AS PRIZE WINNINGS BY GAMING DEVICES.

4. ESTABLISH STANDARDS FOR INSPECTING GAMING DEVICES FOR ACCURACY AND RELIABILITY AND MAINTENANCE SCHEDULES.

5. ESTABLISH STANDARDS FOR MONITORING GAMING DEVICE USE, SURVEILLANCE AND OPERATION, INCLUDING THE PHASE-IN OF A COMPUTERIZED MONITORING SYSTEM.

6. ESTABLISH STANDARDS AND REQUIREMENTS FOR RECORDING AND REPORTING GAMING DEVICE

ACTIVITY, PERFORMANCE, MONITORING, AUDITING, REVENUES AND EXPENDITURES.

7. ESTABLISH STANDARDS FOR INVESTIGATION OF BACKGROUND AND LICENSING REQUIREMENTS FOR EMPLOYEES AS PROVIDED IN SECTION 5-108, SUBSECTION A.

8. ESTABLISH GUIDELINES FOR AUTOMATED TELLER MACHINE USE AND THE USE OF SMART, DEBIT, CHARGE AND CREDIT CARDS OR OTHER FORMS OF CREDIT IN GAMING FACILITIES.

9. REQUIRE THE PERMITTEE TO POST SIGNS AT ALL PUBLIC ENTRANCES AND EXITS TO THE RACETRACK ENCLOSURE THAT STATE THAT HELP IS AVAILABLE IF A PERSON HAS A PROBLEM WITH GAMBLING AND THE STATEWIDE TOLL FREE CRISIS HOTLINE TELEPHONE NUMBER, ESTABLISHED BY THE ARIZONA STATE LOTTERY COMMISSION.

10. PROHIBIT RACETRACK PERMITTEE ADVERTISING AND MARKETING REGARDING GAMING THAT SPECIFICALLY APPEALS TO MINORS AND ESTABLISH GUIDELINES FOR DETERMINING ACCEPTABLE ADVERTISING AND MARKETING.

11. ESTABLISH GUIDELINES FOR VOLUNTARY PROCEDURES FOR A PERSON TO REQUEST BANS FROM THE RACETRACK ENCLOSURES, INCLUDING PROHIBITING THE PERSON FROM THE USE OF CHECK CASHING SERVICES, AUTOMATIC TELLER MACHINES, SMART, DEBIT, CHARGE AND CREDIT CARDS OR OTHER FORMS OF CREDIT OFFERED AT A RACETRACK ENCLOSURE. A THIRD PERSON MAY NOT REQUEST A BAN ON BEHALF OF ANOTHER PERSON.

12. REQUIRE DAILY FINANCIAL REPORTING TO THE DEPARTMENT OF RACING FOR THE OPERATION OF ALL GAMING FOR EACH RACETRACK ENCLOSURE AND ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE OPERATION OF ALL GAMING FOR EACH RACETRACK ENCLOSURE, WHICH SHALL BE AVAILABLE FOR PUBLIC INSPECTION AT THE DEPARTMENT OF RACING PURSUANT TO TITLE 39, CHAPTER 1, ARTICLE 2.

13. REQUIRE DISCLOSURE OF GROSS GAMING REVENUE FROM ALL TYPES OF GAMING AND CONTRIBUTIONS MADE TO THIS STATE BASED ON GROSS GAMING REVENUE THAT AT A MINIMUM IDENTIFIES THE GROSS GAMING REVENUE FOR EACH RACETRACK ENCLOSURE BY GAMING ACTIVITY AND THE ANNUAL TOTAL CONTRIBUTION TO THIS STATE BY EACH RACETRACK ENCLOSURE.

J. THE COMMISSION SHALL REGULATE AND SUPERVISE THE USE AND OPERATION OF GAMING DEVICES AT RACETRACK ENCLOSURES IN THIS STATE AND MAY DELEGATE TO THE DEPARTMENT ANY OF THE COMMISSION'S POWERS AND DUTIES NECESSARY TO CARRY OUT THE PURPOSES OF THIS CHAPTER. NO OTHER AGENCY OF THIS STATE OR ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION MAY LIMIT OR REGULATE THE USE AND OPERATION OF GAMING DEVICES BY A RACETRACK PERMITTEE.

K. RACING PERMITTEES SHALL PAY THIS STATE DAILY FORTY PER CENT OF DAILY GROSS GAMING REVENUE FROM GAMING DEVICES IN LIEU OF ANY OTHER STATE, COUNTY OR MUNICIPAL TAX, LICENSE, FEE, ASSESSMENT OR OTHER CHARGE ON REVENUE OR RECEIPTS FROM GAMING DEVICE OPERATIONS. THE STATE SHALL DISTRIBUTE THE STATE'S SHARE OF GAMING DEVICE RECEIPTS AS REQUIRED BY SECTION 5-113.

L. IN ADDITION TO THE PARI-MUTUEL WAGERING REVENUES THAT ARE ALLOCATED FOR HORSE, HARNESS AND DOG RACING PURSES PURSUANT TO THIS SECTION,

TWENTY PER CENT OF GROSS GAMING REVENUE FROM GAMING DEVICES AFTER PAYMENT TO THIS STATE PURSUANT TO SUBSECTION K SHALL BE DEPOSITED DAILY IN A TRUST ACCOUNT FOR SUPPLEMENTING PURSE AMOUNTS UNLESS OTHERWISE PROVIDED BY A WRITTEN AGREEMENT BETWEEN A PERMITTEE AND:

1. FOR HORSE AND HARNESS RACING, THE GROUP THAT REPRESENTS THE MAJORITY OF OWNERS AND TRAINERS RACING AT THE PERMITTEE'S RACETRACK ENCLOSURE;

2. FOR DOG RACING, THE GROUP THAT REPRESENTS THE MAJORITY OF OWNERS AND TRAINERS RACING IN THIS STATE.

Section 7. Section 5-112, Arizona Revised Statutes, is amended to read:

5-112. Wagering legalized: simulcasting of races: unauthorized wagering prohibited: gaming devices: classification

A. Except as provided in subsection L of this section, section 5-101.01, subsection G and title 13, chapter 33, any person within the enclosure of a racing meeting held pursuant to the provisions of this article may wager on the results of a race held at the meeting or televised to the racetrack enclosure by simulcasting pursuant to this section by contributing money to a pari-mutuel pool operated by the permittee as provided by this article.

B. The department may, upon request by a permittee, grant permission for electronically televised simulcasts of horse, harness or dog races to be received by the permittee. In counties having a population of one million five hundred thousand persons or more according to the most recent United States decennial census, the simulcasts shall be received at the racetrack enclosure where a horse, harness or dog racing meeting is being conducted, provided that the simulcast may only be received during, immediately before or immediately after a minimum of nine posted races for that racing day. In counties having a population of five hundred thousand persons or more, but less than one million five hundred thousand persons according to the most recent United States decennial census, the simulcasts shall be received at the racetrack enclosure where a horse, harness or dog racing meeting is being conducted provided that the simulcast may only be received during, immediately before or immediately after a minimum of four posted races for that racing day. In all other counties, the simulcasts shall be received at a racetrack enclosure at which authorized racing has been conducted whether or not posted races have been offered for the day the simulcast is received. The simulcasts shall be limited to horse, harness or dog races. The simulcasts shall be limited to the same type of racing as authorized in the permit for live racing conducted by the permittee. The department may, upon request by a permittee, grant permission for the permittee to transmit the live race from the racetrack enclosure where a horse, harness or dog racing meeting is being conducted to a facility or facilities in another state. All simulcasts of horse or harness races shall comply with the interstate horse racing act of 1978 (P.L. 95-515; 92 Stat. 1811; 15 United States Code chapter 57). All forms of pari-mutuel wagering shall be allowed on horse, harness or dog races televised by simulcasting. All monies wagered by patrons on these horse, harness or dog races shall be computed in the amount of money wagered each racing day for purposes of section 5-111.

C. Notwithstanding subsection B of this section, in counties having a population of one million five hundred thousand persons or more according to the most recent United States decennial census, simulcasts may be received at the racetrack enclosure and at any additional wagering facility used by a permittee for handling wagering as provided in section 5-111, subsection A during a permittee's racing meeting as approved by the commission, whether or not posted races have been conducted on the day the simulcast is received, if:

1. For horse and harness racing, the permittee's racing permit requires the permittee to conduct a minimum of nine posted races on an average of five racing days each week at the permittee's racetrack enclosure during the period beginning on October 1 and ending on the first full week in May.

2. For dog racing, the permittee is required to conduct a minimum of twelve posted races on ~~each of~~ AN AVERAGE OF five RACING days each week for fifty weeks during a calendar year at the permittee's racetrack enclosure.

D. Notwithstanding subsection B of this section, in counties having a population of five hundred thousand persons or more but less than one million five hundred thousand persons according to the most recent United States decennial census, simulcasts may be received at the racetrack enclosure and at any additional wagering facility used by a permittee for handling wagering as provided in section 5-111, subsection A during a permittee's racing meeting as approved by the commission, whether or not posted races have been conducted on the day the simulcast is received, subject to the following conditions:

1. For horse and harness racing, the permittee may conduct wagering on dark day simulcasts for twenty days, provided the permittee conducts a minimum of seven posted races on each of the racing days mandated in the permittee's commercial racing permit. In order to conduct wagering on dark day simulcasts for more than twenty days, the permittee is required to conduct a minimum of seven posted races on ~~one hundred forty~~ NINETY racing days at the permittee's racetrack enclosure.

2. For dog racing, the permittee is required to conduct a minimum of nine posted races on each of four days each week for fifty weeks during a calendar year at the permittee's racetrack enclosure.

E. In an emergency and upon a showing of good cause by a permittee, the commission may grant an exception to the minimum racing day requirements of subsections C and D of this section.

F. The minimum racing day requirements of subsections C and D of this section shall be computed by adding all racing days, including any county fair racing days operated in accordance with section 5-110, subsection F, allotted to the permittee's racetrack enclosure in one or more racing permits and all racing days allotted to the permittee's racetrack enclosure pursuant to section 5-110, subsection H.

G. Notwithstanding subsection B of this section and subject to subsections C and D of this section, during the period of the permit for horse racing, wagering on dark day simulcasts of horse races at a permittee's additional wagering facilities shall only be allowed for a maximum number of days equal to the number of days of live horse racing scheduled to be conducted at that permittee's racetrack enclosure during the permittee's racing meeting, and during the period of a permit for dog racing, wagering on dark day simulcasts of dog races at a permittee's additional wagering facilities shall only be allowed for a maximum number of days equal to the number of days of live dog racing scheduled to be conducted at that permittee's racetrack enclosure during the permittee's racing meeting. The number of days allowed for dark day simulcasting under this subsection shall be computed by adding all racing days, including any county fair racing days operated in accordance with section 5-110, subsection F, allotted to the permittee's racetrack enclosure in one or more racing permits and all racing days allocated to the permittee's racetrack enclosure pursuant to section 5-110, subsection H.

H. Simulcast signals or teletracking of simulcast signals does not prohibit live racing or teletracking of that live racing in any county at any time.

I. Except as provided in subsection L of this section, section 5-101.01, subsection G and title 13, chapter 33, any person within a racetrack enclosure or an additional facility authorized for wagering pursuant to section 5-111, subsection A may wager on the results of

a race televised to the facility pursuant to section 5-111, subsection A by contributing to a pari-mutuel pool operated as provided by this article.

J. Notwithstanding subsection B of this section, the department, in counties having a population of one million five hundred thousand persons or more according to the most recent United States decennial census, may, upon request by a permittee for one day each year, grant permission for simulcasts to be received without compliance with the minimum of nine posted races requirement.

K. Except as provided in this article and in title 13, chapter 33, all forms of wagering or betting on the results of a race, including but not limited to buying, selling, cashing, exchanging or acquiring a financial interest in pari-mutuel tickets, except by operation of law, whether the race is conducted in this state or elsewhere, are illegal.

L. ~~Until June 1, 2003, a permittee shall not knowingly permit a minor to be a patron of the pari-mutuel system of wagering. Beginning on June 1, 2003, a~~ A permittee shall not knowingly permit a person who is under twenty-one years of age to be a patron of the pari-mutuel system of wagering OR TO USE GAMING DEVICES.

M. Except as provided in title 13, chapter 33, any person violating any provision of this article with respect to any wagering or betting, whether the race is conducted within or without this state, is guilty of a class 6 felony.

N. Simulcasting may only be authorized for the same type of racing authorized by a permittee's live racing permit.

O. GAMING DEVICES MAY BE OPERATED ONLY AT A RACETRACK ENCLOSURE ONLY BY A COMMERCIAL PERMITTEE HOLDING A PERMIT FOR LIVE RACING WHERE LIVE OR SIMULCAST RACING PROGRAMS ARE CONDUCTED ON AN AVERAGE OF FIVE DAYS PER WEEK FOR AT LEAST FIFTY WEEKS IN A TWELVE-MONTH PERIOD. A PERMITTEE MAY NOT OPERATE GAMING DEVICES AT AN ADDITIONAL WAGERING FACILITY. THE TOTAL NUMBER OF RACETRACK ENCLOSURES AT WHICH GAMING DEVICES MAY BE OPERATED SHALL NOT EXCEED TEN, AND THERE SHALL BE NO MORE THAN TWO RACETRACK ENCLOSURES AT WHICH GAMING DEVICES ARE OPERATED LOCATED WITHIN A COUNTY.

P. THE TOTAL NUMBER OF GAMING DEVICES AT ALL COMMERCIAL RACETRACK ENCLOSURES IN THIS STATE SHALL NOT EXCEED SIX THOUSAND FOUR HUNDRED FIFTY. THE TOTAL NUMBER OF GAMING DEVICES SHALL INCREASE ON JULY 1, 2008, AND EVERY FIVE YEARS THEREAFTER BY THE TOTAL INCREASE IN DEVICES FOR EACH INDIVIDUAL RACETRACK ENCLOSURE AS PROVIDED IN SUBSECTION R OF THIS SECTION.

Q. ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, THE MAXIMUM NUMBER OF GAMING DEVICES AVAILABLE FOR PLAY AT ONE TIME AT EACH RACETRACK ENCLOSURE SHALL BE LIMITED AS FOLLOWS:

1. FOR HORSE AND HARNESS RACING:

(a.) NINE HUNDRED FIFTY GAMING DEVICES AT RACETRACK ENCLOSURES THAT CONDUCT A MINIMUM OF NINE POSTED LIVE RACES PER DAY ON AN AVERAGE OF FIVE RACING DAYS EACH WEEK DURING THIRTY CONSECUTIVE WEEKS IN A TWELVE-MONTH PERIOD AND HAVE ONE HUNDRED FORTY OR MORE POSTED LIVE RACE DAYS, INCLUDING AT LEAST ONE THOUSAND TWO HUNDRED POSTED LIVE RACES IN A TWELVE-MONTH PERIOD.

(b.) FIVE HUNDRED FIFTY GAMING DEVICES AT RACETRACK ENCLOSURES THAT HAVE FEWER THAN ONE HUNDRED FORTY BUT AT LEAST FORTY-FIVE POSTED LIVE RACE DAYS IN A TWELVE-MONTH PERIOD AND THAT CONDUCT A MINIMUM OF EIGHT POSTED LIVE RACES PER DAY, INCLUDING AT LEAST THREE HUNDRED SIXTY POSTED LIVE RACES.

2. FOR DOG RACING:

(a.) NINE HUNDRED FIFTY GAMING DEVICES AT RACETRACK ENCLOSURES THAT HAVE TWO HUNDRED FIFTY OR MORE POSTED LIVE RACE DAYS IN A TWELVE-MONTH PERIOD AND THAT CONDUCT A MINIMUM OF TWELVE POSTED LIVE RACES ON AN AVERAGE OF FIVE DAYS EACH WEEK FOR FIFTY WEEKS IN A TWELVE-MONTH PERIOD, INCLUDING AT LEAST THREE THOUSAND POSTED LIVE RACES.

(b.) FIVE HUNDRED FIFTY GAMING DEVICES AT RACETRACK ENCLOSURES THAT HAVE FEWER THAN TWO HUNDRED FIFTY BUT MORE THAN FIFTY POSTED LIVE RACE DAYS IN A TWELVE-MONTH PERIOD AND THAT CONDUCT A MINIMUM OF TEN POSTED LIVE RACES ON AN AVERAGE OF FOUR DAYS EACH WEEK FOR FOURTEEN WEEKS IN A TWELVE-MONTH PERIOD, INCLUDING AT LEAST FIVE HUNDRED FIFTEEN POSTED LIVE RACES.

R. THE MAXIMUM NUMBER OF GAMING DEVICES AVAILABLE FOR PLAY AT ONE TIME AT EACH RACETRACK ENCLOSURE SHALL BE INCREASED ON JULY 1, 2008, AND EVERY FIVE YEARS THEREAFTER BY THE PERCENTAGE INCREASE IN THE POPULATION OF THIS STATE FOR THAT PERIOD AS ESTIMATED BY THE DEPARTMENT OF ECONOMIC SECURITY. THE COMMISSION SHALL NOTIFY EACH PERMITTEE OF THE AMOUNT OF EACH AUTOMATIC INCREASE ALLOWED PURSUANT TO THIS SUBSECTION.

S. FOR PURPOSES OF DETERMINING THE NUMBER OF GAMING DEVICES AT EACH RACETRACK ENCLOSURE, A GAMING DEVICE CAPABLE OF BEING PLAYED BY MORE THAN ONE PERSON AT THE SAME TIME SHALL BE COUNTED AS ONE GAMING DEVICE FOR EACH PERSON WHO CAN PLAY THE GAMING DEVICE AT THE SAME TIME.

Section 8. Section 5-113, Arizona Revised Statutes, is amended to read:

5-113. Disposition of revenues and monies; funds; committee

A. All revenues derived from permittees, permits and licenses, as provided by this article, and all monies transferred pursuant to § 44-313, subsection A AND SECTION 5-111, SUBSECTION K shall be deposited, pursuant to §§ 35-146 and 35-147, ~~or~~ AND SHALL BE distributed as follows:

1. TWENTY FIVE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE CLASSROOM SITE FUND ESTABLISHED BY SECTION 15-977 TO BE USED FOR PURPOSE OF ESTABLISHING READING PROGRAMS FOR STUDENTS IN KINDERGARTEN PROGRAMS AND GRADES ONE THROUGH THREE.

2. TWENTY PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE MEDICALLY NEEDY ACCOUNT ESTABLISHED BY SECTION 36-774 FOR THE PURPOSE OF ESTABLISHING PROGRAMS FOR PROVIDING ASSISTANCE TO MEDICARE ELIGIBLE PERSONS RESIDENT IN THIS STATE TO DEFRAY THE COST OF PRESCRIPTION MEDICATION OR TO ENHANCE THE AVAILABILITY OF HEALTH CARE TO ALL RESIDENTS OF THIS STATE LIVING IN RURAL AREAS OF THIS STATE.

3. TWELVE AND ONE-HALF PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE TRANSACTION AND SEVERANCE TAX CLEARING ACCOUNT ESTABLISHED BY SECTION 42-5029 AND SHALL BE DISTRIBUTED TO INCORPORATED MUNICIPALITIES IN THIS STATE IN THE MANNER PRESCRIBED IN SECTION 42-5029, SUBSEC-

TION D, PARAGRAPH 1 TO BE USED FOR PROVIDING ENHANCED POLICE, FIRE AND EMERGENCY SERVICES BY INCORPORATED MUNICIPALITIES.

4. TEN PERCENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE POSTSECONDARY EDUCATION FUND ESTABLISHED BY SECTION 15-1853 ADMINISTERED BY THE COMMISSION FOR POSTSECONDARY EDUCATION TO BE USED FOR THE PURPOSE OF ESTABLISHING A PROGRAM TO PROVIDE SCHOLARSHIPS AND GRANTS TO RESIDENTS OF THIS STATE WHO GRADUATE FROM PUBLIC OR PRIVATE HIGH SCHOOLS, COMMUNITY COLLEGES OR PRIVATE POST SECONDARY INSTITUTIONS LICENSED UNDER TITLE 32, CHAPTER 30 IN THIS STATE TO ATTEND PUBLIC OR PRIVATE POST-SECONDARY EDUCATION INSTITUTIONS LICENSED UNDER TITLE 32, CHAPTER 30 LOCATED IN THIS STATE.

5. THREE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE TOURISM FUND ESTABLISHED BY SECTION 41-2306 TO SUPPLEMENT THE FUND AND TO BE USED FOR STATEWIDE TOURISM PROMOTION AND EXPENDITURES INCIDENTAL TO OR SUPPORTIVE OF STATEWIDE TOURISM PROMOTION.

6. FOUR MILLION DOLLARS OR TWO PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, SHALL BE DEPOSITED IN THE COMPULSIVE GAMBLING FUND ESTABLISHED BY SUBSECTION K OF THIS SECTION.

7. TWO HUNDRED THOUSAND DOLLARS OR ONE-TENTH OF ONE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, SHALL BE DEPOSITED IN THE RACING GREYHOUND AND RACE HORSE ADOPTION FUND.

8. ~~Eight hundred thousand dollars or twenty two per cent, whichever is less,~~ THREE MILLION DOLLARS OR ONE AND ONE-HALF PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, shall be deposited in the Arizona county fairs racing betterment fund established by subsection B of this section.

9. ~~One million two hundred thousand dollars or thirty three per cent, whichever is less,~~ THREE MILLION DOLLARS OR ONE AND ONE-HALF PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, shall be deposited in the county fairs livestock and agriculture promotion fund established by subsection C of this section.

10. ~~Eight hundred thousand dollars or twenty two per cent, whichever is less,~~ FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS OR TWO AND TWO-TENTHS PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, shall be deposited in the Arizona breeders' award fund established by subsection F of this section.

11. ~~Forty thousand dollars or one per cent, whichever is less,~~ TWO HUNDRED THOUSAND DOLLARS OR ONE-TENTH OF ONE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, shall be deposited in the Arizona stallion award fund established by subsection G of this section.

12. FOUR HUNDRED THOUSAND DOLLARS OR TWO-TENTHS OF ONE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, TO BE USED TO SUPPLEMENT PURSES IN RACES IN WHICH ARIZONA BRED HORSES, AS PRESCRIBED IN SECTION 5-114, SUBSECTION C, ARE WINNERS.

~~13. Five hundred thousand dollars or nine per cent, whichever is less, FOUR HUNDRED THOUSAND DOLLARS OR TWO-TENTHS OF ONE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, shall be deposited in the county fair racing fund established by subsection I of this section.~~

~~14. One per cent of the revenues and monies~~ ONE HUNDRED THOUSAND DOLLARS shall be deposited in the agricultural consulting and training fund established by subsection J of this section.

~~15. Forty five thousand dollars or one per cent, whichever is less, ONE HUNDRED THOUSAND DOLLARS shall be subject to legislative appropriation to the department for administration of the Arizona county fairs racing betterment fund, the Arizona breeders' award fund, the Arizona stallion award fund, and the RACING greyhound AND RACE HORSE adoption fund AND THE COMPULSIVE GAMBLING FUND. Monies that are distributed pursuant to this paragraph and that remain unspent at the end of a fiscal year do not revert to the state general fund.~~

~~16. Four hundred thousand dollars or eleven per cent, whichever is less, FOUR HUNDRED THOUSAND DOLLARS OR TWO-TENTHS OF ONE PER CENT OF THE TOTAL AMOUNT RECEIVED PURSUANT TO THIS SECTION, WHICHEVER IS MORE, shall be deposited in the Arizona exposition and state fair fund established by § 3-1005 for the purpose of capital outlay.~~

~~9. Any revenues and monies that are not distributed pursuant to paragraphs 1 through 8 of this subsection at the end of a fiscal year shall be deposited in the state general fund.~~

17. THE REMAINDER SHALL BE DEPOSTED IN THE STATE GENERAL FUND.

B. The Arizona county fairs racing betterment fund is established under the jurisdiction of the department. The department shall distribute monies from the fund to the county fair association or county fair racing association of each county conducting a county fair racing meeting in such proportion as the department deems necessary for the promotion and betterment of county fair racing meetings. All expenditures from the fund shall be made upon claims approved by the department. In order to be eligible for distributions from the fund, a county fair association must provide the department with an annual certification in the form required by the department supporting expenditures made from the fund. Balances remaining in the fund at the end of a fiscal year do not revert to the state general fund.

C. The county fairs livestock and agriculture promotion fund is established under the control of the governor and shall be used for the purpose of promoting the livestock and agricultural resources of the state and for the purpose of conducting an annual Arizona national livestock fair by the Arizona exposition and state fair board to further promote livestock resources. The direct expenses less receipts of the livestock fair shall be paid from this fund, but such payment shall not exceed thirty per cent of the receipts of the fund for the preceding fiscal year. Balances remaining in the fund at the end of a fiscal year do not revert to the state general fund. All expenditures from the fund shall be made upon claims approved by the governor, as recommended by the livestock and agriculture committee, for the promotion and betterment of the livestock and agricultural resources of this state. The livestock and agriculture committee is established and shall be composed of the following members, at least three of whom are from counties that have a population of less than five hundred thousand persons, appointed by the governor:

1. Three members representing county fairs.
2. One member representing Arizona livestock fairs.
3. One member representing the university of Arizona college of agriculture.
4. One member representing the livestock industry.

5. One member representing the farming industry.

6. One member representing the governor's office.

7. One member representing the Arizona state fair conducted by the Arizona exposition and state fair board.

8. One member representing the general public.

D. The governor shall appoint a chairman from the members. Terms of members shall be four years.

E. Members of the committee are not eligible to receive compensation but are eligible to receive reimbursement for expenses pursuant to title 38, chapter 4, article 2.

F. The Arizona breeders' award fund is established under the jurisdiction of the department. The department shall distribute monies from the fund to the breeder, or the breeder's heirs, devisees or successors, of every winning horse or greyhound foaled or whelped in this state, as defined by § 5-114, in a manner and in an amount established by rules of the commission to protect the integrity of the racing industry and promote, improve and advance the quality of race horse and greyhound breeding within this state. The department may contract with a breeders' association to provide data, statistics and other information necessary to enable the department to carry out the purposes of this subsection. Persons who are not eligible to be licensed under § 5-107.01 or persons who have been refused licenses under § 5-108 are not eligible to participate in the Arizona greyhound breeders' award fund. Balances remaining in the fund at the end of a fiscal year do not revert to the state general fund. For the purposes of this subsection, "breeder" means the owner or lessee of the dam of the animal at the time the animal was foaled or whelped.

G. The Arizona stallion award fund is established under the jurisdiction of the department to promote, improve and advance the quality of stallions in this state. The department shall distribute monies from the fund to the owner or lessee, or the owner's or lessee's heirs, devisees or successors, of every Arizona stallion whose certified Arizona bred offspring, as prescribed in § 5-114, finishes first, second or third in an eligible race in this state. The department may contract with a breeders' association to provide data, statistics and other information necessary to enable the department to carry out the purposes of this subsection. Balances remaining in the fund at the end of a fiscal year do not revert to the state general fund. The commission shall adopt rules pursuant to title 41, chapter 6 to carry out the purposes of this subsection. The rules shall prescribe at a minimum:

1. The manner and procedure for distribution from the fund, including eligibility requirements for owners and lessees.
2. Subject to availability of monies in the fund, the amount to be awarded.
3. The requirements for a stallion registered with the jockey club, Lexington, Kentucky or with the American quarter horse association, Amarillo, Texas to be certified as an Arizona stallion.
4. The types and requirements of races for which an award may be made.

H. The ~~greyhound~~ RACING GREYHOUND AND RACE HORSE adoption fund is established. The department shall administer the fund. All revenues derived from license fees collected from dog breeders, racing kennels and other operations pursuant to § 5-104, subsection F, paragraphs 7, 8 and 9 shall be deposited, pursuant to §§ 35-146 and 35-147, in the fund. The department shall distribute monies from the fund to provide financial assistance to nonprofit enterprises approved by the commission to promote the adoption of former RACING GREYHOUND AND RACE HORSE ANIMALS ~~racing as domestic pets pursuant to § 5-104, subsection~~ ~~€~~ in a manner and in an amount established by rules of the commission. ONE-HALF OF THE FUND SHALL BE DISTRIBUTED TO PROMOTE RACING GREYHOUND ADOPTIONS, AND ONE-HALF OF THE FUND SHALL BE DISTRIBUTED TO PROMOTE RACE HORSE ADOPTIONS. Balances remaining in the fund at the end of a fiscal year do not revert to the state general fund.

I. The county fair racing fund is established. The department shall administer the fund. Subject to legislative appropriation, the department shall use fund monies for the administration of county fair racing. Any monies remaining unexpended in the fund at the end of the fiscal year in excess of seventy-five thousand dollars shall revert to the state general fund.

J. The agricultural consulting and training fund is established. The Arizona department of agriculture shall administer the fund. Subject to legislative appropriation, the Arizona department of agriculture shall use monies in the fund for the agricultural consulting and training program established by § 3-109.01. Balances remaining in the fund at the end of a fiscal year do not revert to the state general fund.

K. THE COMPULSIVE GAMBLING FUND IS ESTABLISHED CONSISTING OF MONIES TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION A, PARAGRAPH 2 OF THIS SECTION. THE DEPARTMENT SHALL ADMINISTER THE FUND AND SHALL DISTRIBUTE THE MONIES IN THE FUND TO PROGRAMS THAT SPECIALIZE IN THE TREATMENT OF PROBLEM AND PATHOLOGICAL GAMBLING.

Section 9. Section 5-601, Arizona Revised Statutes, is amended to read:

5-601. Gambling on Indian reservations: tribal-state compacts; revenue sharing agreements; funds; definitions

A. ~~Notwithstanding any other law, this~~ THIS state, through the governor, may enter into negotiations and execute tribal-state compacts with Indian tribes in this state pursuant to the Indian gaming regulatory act of 1988 (P.L. 100-497; 102 Stat. 2467; 25 United States Code sections 2701 through 2721 and 18 United States Code sections 1166 through 1168) AND IN ACCORDANCE WITH THIS SECTION. Notwithstanding the authority granted to the governor by this subsection, this state specifically reserves all of its rights, as attributes of its inherent sovereignty, recognized by the tenth and eleventh amendments to the United States Constitution. The governor shall not execute a tribal-state compact which waives, abrogates or diminishes these rights. A TRIBAL-STATE COMPACT MAY BE FOR A TERM NO LONGER THAN TEN YEARS AND MAY BE MODIFIED DURING ITS TERM. NO MODIFICATION MAY EXTEND OR SHORTEN THE TERM OF THE COMPACT EXCEPT THAT WITHIN THE LAST YEAR OF THE TERM OF A COMPACT IT MAY BE REPLACED BY A NEW COMPACT MADE PURSUANT TO THIS SECTION.

B. Tribal-state gaming compacts shall prohibit persons under twenty-one years of age from wagering on gaming activities conducted pursuant to the compact. ~~as follows:~~

1. ~~Beginning on June 1, 2003, any tribal state gaming compact that is executed, modified, extended or renewed pursuant to this section shall include a provision that prohibits persons who are under twenty one years of age from wagering on gaming activities.~~

2. ~~Any tribal state gaming compact that is executed, modified, extended or renewed pursuant to this section from and after the effective date of this amendment to this section but before June 1, 2003 shall include a provision that prohibits persons who are under twenty one years of age from wagering on gaming activities, except that the provision shall not take effect until June 1, 2003.~~

C. The governor shall not concur in any determination by the United States secretary of the interior that would permit gaming on lands acquired after October 17, 1988 pursuant to 25 United States Code section 2719.

D. The department of gaming is authorized to carry out the duties and responsibilities of the state gaming agency in compacts executed by the state and Indian tribes of this state pursuant to the Indian gaming regulatory act. THE DEPARTMENT OF GAMING DOES NOT HAVE AUTHORITY OR RESPONSIBILITY FOR THE REGULATION OF GAMING DEVICES THAT ARE REGULATED

BY THE ARIZONA RACING COMMISSION PURSUANT TO CHAPTER 1, ARTICLE 1 OF THIS TITLE.

E. In carrying out its duties under tribal-state gaming compacts, the department of gaming is exempt from the rule making requirements of title 41, chapter 6.

F. Indian tribes of this state that have executed compacts with the state shall pay to the department of gaming their share of the regulatory costs necessary to carry out the duties required by any executed tribal-state compact authorized by the Indian gaming regulatory act. The department of gaming shall collect from each of the tribes that have executed a compact with the state their share of the costs incurred by the department pursuant to this chapter. The dates and methods of payment shall be as specified in the tribal-state compacts.

G. A permanent tribal-state compact fund is established consisting of monies received pursuant to subsection F of this section ~~and other monies received pursuant to this chapter~~. The department of gaming shall administer the fund. The director of the department of gaming shall make an annual report to the governor, the president of the senate, the speaker of the house of representatives and each tribe which has executed a compact with the state disclosing in detail the activities of the department of gaming pursuant to this chapter including a full and complete statement of revenues deposited in and expenditures from the permanent tribal-state compact fund. Monies paid by the tribes PURSUANT TO SUBSECTION F OF THIS CHAPTER shall only be used for reimbursement of administrative and regulatory expenses incurred by the department pursuant to this chapter.

H. Monies deposited in the permanent tribal-state compact fund are subject to legislative appropriation. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

I. IN CONSIDERATION FOR THIS STATE ENTERING INTO TRIBAL-STATE COMPACTS FOR SUBSTANTIALLY MORE GAMING THAN IS REQUIRED OF THIS STATE BY THE INDIAN GAMING REGULATORY ACT OF 1988 AND IN CONSIDERATION FOR THE COMPACT TERMS PERMITTED BY SUBSECTION J, PARAGRAPH SUBDIVISIONS (e), (f), AND (g) AND PARAGRAPH 3 OF THIS SECTION, THIS STATE'S AGREEMENT TO THE EXECUTION, MODIFICATION, EXTENSION, OR RENEWAL OF A TRIBAL-STATE GAMING COMPACT INCLUDING ANY OF THE TERMS PERMITTED BY SUBSECTION J, PARAGRAPH 1, SUBDIVISIONS (e), (f), AND (g) AND PARAGRAPH 3 OF THIS SECTION SHALL BE CONDITIONAL ON INCLUSION IN THE COMPACT OF, APPROVAL BY THE SECRETARY OF THE INTERIOR OF AND COMPLIANCE WITH THE PROVISIONS REQUIRED IN PARAGRAPHS 2 AND 10 OF THIS SECTION.

‡ J. TO PROVIDE A REGULATORY FRAMEWORK FOR INDIAN GAMING THAT IS INTENDED TO CONTINUE TO ENSURE THE FAIR AND HONEST OPERATION OF INDIAN GAMING, TO MAINTAIN THE INTEGRITY OF INDIAN GAMING AND TO PROTECT THE PUBLIC HEALTH, SAFETY AND WELFARE, any tribal-state gaming compact that is executed, ~~modified, extended or renewed~~ pursuant to this section shall include provisions that do all of the following PURSUANT TO AND CONSISTENT WITH THE INDIAN GAMING REGULATORY ACT:

1. PERMIT GAMING DEVICES AND ESTABLISH THAT THE NUMBER OF GAMING DEVICES THAT AN INDIAN TRIBE MAY OPERATE SHALL NOT EXCEED ONE THOUSAND GAMING DEVICES PER GAMING FACILITY AND SHALL LIMIT THE NUMBER OF GAMING DEVICES AND GAMING FACILITIES THAT MAY BE OPERATED BY AN INDIAN TRIBE AS FOLLOWS:

(a.) A TRIBE WITH AN OFFICIAL ENROLLMENT RESIDENT IN THIS STATE OF MORE THAN ONE BUT LESS THAN FOUR THOUSAND MAY OPERATE A MAXIMUM TOTAL OF SIX HUNDRED GAMING

DEVICES AND MAY OPERATE GAMING DEVICES AT A MAXIMUM OF ONE GAMING FACILITY, EXCEPT THAT A TRIBE THAT WOULD BE ENTITLED TO OPERATE ONLY ONE GAMING FACILITY UNDER THIS SUBDIVISION BUT WAS OPERATING TWO GAMING FACILITIES ON AND AFTER APRIL 1, 2002 MAY CONTINUE OPERATING TWO GAMING FACILITIES BUT WITH NO MORE GAMING DEVICES THAN ARE ALLOWED IF THE TRIBE HAD ONLY ONE GAMING FACILITY.

(b.) A TRIBE WITH AN OFFICIAL TRIBAL ENROLLMENT RESIDENT IN THIS STATE OF FOUR THOUSAND OR MORE BUT LESS THAN EIGHT THOUSAND MAY OPERATE A MAXIMUM TOTAL OF ONE THOUSAND GAMING DEVICES AND MAY OPERATE GAMING DEVICES AT A MAXIMUM OF TWO GAMING FACILITIES.

(c.) A TRIBE WITH AN OFFICIAL TRIBAL ENROLLMENT RESIDENT IN THIS STATE OF EIGHT THOUSAND OR MORE BUT LESS THAN FIFTY THOUSAND RESIDENT ON TRIBAL LANDS MAY OPERATE A MAXIMUM TOTAL OF ONE THOUSAND FOUR HUNDRED GAMING DEVICES AND MAY OPERATE GAMING DEVICES AT A MAXIMUM OF THREE GAMING FACILITIES.

(d.) A TRIBE WITH AN OFFICIAL TRIBAL ENROLLMENT RESIDENT IN THIS STATE OF FIFTY THOUSAND OR MORE MAY OPERATE A MAXIMUM TOTAL OF TWO THOUSAND FOUR HUNDRED GAMING DEVICES AND MAY OPERATE GAMING DEVICES AT NO MORE THAN THREE GAMING FACILITIES.

(e.) IF AND AS LONG AS THE CONDITIONS OF SUBSECTION I OF THIS SECTION AND PARAGRAPHS 2 AND 10 OF THIS SUBSECTION ARE MET, A TRIBE MAY OPERATE GAMING DEVICES IN EXCESS OF THE TOTAL QUANTITY PRESCRIBED IN SUBDIVISIONS (a) THROUGH (d) OF THIS PARAGRAPH IF THE TRIBE HAS IN EFFECT AN AGREEMENT FOR TRANSFER OF EXCESS CAPACITY FROM ANOTHER TRIBE THAT HAS EXECUTED A COMPACT WITH THIS STATE, BUT UNDER NO CIRCUMSTANCES MAY A TRIBE OPERATE MORE THAN ONE THOUSAND GAMING DEVICES PER GAMING FACILITY OR OPERATE GAMING DEVICES AT MORE FACILITIES THAN ARE AUTHORIZED BY SUBDIVISIONS (a) THROUGH (d) OF THIS PARAGRAPH.

(f.) IF AND AS LONG AS THE CONDITIONS OF SUBSECTION I OF THIS SECTION AND PARAGRAPHS 2 AND 10 OF THIS SUBSECTION ARE MET, A TRIBE THAT IS OPERATING LESS THAN THE MAXIMUM NUMBER OF GAMING DEVICES MAY ENTER INTO AGREEMENTS TO TRANSFER THE EXCESS CAPACITY TO ANOTHER TRIBE IN THIS STATE THAT HAS EXECUTED A COMPACT WITH THIS STATE IN EXCHANGE FOR PAYMENT BY THE TRANSFERRING TRIBE. THE AGREEMENT MAY BE IN EFFECT ONLY AS LONG AS THE COMPACTS WITH THIS STATE OF BOTH THE TRANSFERRING TRIBE AND THE RECEIVING TRIBE ARE IN EFFECT. IF TRIBES ENTER INTO TRANSFER AGREEMENTS, THE RECEIVING TRIBE SHALL PAY THE TRANSFERRING TRIBE MONTHLY NOT LESS THAN ONE-HALF OF THE RECEIVING TRIBE'S AVERAGE MONTHLY GROSS GAMING REVENUE PER GAMING DEVICE FOR ALL GAMING DEVICES IN THE RECEIVING TRIBES GAMING FACILITY MULTIPLIED BY THE NUMBER OF GAMING DEVICES TRANSFERRED BY THE TRANSFERRING TRIBE OR SUCH GREATER AMOUNT AS THE TRANS-

FERRING TRIBE AND THE RECEIVING TRIBE MAY AGREE.

(g.) IF AND AS LONG AS THE CONDITIONS OF SUBSECTION I OF THIS SECTION AND PARAGRAPHS 2 AND 10 OF THIS SUBSECTION ARE MET, BEGINNING ON JULY 1, 2008, AND CONTINUING AT FIVE-YEAR INTERVALS THEREAFTER, THE MAXIMUM NUMBER OF GAMING DEVICES ALLOWED UNDER THIS PARAGRAPH MAY BE AUTOMATICALLY ADJUSTED BY THE PERCENTAGE CHANGE IN THE POPULATION OF THIS STATE COMPARED TO THE POPULATION OF THIS STATE DURING THE FIRST YEAR OF THE PREVIOUS FIVE-YEAR PERIOD AS ESTIMATED BY THE DEPARTMENT OF ECONOMIC SECURITY. THE DEPARTMENT OF GAMING SHALL NOTIFY EACH TRIBE THAT HAS A TRIBAL-STATE COMPACT OF THE AMOUNT OF EACH AUTOMATIC ADJUSTMENT MADE PURSUANT TO THIS PARAGRAPH.

(h.) FOR THE PURPOSE OF DETERMINING THE NUMBER OF GAMING DEVICES ALLOWED IN A GAMING FACILITY, A GAMING DEVICE CAPABLE OF BEING PLAYED BY MORE THAN ONE PERSON AT THE SAME TIME SHALL BE COUNTED AS ONE GAMING DEVICE FOR EACH PERSON WHO CAN PLAY THE GAMING DEVICE AT THE SAME TIME.

2. IN COMPACTS THAT INCLUDE ANY OF THE PROVISIONS PERMITTED BY PARAGRAPHS 1, SUBDIVISIONS (e), (f) OR (g) OR PARAGRAPH 3 OF THIS SUBSECTION, PROVIDE FOR THIS STATE TO RECEIVE EIGHT PER CENT OF EACH TRIBE'S GROSS GAMING REVENUE. FOR THE PURPOSES OF THESE PAYMENTS, ALL CALCULATIONS OF AMOUNTS DUE SHALL BE BASED ON THE MONTHLY ACTIVITY OF THE GAMING FACILITY. THE TRIBE SHALL MAKE MONTHLY PAYMENTS TO THIS STATE PURSUANT TO THESE TERMS NO LATER THAN TWENTY-FIVE DAYS AFTER THE LAST DAY OF EACH CALENDAR MONTH. ANY PAYMENTS DUE AND OWING FROM THE TRIBE IN THE MONTH THE COMPACT IS APPROVED, OR THE FINAL MONTH THE COMPACT IS IN EFFECT, SHALL REFLECT THE GROSS GAMING REVENUE, BUT ONLY FOR THE PORTION OF THE MONTH THAT THE COMPACT IS IN EFFECT. THE TRIBE'S OBLIGATION TO MAKE THE PAYMENTS UNDER THIS PARAGRAPH APPLIES AND CONTINUES AS LONG AS THERE IS A BINDING TRIBAL-STATE COMPACT IN EFFECT BETWEEN THE TRIBE AND THIS STATE AND AS LONG AS THE TRIBE CONTINUES ANY CLASS III OR POKER-STYLE GAMING AFTER THE COMPACT CEASES TO BE IN EFFECT.

3. PERMIT TRIBES TO CONDUCT CLASS III BLACKJACK, CLASS III POKER AND POKER THAT IS SUBJECT TO STATE MONITORING AND OVERSIGHT IF AND AS LONG AS THE CONDITIONS OF SUBSECTION I OF THIS SECTION AND PARAGRAPHS 2 AND 10 OF THIS SUBSECTION ARE MET, THE FOLLOWING LIMITATIONS SHALL APPLY:

(a.) CARD GAMES AUTHORIZED BY THE COMPACT SHALL BE LIMITED TO SEVENTY-FIVE TABLES FOR EACH GAMING FACILITY THAT IS LOCATED WITHIN FORTY MILES OF A MUNICIPALITY WITH A POPULATION OF MORE THAN FOUR HUNDRED THOUSAND PERSONS.

(b.) CARD GAMES AUTHORIZED BY THE COMPACT SHALL BE LIMITED TO FIFTY TABLES FOR EACH GAMING FACILITY AT ALL OTHER LOCATIONS.

(c.) AT THE TIME OF EACH FIVE-YEAR GAMING DEVICE ADJUSTMENT PURSUANT TO PARAGRAPH 1, SUBSECTION (g) OF THIS SUBSECTION, THE GOV-

ERNOR SHALL NEGOTIATE WITHIN SIXTY DAYS AN INCREASE IN THE NUMBER OF TABLES FOR EACH GAMING FACILITY NOT TO EXCEED THE STATEWIDE POPULATION-BASED INCREASE DURING THE SAME ADJUSTMENT PERIOD.

4. NOT RESTRICT OR PREJUDICE THE PRIOR AND CONTINUING RIGHT OF AN INDIAN TRIBE TO APPLY FOR AND RECEIVE PERMITS UNDER THE LAWS OF THIS STATE FOR HORSE, HARNESS OR DOG RACING AT RACETRACK ENCLOSURES ON TRIBAL LANDS, TO CONDUCT PARI-MUTUEL WAGERING IN COMPLIANCE WITH THE PERMITS AND WITH ALL LAWS AND RULES OF THIS STATE AND TO CONTRACT WITH A COMMERCIAL RACING PERMITTEE FOR ADDITIONAL WAGERING FACILITIES ON LANDS OF THE TRIBE IF THE ADDITIONAL WAGERING FACILITIES ARE OPERATED IN ACCORDANCE WITH CHAPTER 1, ARTICLE 1 OF THIS TITLE.

5. PERMIT AN INDIAN TRIBE TO OPERATE RAFFLES ON SUBSTANTIALLY THE SAME TERMS AND SUBJECT TO SUBSTANTIALLY THE SAME LIMITATIONS AS RAFFLES ARE PERMITTED UNDER SECTION 13-3302, SUBSECTION B. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT RAFFLES PERMITTED UNDER THAT SECTION.

6. PROHIBIT INDIAN TRIBES FROM OPERATING A LOTTERY WITH PAPER LOTTERY PRODUCTS THAT COMPETE WITH THE STATE LOTTERY BECAUSE THE STATE LOTTERY REVENUES ALREADY BENEFIT INDIANS, INDIAN TRIBES AND ALL OTHER PERSONS IN THIS STATE.

7. PROHIBIT INTERNET GAMING.

8. REQUIRE THAT ALL GAMING FACILITIES OF AN INDIAN TRIBE THAT BEGIN OPERATION AFTER APRIL 1, 2002 BE LOCATED ON TRIBAL LANDS OF THE TRIBE AND BE LOCATED NOT LESS THAN ONE AND ONE-HALF MILES APART.

9. PROHIBIT THE TRIBE FROM ENGAGING IN ANY ACTIVITIES DESIGNATED AS CLASS III GAMING UNDER THE INDIAN GAMING REGULATORY ACT OF 1988 EXCEPT THE FORMS OF CLASS III GAMING EXPRESSLY PERMITTED BY THIS SECTION.

10. PROHIBIT THE TRIBE FROM ENGAGING IN ANY ACTIVITIES DESIGNATED AS CLASS II GAMING UNDER THE INDIAN GAMING REGULATORY ACT OF 1988 EXCEPT CLASS II GAMES THAT ARE EXPLICITLY AUTHORIZED BY THE LAWS OF THIS STATE FOR ANY PERSON, ORGANIZATION OR ENTITY FOR ANY PURPOSE IF THE COMPACT CONTAINS ANY OF THE TERMS PERMITTED BY SUBDIVISIONS (e), (f) AND (g) OF PARAGRAPH 1 AND PARAGRAPH 3 OF SUBSECTION J OF THIS SECTION.

11. REQUIRE DAILY FINANCIAL REPORTING TO THE DEPARTMENT OF GAMING FOR THE OPERATION OF ALL GAMING FOR EACH GAMING FACILITY AND ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE OPERATION OF ALL GAMING FOR EACH GAMING FACILITY, WHICH SHALL BE AVAILABLE FOR PUBLIC INSPECTION PURSUANT TO TITLE 39, CHAPTER 1, ARTICLE 2.

12. REQUIRE DISCLOSURE OF GROSS GAMING REVENUE FROM ALL TYPES OF GAMING AND CONTRIBUTIONS MADE TO THIS STATE BASED ON GAMING REVENUE THAT AT A MINIMUM IDENTIFIES THE GAMING REVENUE FOR EACH TRIBAL GAMING FACILITY BY GAMING ACTIVITY AND THE ANNUAL TOTAL CONTRIBUTION TO THIS STATE BY EACH TRIBAL GAMING FACILITY.

13. PROVIDE THAT THE COMPACT DOES NOT AMEND, ABROGATE OR RESTRICT THE LAWS OF THIS STATE.

14. REQUIRE THIS STATE AND THE TRIBE ENTERING INTO THE TRIBAL-STATE COMPACT TO CONSENT THAT ACTIONS AGAINST EACH OTHER FOR ENFORCEMENT OF THE COMPACT FOR MATERIAL BREACH OF THE COMPACT MAY BE HEARD IN THE COURTS OF THE UNITED STATES OR, IF THE COURTS OF THE UNITED STATES LACK JURISDICTION, IN THE COURTS OF THIS STATE.

15. REQUIRE TRIBES TO MAINTAIN LIABILITY INSURANCE COVERAGE WITH MINIMUM POLICY LIMITS OF FIVE MILLION DOLLARS PER OCCURRENCE FOR THE PROTECTION OF PATRONS WHO MAY BE HARMED OR INJURED IN CONNECTION WITH THE TRIBE'S ACTIVITIES RELATING TO THE OPERATION OF GAMING DEVICES AND GAMING FACILITIES AND TO PERMIT RECOURSE FOR SUCH INJURIES IN THE COURTS OF THIS STATE.

16. ESTABLISH PROCEDURES FOR TRIBAL JUDICIAL REVIEW OF DISPUTES REGARDING THE NONPAYMENT OF ALLEGED WINNINGS TO PATRONS.

17. REQUIRE COMPLIANCE WITH UNITED STATES PUBLIC HEALTH SERVICE REQUIREMENTS REGARDING FOOD AND BEVERAGE HANDLING.

18. REQUIRE INDIAN TRIBES TO COMPLY WITH BUILDING CODE AND FIRE SAFETY STANDARDS IN THE CONSTRUCTION OF NEW GAMING FACILITIES AND SIGNIFICANT MODIFICATIONS TO EXISTING GAMING FACILITIES.

19. REQUIRE THAT ADEQUATE POLICE, FIRE AND EMERGENCY MEDICAL SERVICES BE AVAILABLE TO SERVE EACH GAMING FACILITY.

20. REQUIRE INDIAN TRIBES TO NOTIFY SURROUNDING COMMUNITIES REGARDING NEW OR SUBSTANTIAL MODIFICATIONS TO GAMING FACILITIES AND TO DEVELOP PROCEDURES FOR CONSULTATION WITH SURROUNDING COMMUNITIES.

21. ESTABLISH STANDARDS FOR BACKGROUND INVESTIGATIONS, LICENSING AND CERTIFICATION OF GAMING EMPLOYEES BY THE INDIAN TRIBES AND THE DEPARTMENT OF GAMING.

22. ESTABLISH STANDARDS FOR BACKGROUND INVESTIGATIONS, LICENSING AND CERTIFICATION BY THE INDIAN TRIBES AND THE DEPARTMENT OF GAMING OF PERSONS OR ENTITIES THAT PROVIDE GAMING GOODS OR SERVICES ON A SIGNIFICANT BASIS.

23. REQUIRE MINIMUM INTERNAL CONTROL STANDARDS AND OPERATING PROCEDURES FOR GAMING AND AUTHORIZE AUDITS, INSPECTION AND ENFORCEMENT BY THE DEPARTMENT OF GAMING.

24. REQUIRE THE INDIAN TRIBE TO SUBMIT TO THE DEPARTMENT OF GAMING EITHER AN ANNUAL STATEMENT OF COMPLIANCE WITH THE INDIAN GAMING REGULATORY ACT REGARDING THE USE OF NET GAMING REVENUES OR A COPY OF THE INDIAN TRIBE'S CURRENT TRIBAL ORDINANCE REQUIRING THAT NET GAMING REVENUES BE USED ACCORDING TO THE INDIAN GAMING REGULATORY ACT.

25. Establish guidelines on automated teller machine use and on the use of credit cards or other forms of credit in gaming facilities.

26. Require the Indian tribe to post at all public entrances and exits to the gaming facilities signs that state that help is available if a person has a problem with gambling and the statewide toll free crisis hotline telephone number, established by the Arizona state lottery commission.

27. Prohibit gaming facility advertising and marketing that specifically appeal to minors. The provisions shall include guidelines for determining acceptable advertising and marketing.

4 28. Establish guidelines for the effective treatment and prevention of problem and pathological gambling.

5 29. Establish guidelines for voluntary ban procedures from all gaming facilities in the state, including but not limited to prohibiting the use of check cashing services, automatic teller machines, credit cards or other forms of credit offered at a gaming facility. A third person may not request a ban on behalf of another person.

30. REQUIRE WAGER LIMITS FOR ALL BLACKJACK GAMES, POKER GAMES AND CLASS III GAMING DEVICES AND PROVIDE FOR PERIODIC ADJUSTMENTS TO ACCOUNT FOR INFLATION.

31. PROVIDE FOR THE PHASE-IN OF A COMPUTERIZED JOINT MONITORING SYSTEM FOR CLASS III GAMING DEVICES IN ORDER TO PROVIDE AN EFFICIENT AND EFFECTIVE MEANS OF REGULATING CLASS III GAMING DEVICES AND TRACKING REVENUE FROM CLASS III GAMING DEVICES.

32. ESTABLISH TECHNICAL SPECIFICATIONS, TESTING PROCEDURES AND INSPECTION PROCEDURES FOR GAMING DEVICES.

33. ESTABLISH SURVEILLANCE REQUIREMENTS.

34. PERMIT ADDITIONAL REGULATION BY THE TRIBE THAT IS MORE STRINGENT THAN AND NOT IN CONFLICT WITH THE TERMS OF THIS SECTION OR THE TERMS OF THE COMPACT.

35. INCLUDE OTHER TERMS TO PROVIDE FOR EFFECTIVE REGULATION OF GAMING PERMITTED BY THIS SECTION AND BY THE COMPACT, PREVENTION OF CRIME, PROTECTION OF CONSUMERS AND ALL PERSONS IN CONNECTION WITH TRIBAL GAMING AND EFFECTUATION OF THE TERMS OF THIS SECTION AND THE TERMS OF THE COMPACT.

K. IN CARRYING OUT ITS DUTIES PRESCRIBED IN THE TRIBAL-STATE COMPACTS AND THIS CHAPTER, THE DEPARTMENT OF GAMING SHALL PROMOTE THE PUBLIC HEALTH, WELFARE AND SAFETY IN CONNECTION WITH INDIAN GAMING AND PREVENT CORRUPT INFLUENCES FROM INFILTRATING INDIAN GAMING. THE DEPARTMENT MAY ADOPT RULES TO CARRY OUT THE PURPOSES OF THIS CHAPTER. THE RULES SHALL BE CONSISTENT WITH THE PROVISIONS CONTAINED IN THE TRIBAL-STATE COMPACTS.

L. A TRIBAL-STATE GAMING COMPACT REVENUE SHARING FUND IS ESTABLISHED CONSISTING OF MONIES RECEIVED BY THIS STATE FROM ANY TRIBAL-STATE GAMING COMPACT REVENUE SHARING AGREEMENT PURSUANT TO SUBSECTION I AND SUBSECTION J OF THIS SECTION. THE STATE TREASURER SHALL ADMINISTER THE FUND. THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH, THE STATE TREASURER SHALL DEPOSIT IN THE STATE GENERAL FUND THE MONIES IN THE TRIBAL-STATE GAMING COMPACT REVENUE SHARING FUND FROM THE PREVIOUS MONTH.

M. NOTHING IN THE AMENDMENTS TO THIS SECTION AUTHORIZES, RATIFIES OR VALIDATES ANY TRIBAL-STATE COMPACT MADE OR PURPORTEDLY MADE BEFORE APRIL 1, 2002.

N. ALL FORMS OF GAMING DESIGNATED AS CLASS II OR CLASS III GAMING UNDER THE INDIAN GAMING REGULATORY ACT OF 1988 THAT ARE NOT EXPRESSLY PERMITTED BY THE LAWS OF THIS STATE ON NOVEMBER 1, 2002 ARE PROHIBITED TO ALL PERSONS, ORGANIZATIONS, AND ENTITIES. EXCEPTIONS TO THIS PROHIBITION MAY BE ENACTED ONLY BY LAWS ENACTED BY A VOTE OF THE PEOPLE BY INITIATIVE OR BY REFERENDUM IN ACCORD WITH THE VOTER

PROTECTION ACT, ARIZONA CONSTITUTION, ARTICLE 4, PART 1, SECTION 1, PARAGRAPH 6.

O. FOR THE PURPOSES OF THIS SECTION:

1. "GAMING DEVICE" MEANS A MECHANICAL DEVICE, AN ELECTROMECHANICAL DEVICE OR A DEVICE CONTROLLED BY AN ELECTRONIC MICROPROCESSOR OR ANOTHER MANNER, WHETHER THAT DEVICE CONSTITUTES CLASS II GAMING OR CLASS III GAMING, THAT ALLOWS A SINGLE PLAYER TO PLAY GAMES OF CHANCE, WHETHER OR NOT THE OUTCOME ALSO IS AFFECTED IN SOME PART BY SKILL, AND WHETHER THE DEVICE ACCEPTS COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, PULL TABS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF CONSIDERATION AND, THROUGH THE APPLICATION OF CHANCE, ALLOWS A PLAYER TO BECOME ENTITLED TO A PRIZE, WHICH MAY BE COLLECTED THROUGH THE DISPENSING OF COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF VALUE. GAMING DEVICE DOES NOT INCLUDE ANY OF THE FOLLOWING:

(a.) THOSE TECHNOLOGICAL AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS ELECTRONIC SUBSTITUTES FOR BINGO CARDS.

(b.) DEVICES THAT ISSUE AND VALIDATE PAPER LOTTERY PRODUCTS AND THAT ARE DIRECTLY OPERATED ONLY BY ARIZONA STATE LOTTERY LICENSED RETAILERS AND THEIR EMPLOYEES.

(c.) DEVICES THAT ARE OPERATED DIRECTLY BY A LOTTERY PLAYER AND THAT DISPENSE PAPER LOTTERY TICKETS, IF THE DEVICES DO NOT IDENTIFY WINNING OR LOSING LOTTERY TICKETS, DISPLAY LOTTERY WINNINGS OR DISBURSE LOTTERY WINNINGS.

(d.) DEVICES THAT ARE OPERATED DIRECTLY BY A LOTTERY PLAYER AND THAT VALIDATE PAPER LOTTERY TICKETS FOR A GAME THAT DOES NOT HAVE A PREDETERMINED NUMBER OF WINNING TICKETS, IF:

(i.) THE DEVICES DO NOT ALLOW INTERACTIVE GAMING.

(ii.) THE DEVICES DO NOT ALLOW A LOTTERY PLAYER TO PLAY THE LOTTERY FOR IMMEDIATE PAYMENT OR REWARD.

(iii.) THE DEVICES DO NOT DISBURSE LOTTERY WINNINGS.

(iv.) THE DEVICES ARE NOT VIDEO LOTTERY TERMINALS.

(e.) PLAYER ACTIVATED LOTTERY TERMINALS.

2. "GAMING FACILITY" MEANS THE BUILDINGS OR STRUCTURES WHERE GAMING IS CONDUCTED BY AN INDIAN TRIBE ON INDIAN LANDS.

3. "GROSS GAMING REVENUE" MEANS NET WIN, WHICH IS THE DIFFERENCE BETWEEN GAMING WINS AND LOSSES, BEFORE DEDUCTING COSTS AND EXPENSES.

Section 10. Repeal

Section 5-601.01, Arizona Revised Statutes is repealed.

Section 11. Racing commission; department of racing; use of monies

The sum of \$10,000,000 is appropriated for fiscal year 2002-2003 to the racing commission and the department of racing from the state general fund to pay for the administrative costs and expenses of the commission and the department as prescribed in this act.

Section 12. Blending authority

Pursuant to section 41-1304.03, Arizona Revised Statutes, the director of the Arizona legislative council may combine changes made to the Arizona Revised Statutes by this act with other non-conflicting changes to those statutes by other 2002 enactments.

Section 13. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Section 14. Conflict with other laws

A. If any part of this act conflicts with any law of this state in effect as of November 1, 2002, the provisions of this act shall prevail in all particulars as to which there is a conflict.

B. The provisions of this act are intended to conflict with any referendum or initiative relating to Indian gaming on the November 5, 2002, general election ballot, and the provisions of this act shall prevail in all particulars as to which there is a conflict.

Section 15. Sunset provisions; continuation

The people of the state of Arizona authorize the Legislature to determine whether or not to continue the Arizona Racing Commission and the Arizona Department of Racing and the provisions of Title 5, Chapter 1, as provided in Section 41-3008.13 beyond January 1, 2008 by enacting a measure as provided by Title 41, Chapter 27 without referring the matter to the voters for approval.

ANALYSIS BY LEGISLATIVE COUNCIL

Proposition 201 allows racetracks conducting live horse and dog racing to operate slot machines and authorizes the Governor to enter into tribal gaming compacts allowing Indian tribes to operate slot machines and card and table games on tribal land. Racetracks would pay 40% of their "gross gaming revenue" (defined as the difference between gaming wins and losses, before deducting costs and expenses) from the operation of slot machines to the state to fund racing and agricultural programs, reading programs for kindergarten through third grade students, programs to provide medical assistance in rural areas and reduce the cost of prescription drugs for Medicare recipients, scholarships, statewide tourism, programs for problem gambling, local government programs to provide enhanced police, fire and emergency services, and to the state fund used for the general operation of state government. Tribes that compact to conduct house-banked blackjack or house-banked poker, or that elect to transfer unused slot machines would contribute 8% of their "gross gaming revenue" to the state fund used for the general operation of state government.

Arizona has entered into gaming compacts with 17 of the state's 21 Indian tribes. These compacts permit the tribes to operate specific gaming activities, including slot machines, that are, according to a federal court decision on appeal, illegal off of Indian reservations. These compacts begin to expire in the summer of 2003.

State law currently allows wagering on horse and dog racing at facilities that have state permits. State law does not presently allow horse and dog tracks to offer slot machines.

Proposition 201 allows the operation of slot machines at racetracks and authorizes the Governor to enter into new gaming compacts with Indian tribes as follows:

Term

Racetracks – Each racetrack permittee must have a license to conduct live horse or dog racing before they may operate slot machines. The license is subject to renewal every 3 years and is revocable at anytime for cause. In addition, continued operation of slot machines will be subject to legislative review of the Arizona Department of Racing and the Arizona Racing Commission. State agencies undergo a complete review every 10 years and are subject to legislative oversight between reviews.

Gaming compacts - 10 years.

Facilities

Racetracks - Up to 10 racetracks statewide and up to 2 racetracks in a single county could operate slot machines.

Gaming compacts - Each tribe may operate 1 to 3 gaming facilities, depending on tribal enrollment.

Games

Racetracks - A maximum of 6450 slot machines at racetracks statewide would be allowed. The maximum number of slot machines at a single track would range from 550 to 950, depending on how many live races the track offers. This amount will increase every 5 years based on changes in the state's population.

Gaming compacts - Tribes may offer slot machines, blackjack, poker, wagering on horse and dog races, raffles and bingo. Each tribe may operate 600 to 2400 slot machines, depending on tribal enrollment. A maximum of 1000 slot machines is allowed at a single facility. A tribe that elects expansion of terms found in existing compacts may offer blackjack and poker at 50 to 75 tables per facility, depending on how close the facility is to a heavily populated city. Additionally, if the tribe elects expansion of terms found in existing compacts, the tribe may contract with another tribe to operate that tribe's slot machines and pay not less than 50% of the net win to the other tribe. The number of slot machines allowed adjusts every 5 years based on changes in the state's population. The Governor and each tribe may renegotiate the number of gaming tables allowed at that time.

Transfer provisions

Racetracks - There are no provisions for racetracks to transfer their slot machine allotments to other tracks.

Gaming compacts - Tribes may transfer a portion or all of their slot machine allotments to other tribes; a transferring tribe will receive not less than 50% of the net win from the transferred slot machines.

Revenue

Racetracks - Tracks must pay 40% of their gross gaming revenue from the operation of slot machines to the state. Monies would be distributed to numerous racing and agricultural programs, to reading programs for kindergarten through third grade students, to provide medical assistance in rural areas and reduce the cost of prescription drugs for Medicare recipients, to provide scholarships, to promote statewide tourism, to combat problem gambling, to cities to provide enhanced police, fire and emergency services and to the state general fund.

Gaming compacts - Tribes electing expansion of terms found in existing compacts must contribute 8% of their gross gaming revenue to the state in return for the exclusive right to operate house-banked card games such as blackjack and house-banked poker games and to operate transferred slot machines from other tribes up to the limit of 1000 slot machines per casino. Monies go to the state general fund. Pursuant to current law, tribes will continue to pay their share of regulatory costs incurred by the state.

Disclosure

Racetracks - Tracks must disclose gross gaming revenue from each racetrack and each gaming activity. This information is open for

public inspection at the Arizona Department of Racing.

Gaming compacts - Each tribe must disclose to the Arizona Department of Gaming its gross gaming revenue for each facility and each gaming activity and its contributions to the state. This information is open for public inspection.

Regulation

Racetracks - The Arizona Racing Commission must adopt rules setting forth standards for inspecting slot machines and monitoring their use, surveillance, record keeping and reporting requirements and standards for background investigations and licensure of employees. The racetracks would continue to be subject to annual audits.

Gaming compacts - Compacts must establish standards for investigation, licensing and certification of gaming employees and persons who provide gaming goods or services by tribes and the state, must require minimum standards and operating procedures for gaming, must authorize audits and inspections of gaming facilities by the Arizona Department of Gaming and enforcement by the Department of compact terms, must establish technical specifications and testing and inspection procedures for slot machines and must establish surveillance requirements.

Results of Statewide Expansion of Gambling - Any changes to state law to allow expansion of gambling must be enacted by the voters.

Fiscal Impact Summary

Proposition 201 allows an increase in the number of slot machines at Indian casinos and permits horse and dog racetracks to operate slot machines. Racetracks that choose to participate would share 40% of their gaming revenues with the state and tribes that choose to participate in revenue sharing would provide 8% of their gaming revenues to the state. Several issues could affect the actual level of revenues generated by this proposition. It is difficult to predict in advance how these issues will affect the earnings per machine and the level of participation. The following fiscal estimates, therefore, represent potential maximum impacts, rather than a specific prediction of the ultimate outcome.

This proposition could possibly generate state government revenues of up to \$137 million from the Indian tribes. The proposition could possibly generate state and local government revenues of up to \$195 million from the racetracks. At this potential level of revenue from the tribes and the racetracks, up to \$178 million would be deposited in the state's General Fund for any use and up to \$154 million would be earmarked for specific purposes. The proposition could also possibly generate up to an additional \$5.3 million in revenue to pay for state Indian gaming enforcement costs. The proposition also provides \$10 million from the state's General Fund for state racetrack gaming enforcement costs.

ARGUMENTS "FOR" PROPOSITION 201

Dear Arizona Voter,

The Coalition for Arizona consists of thousands of citizens concerned about the future of gaming in Arizona.

Proposition 201 limits gaming to the Indian reservations, and to no more than 10 horse and greyhound racetracks where gaming has existed for the past sixty years. The Fair Gaming Act ensures that all gaming is regulated in a manner consistent with the highest law enforcement standards in the country.

The Fair Gaming Act is the only gaming initiative that requires all casinos to publicly disclose their gross gaming revenues. Disclosure is essential for open and honest gaming. Disclosure is the only way to guarantee that the State and other beneficiaries will receive the benefits promised.

Proposition 201:

- Protects and expands Indian gaming in Arizona.
- Requires full public disclosure of gaming revenues.
- Grants racetracks that hold live races a limited number of gaming devices with 40% of their gross revenues paying for:
 - State deficit reduction
 - Kindergarten through third grade reading programs
 - College scholarships
 - Prescription drug benefits for seniors
 - Rural healthcare
 - Police and fire protection
 - Tourism promotion
 (www.coalitionforarizona.com for more information)

- Provides the State with a share of 8% of gross revenues from Native American casinos.

- Ensures that rural Tribes receive a fair share of gaming revenues.

The State estimates that Proposition 201 will generate almost \$300 million dollars per year for public purposes. That is nearly \$200 million dollars more than any other proposed gaming initiative. This additional money will help all Arizonans and ease State budget woes.

Proposition 201 treats everyone fairly, requires public disclosure, requires sophisticated regulation, and generates almost \$300 million dollars for the state.

Please vote YES on Proposition 201, the Fair Gaming Act.

Dale V. Ray, Chairman, Coalition for Arizona, Phoenix

Paid for by "Coalition for Arizona"

Dear Arizona Voters,

I am a police officer and I support Proposition 201 because it promotes improved police protection and requires financial disclosure.

Proposition 201 continues Indian Gaming while giving a limited amount of gaming devices to some racetrack enclosures. These racing enclosures will be required to give 40% of their gross gaming revenues back to the state. This revenue source will generate an additional \$200 million dollars for the state. Out of this revenue the state will be able to pay for important projects like: K-3 reading programs, colleges scholarships, and increased police protection. A yes for 201 is a yes for public safety.

Another important aspect of Proposition 201 is that it requires disclosure. I believe that all gaming facilities should disclose their revenues and expenses. Open and disclosed gaming is the only way to ensure that gaming facilities are operated effectively without fraud or corruption. A yes for 201 is a yes for regulation and disclosure.

I support Proposition 201, the Fair Gaming Act. Proposition 201 is the key to a safer Arizona through increased police funding and disclosure.

Please Vote YES on Prop 201.

Mitch Beatty, Tucson

Dear Arizona,

I am a Firefighter and I support Proposition 201, the Fair Gaming Act.

Proposition 201 improves gaming regulation, promotes disclosure, and generates nearly \$300 million dollars for the state of Arizona.

Proposition 201 will give the state nearly \$200 million dollars more in revenue than any other gaming initiative just by allowing fewer than 10 racing facilities across the state to have a limited number of gaming devices.

This additional money can be used to help fund important programs K-3 reading, college scholarships, and improved fire protection. The Fair Gaming Act promotes education while strengthening our abilities to fight fires across the state. Proposition 201 will help protect Arizona and educate our children.

Please join me in voting YES on 201, the Fair Gaming Act.

Luis Anderson, Chief, Fire Department South Tucson, Tucson

Dear Arizona Voter,

I know that many people have been lead to believe that the Indian tribes were already required to give money to the state. I am here to tell you that is not the case. Although the Indians have to pay the government for casino regulation, the tribes are not currently required to direct any other money to the state.

Although no one knows for sure how much the casinos actually make, we are fully aware that Indian gaming in Arizona is a multimillion-dollar industry. We are also aware that the state does not see any money beyond the reimbursement of regulation costs.

We finally have a chance to solve this problem. In fact, there is a solution that will guarantee that the state gets its fair share of the money it deserves. In addition, this solution includes disclosure so we can make sure that we all know how much money is involved in gaming in Arizona..

The solution: the Fair Gaming Act. The Fair Gaming Act continues Indian Gaming while requiring the casinos to pay 8% of their gross gaming revenues to the state. It also requires gaming machines at live racing tracks to pay 40% of their gross gaming revenues. Using these combined revenues, the Fair Gaming Act will bring \$200 million dollars to the state. This money will be used for programs across the state including rural areas to guarantee that everyone benefits.

It is about time that the rural areas of Arizona to get their fair share. The Fair Gaming Act is better for everyone.

Vote YES on the Fair Gaming Act.

Dixie L. Zumwalt, Greenlee County Supervisor, Duncan

Dear voters,

I am writing in support of Proposition 201, the Fair Gaming Act. I have educated children in this State for a long time. My understanding of a child's success has not come without an understanding of the necessary funding to create programs.

The Fair Gaming Act will help direct forty percent of gross revenues, received by a limited number of non-tribal gaming operators, to the general fund. This fund will help Arizona education, medicine, and tourism to succeed.

Proposition 201, the Fair Gaming provides money for a long list of state programs including college scholarships and k-3 Reading Education. Let's watch our youth's knowledge flourish. Join me in voting yes on Proposition 201.

Cecil L. Bullock, Teacher/Coach/Counselor, Tucson

Dear Arizona Voter,

I believe all senior citizens should support the Proposition 201, the Fair Gaming Act. This measure generates the most money for the state. It will provide nearly \$300 million a year to programs that do everything from reducing the State's deficit to providing much-needed prescription drug benefits for seniors.

Senior and rural healthcare need measurable improvements. I believe that the necessary contributions will come from Proposition 201.

Seniors deserve prescription drug relief. Please vote yes for on Proposition 201, the Fair Gaming Act

Jim Wall, Tucson

Dear Arizona Voter:

I have been involved with agriculture and operated farming business most of my life. After reviewing the qualifications of each bill, I believe that only one offers a fair and legal answer to the State's gaming concerns while addressing the needs of the rural community.

I think if you compare the amounts allocated to the state by the different initiatives, you will see that the state gets the best deal from Proposition 201 the Fair Gaming Act.

Under the proposed Colorado River Indian Tribe initiative, the state will get three percent of net gaming profits.

Under the 17 Tribe/Governor Hull initiative, the state will get a sliding scale of 1 to 8% of gross gaming revenues depending on the amount of money that the casinos make. However, without disclosure, we cannot guarantee that the state will get the right amount of income.

Under the Fair Gaming Act, eight percent of the Indian Tribes gross revenues will be shared with the State. In addition, the state will get and added 40% of all gaming machine revenues generated by a minimum number of machines at racetrack enclosures. The Fair Gaming Act also requires disclosure that will guarantee that the state gets its true share of the income.

Continuing Indian gaming in Arizona is important, however the incorporation of a beneficial State plan is essential. I support Proposition 201 and the prosperity that accompanies it.

Cory Kellogg, Glendale

Dear Arizona Voter:

Do you want to stop to unfair business practices and monopolistic competitive advantages in this State? I certainly do, and with the help of Proposition 201, Arizona's gaming industry will be legal and fair once again.

I believe the State needs public disclosure of gaming revenues. Every other business in the state is required to disclose its revenue to the state. Knowing the revenue numbers is the only way to make sure that the state gets the correct amount of tax revenue.

I believe that all traditional gaming locations should have at least access to the same type of gaming devices. I believe that it is unfair and monopolistic to not allow non-tribal gaming facilities to have at least some gaming devices. Why should one group arbitrarily have an advantage over another?

I also believe in the need for increased government regulation and equal treatment within the gaming industry. Only the Fair Gaming Act will ensure a legal change in the gaming industry.

Vote yes on Proposition 201 and support the fair and legal gaming solution.

Linda Parker, Phoenix

Dear Voter,

I urge all Arizonans to support Proposition 201, Fair Gaming Act, because it is the best gaming solution on the ballot, it is good for Yuma, and it is good for all of Arizona.

I am the President of Yuma Greyhound Park. Yuma Greyhound Park's racing tradition dates back to the 1960s. From the 1960's through the early 1990's Yuma Greyhound Park was a popular entertainment spot for Yuma residents and tourists, and was a strong economic engine in our community.

Unfortunately, our live racing operation closed down about ten years ago due to competition from the local casinos. Currently, we offer televised off-track wagering and we operate a swap meet on our grounds. However, we have always wanted to resume live greyhound racing in Yuma.

I support Proposition 201 because it will allow live racing to return to Yuma. When live greyhound racing resumes in Yuma, it will revive the entertainment attraction, create a multi-million dollar economic impact in the local economy and bring over 300 new jobs to the Yuma area.

In addition to adding local jobs in Yuma, Proposition 201 will save over 6000 racing related jobs across the state. Proposition 201 will also generate nearly \$300 million dollars in new gaming tax revenues for the state of Arizona.

The \$300 million dollars generated by Proposition 201 is nearly \$200 million more than any of the other gaming initiatives on the ballot. This new source of funding will help reduce the state's budget woes and fund quality programs like K-3 reading education, college scholarships, senior prescription benefits, and rural healthcare.

- Proposition 201 is the best gaming solution on the ballot
- Proposition 201 will benefit Yuma.
- Proposition 201 will benefit all of Arizona.

Vote YES ON 201.

Bill Gresser, Jr., Yuma Greyhound Park, Yuma

Dear Arizona Voter:

The Arizona Horsemen's Benevolent & Protective Association looks out for the rights of horsemen across the state. We have a long tradition of racing in Arizona that we fully intend to continue. In fact, Arizona's rich 60-year gaming history began with horse racing. However, in recent years, racing in Arizona finds it harder and harder to compete with the ever-expanding casinos.

We support the Fair Gaming Act gaming act because it gives the racing industry the ability to compete while continuing gaming on the Indian reservations. We think that gaming has been very good for the tribes and we are not looking to put tribal gaming out of business. Moreover, we support a competitive environment where the daily racing facilities are allowed a limited number of machines that give 40% of their gross gaming revenues to the state.

This additional revenue will be as much as \$200 million dollars that can be used to help the state budget. These funds are earmarked for K-3 reading programs, rural health care, prescription drug plans for seniors, scholarships and police and fire protection among other things.

The Fair Gaming Act is fair for everyone. It still gives the tribes advantages through greater allocations, more facilities, expanded gaming tables, and less revenue given to the state. It gives a limited number of gaming devices to racetrack enclosures that look to revitalize the racing industry and save over 6000 jobs. Most importantly, the Fair Gaming Act only allows gaming to continue where it already exists.

Please join us in supporting the Fair Gaming Act.

Kevin Eikleberry, President, Arizona Horsemen's Benevolent & Protective Association, Phoenix

Dear Arizona Voter,

I feel compelled to write this letter and set the record straight. There are some people out there trying to spread lies about the Fair Gaming Act. I have closely studied the law and I can tell you the truth.

- The Fair Gaming Act continues Indian Gaming in Arizona. Not only that but it gives the rural tribes a fair deal by setting a minimum for machine transfer fees.
- The Fair Gaming Act requires all gaming facilities to open their books and disclose to the state. Improved disclosure and regulation will help the gaming industry in Arizona
- The Fair Gaming Act gives more money to Arizona. The 40% of gross gaming revenues combined with the tribal 8% will amount to more than \$200 million dollars for the state.
- The Fair Gaming Act only allows machines at no more than ten non-tribal facilities that already have gaming. It does not put a slot machine on every street corner.

I suggest that everyone takes the time to read over all of the proposed initiatives before going to the ballot. It is the only way to know the truth. The laws printed in black and white.

I think you will see that Prop 201, the Fair Gaming Act is the best law for Arizona.

Rodger L. Martens, Retired Police Officer NY-FL, Apache Junction

Dear Arizona Voter,

I want to save Arizona's economy! I am concerned that uninformed voters will overlook the Indian gaming issues. I am concerned that they will get bogged down by all of the rhetoric and decide not to vote at all. I am concerned that they will miss an excellent chance to save Arizona's economy.

The gaming issue means more to the State than continuation Indian gaming, or the addition of gaming devices to a few racetracks across the state, or the disclosure of revenues attained by Indian Tribes.

The gaming issue really deals with the future of 6,000 racetrack industry jobs and the preservation of the numerous industries that support the racing industry. Only one proposal will fight to preserve the people involved in these industries. The State should not determine the success of one industry at the expense of another. Vote yes on Proposition 201 and save jobs; save the economy.

Edward Braunger, G.M. Apache Greyhound Park, Apache Junction

Dear Voters,

I would like to express my dissatisfaction with the Tribal gaming initiatives. Here are three reasons why the Tribes fail and do not get my vote.

- Tribes have no regulation with regards to gaming revenue.
- Residents that contribute to this business have not seen any public disclosure of gaming revenues.
- Growing concern for legitimacy and fairness.

I believe there is one position that will offer a solution to my discontent. Proposition 201 will improve public disclosure of gaming revenues and increase government regulation of gaming, and treats everyone equally.

I am going to vote for Proposition 201 because it is a fair solution to the gaming question.

Linda Parker, Phoenix

The Arizona Thoroughbred Breeders Association, Inc. was organized in 1967 as a non-profit, Arizona Corporation dedicated to the betterment of the Thoroughbred industry in the State of Arizona. Since 1967, the Arizona Thoroughbred Breeders Association has had an influence on almost all aspects of racing laws and regulations that benefit horsemen running in the State of Arizona. We are always looking out for the best interests of horsemen and everyone else in the state. We support the Fair GAMing Act because it has the most to offer for Arizona.

First, the Fair Gaming Act continues Indian gaming in Arizona. Not only does it continue Indian gaming, but it also treats the rural tribes fairly and gives more benefits to the state.

The Fair Gaming Act is the only gaming initiative that includes full disclosure of gaming revenues. Disclosure is important to make sure that the State gets the percentage that it was promised. Disclosure also will let citizens of Arizona know how much Arizona Indian gaming money is being sent to the Las Vegas Corporations that manage the casinos. Disclosure is an essential part of making sure that the gaming industry is regulated effectively.

The Fair Gaming Act is the only initiative that gives over \$200 million dollars to the state. By allowing racing enclosures to operate a limited number of gaming machines, the state will generate much needed revenue and save over 6000 jobs. Locating gaming machines at some racetracks, will allow the racing industry which has been in Arizona since the 1940's to compete with the tribal casino monopoly.

The Arizona Thoroughbred Breeders Association encourages everyone to vote Yes on the Fair Gaming Act. It gives the most money to the state and helps protect Arizona's 60 years of racing tradition.

Vote YES on the Fair Gaming Act.

Frank W. Covello, President, Arizona Thoroughbred Breeders Association, Phoenix

I support the Fair Gaming Act because it ensures a positive change in gaming operations within the State of Arizona. Under Proposition 201, Indian gaming is continued in Arizona while allowing racetrack enclosures a small number of gaming devices.

The racetracks get a fair deal and gives 40% of gross revenue will be directed toward a general fund. Currently, six states allow casino-style gambling at racetracks. Each State has experienced financial prosperity with revenues generating more than \$2.1 billion last year.

The American Gaming Association reported that \$578 million went to host states. These figures alone are reason to support this ballot proposal. Financial prosperity is a positive reinforcement to change Arizona's gaming industry.

The Fair Gaming Act provides the most money to the state. It succeeds where the other gaming initiatives fail. In addition, it generates over \$300 million dollars to the state without any expense to the taxpayer. These new sources of funding will help transport the state to financial prosperity.

Vote yes on Proposition 201.

William S. Champlin, Chandler

I am the past president of both the Arizona Horsemen's Benevolence Association and the Arizona Thoroughbred Breeders Association. I have been involved in the horse industry for a long time. I support the Fair Gaming Act because it helps the entire state of Arizona. This act provides money that will be used for things like debt reduction, kindergarten through third grade reading programs, scholarships, prescription drug benefits, and tourism promotion. It also helps to keep horse owners and horse breeders in Arizona. When you compare this to the other initiatives that are being considered, you will find that the Fair Gaming Act brings the most benefits to the largest group of people.

Ray Odom, Former President, Arizona Horsemen's Benevolence Association, Former President, Arizona Thoroughbred Breeders Association, Sun City

Horse racing depends on the confidence the public has in the integrity of the industry. Horse racing is funded via legal wagering. State racing commissions are authorized by statute to enforce the rules of racing. Racing is a highly regulated industry.

Casino gaming on tracks will follow these already established policies of extreme scrutiny. Full disclosure and regulatory standards are daily methods of business on present day tracks.

I support proposition 201 because it provides equitable competition for race tracks and Indian Casinos, greatly increases tax revenues and economic benefits for the state of Arizona, requires full financial disclosure and presents a win-win solution for all parties involved.

Tom W. Bartol, Race horse owner and trainer, Avondale

Dear Arizona Voters,

You can help all of the citizens of Arizona by voting yes for the Fair Gaming Act, proposition 201. Our system works beautifully. It is based on the principles of competition and economic opportunity for all Americans. A "yes" vote for proposition 201 says that you believe in the principles of fairness and free enterprise.

It only makes sense to support this proposal because everybody wins. The current casino operators receive exactly what they are asking for in their own initiative. The racetracks, which have been established, regulated, gaming venues in this state for over 60 years will see a tremendous revival and the citizens of the state will benefit from a projected \$300-\$330 million dollar annual windfall. The money benefits education, senior citizens, police and fire departments and will provide desperately needed funding for countless government services and programs.

Cast the vote that makes sense for all the citizens of this state. With the passing of Proposition 201, everyone winds up being a winner!!

W. Kip Keefer, Tucson

The mission of the Arizona Quarter Racing Association is to represent the best interests of racing quarter horse owners, breeders, stallion owners, and trainers participating in the state of Arizona. Not only do we serve the best interests of our membership, but we also look out for the best interests of the state. That is why the AQRA supports the Fair Gaming Act.

The Fair Gaming Act is a well-constructed initiative that benefits everyone in Arizona. It continues Indian gaming, while giving the racing industry a chance to survive in Arizona's competitive gaming environment. This is not an expansion of gaming, but rather, a way to limit gaming to venues where it already occurs. It also ensures that the rural Indian Tribes receive a fair share of the gaming revenues.

The Fair Gaming Act provides the citizens of the state with many benefits. The state will gain over \$200 million dollars that will be used for programs like K-3rd grade reading programs, college scholarships, prescription drug benefits for seniors, rural healthcare, police and fire protection, tourism promotion, and debt reduction. Those are the kind of programs that benefit everyone in Arizona.

The racing industry has almost a 60-year tradition of operating regulated gaming in Arizona. The Arizona Quarter Racing Association is only one of many groups that makes its livelihood from racing.

There are over 6000 jobs at stake. We encourage everyone to support the Fair Gaming Act because it will save racing in Arizona and guarantee that Arizona prospers.

J Lloyd Yother, President, Arizona Quarter Racing Association, Carefree

Dear Arizona Voter,

I encourage everyone to vote YES on Proposition 201. Saying yes to Prop 201 is saying yes to a lot of positive things for Arizona.

- Saying yes to Fair Gaming is saying yes to injecting 200 million dollars into the state.
- Saying yes to Fair Gaming is saying yes to saving 6000 Arizona jobs.
- Saying yes to Fair Gaming is saying yes to improve Arizona education.
- Saying yes to Fair Gaming is saying yes to police and fire protection.
- Saying yes to Fair Gaming is saying yes to debt reduction.
- Saying yes to Fair Gaming is saying yes to senior prescription benefits.
- Saying yes to Fair Gaming is saying yes to rural healthcare.
- Saying yes to Fair Gaming is saying yes to the fair treatment of all tribes.
- Saying yes to Fair Gaming is saying yes to full financial disclosure.

By saying yes, you are helping to create a brighter future for Arizona. Please join me in voting yes on Prop 201.

Kenneth E Todd, Chandler

Dear Arizona Voters,

In recent days, I have heard several false claims about gaming expansion in this State. I am writing to set Proposition 201 straight.

First, there will not be slot machines in every convenience store, on every street corner. The truth is Proposition 201 will not expand gaming beyond places where it already exists.

Next, Proposition 201 ensures continued Tribal gaming in this State. This proposition does not eliminate or reduce Tribal gaming. The fact is Proposition 201 increases the State's competitiveness in the gaming industry.

Racetracks have regulated forms of gaming through pari-mutual wagering. Adding gaming devices to these locations will simply increase attendance and revenue.

The State will benefit insurmountably and the Tribes will continue to prosper. Look past the false claims and understand everyone benefits with this change. Vote yes on Prop. 201.

Denise Champney, Apache Junction

I believe the Fair Gaming Act will provide the necessary revenue needed to sustain many important programs. The Fair Gaming Act supplies a substantial amount of revenue to the general fund, which will help Arizona with future budget shortfalls. It also provides much needed money that will help keep smaller county fairs across the state alive. In addition, the Fair Gaming Act also provides money for programs like rural healthcare, senior prescription drug benefits, and tourism promotion. All of these funds are provided without any financial burden on the Arizona taxpayer. I encourage everyone to support the Fair Gaming Act and its positive impact on Arizona's future.

Maralyn Parker, Office Manager, Santa Cruz County Fair and Rodeo Association, Sonoita

Dear Arizona Voter,

I support the Fair Gaming Act because it promotes fair gaming for everyone in Arizona. Proposition 201 is the only fair and legal solu-

tion to the gaming problem.

Proposition 201 allows choice and competition in Arizona's gaming industry. Consumer choice and competition are the only ways to make the gaming industry fair. No single group should be allowed a monopolistic competitive advantage.

In addition, Proposition 201 is the only gaming initiative that requires the disclosure of gaming revenues. Disclosure is the only way to make sure that everyone is following the law. It also the only way to make sure that the state receives the money it deserves.

Proposition 201, the Fair Gaming Act is the only fair and legal solution to the gaming question. It is the only one that promotes competition and fights the gaming monopoly.

Vote yes on Proposition 201.

Pam Patterson, Tucson

Dear Arizona Voters,

I know the idea of multiple gaming initiatives can be confusing. It can seem like they all say the same thing about finances and participation. However, I am here to tell you that there is a difference. Proposition 201 goes above and beyond any other gaming initiative.

Proposition 201 continues Tribal gaming in Arizona. It discloses revenues and regulates gaming operations. Most importantly, Proposition 201 generates the most money for Arizona.

Proposition 201 generates over \$200 million for the State. This is money that can be used for programs like K-3rd grade reading, college scholarships, rural healthcare, and senior prescription benefits.

I know that these competing initiatives can be confusing, but I think the answer is simple. Proposition 201 is the only solution that enhances gaming, promotes disclosure, and generates more money for the State.

I am voting for Proposition 201.

Harold Silvestri, Scottsdale

We support the Fair Gaming Act because it continues Indian gaming in Arizona while providing a way to help other non-tribal Arizona industries. In addition, it also benefits the rural tribes by allowing them to receive a fair share of gaming revenues. The state gets a much-needed boost by the 40% of all non-tribal gaming device revenues paying for things like deficit reduction, rural healthcare, tourism promotion, and k-3 reading programs. The Fair Gaming Act treats everyone equitably and allows Arizona to prosper. We encourage everyone to research the gaming question. When they facts are laid out on the table, you will see that the Fair Gaming Initiative is the best deal for Arizona.

Lewis and Margaret Pehl, Chino Valley

Dear Voter,

I am encouraging everyone in Arizona to show his or her concern for gaming by making your vote count. This November, we will face a vote that will change the future of Arizona. There are different gaming options on the ballot and they all seem to cloud the issue.

Let me clear away the fog and get to the truth. The Fair Gaming Act is the only proposed initiative that will truly allow the State to prosper.

- It is the only initiative that increases government regulation of gaming.
- It is the only initiative that requires an increased share of Indian Tribe revenues going to the state.
- It is the only initiative that requires disclosure of gaming revenues.
- It is the only initiative that fairly adds a limited number of non-tribal gaming operators.
- It is the only initiative that gives \$200 million dollars to the state.

As you can see, the Fair Gaming Act is the best deal for the state. The economic benefits are substantial and concrete. The fair and legal choice for the State's gaming problem is the Fair Gaming Act.

Vote yes on the Fair Gaming Act

Douglas D Barlow, Greenlee County Fair & Racing Director, Duncan

Dear Arizona Voter,

I support the Fair Gaming Act because it gives the most money to the state. With 8% of the tribal and 40% of the non-tribal gross gaming revenues going to the state, Arizona stands to make well over \$200 million dollars a year. This is very important money that the state needs. In addition, these are new dollars that do not come at the expense of the Arizona taxpayers.

This money will be used for important programs like deficit reduction, K-3 reading education, college scholarships, senior prescription drug benefits, police and fire protection, and rural healthcare. It also provides money to the general fund that will help the state fund other programs.

With our continuing budget shortfalls, we need to find ways to generate more money for the state. Prop 201 will generate more money than the other initiatives and allows for more government regulation.

Please join me in supporting Prop 201 because it gives the most money to the state.

Mr. & Mrs. Hugh R Southern, Retired farm owner, Phoenix

Mr. And Mrs. Gil V. Dye, Jr, Farm owners, Phoenix

I helped redesign and reconstruct portions of the new Yavapai downs facility in Prescott Valley. I am very proud of the new facility and I volunteer as much as possible to make sure it stays open. I feel that the Fair Gaming Act is the only way to ensure a promising future for Yavapai downs and facilities like it across the state. The Fair Gaming Act is the only initiative option that gives a reasonable deal to Arizona. It also improves public disclosure of gaming revenues so we know exactly how much of the tribal revenue should be going to the state. I support the Fair Gaming Act and you should too!

Joe Payne, Prescott Valley

Dear Arizona Voter,

I own and operate a local feed store in Arizona. Arizona ranchers and horse owners make up the large portion of my clientele. The

impact of the horse industry and horseracing goes far beyond the people who own the horses or the people work in the racing facilities. There is an expansive support structure that depends on the horse industry.

Racing enclosures have been traditional gaming facilities in Arizona for over 60 years. However, as the tribal casinos grow, it has become increasingly more difficult to stay in business. Many horse owners are on the verge of packing up their ranches and leaving the state. If my clients are chased out of Arizona, the expansive support structure, including my feed store, disappear.

I support the Fair Gaming Act because it will help save over 6000 Arizona jobs, including mine. The Fair Gaming Act allows the horse industry to compete, while providing added benefits to the state. The Fair Gaming act would require that 40% of the gross revenue of gaming devices at a racetrack enclosure to go to the state. That is an added \$200 million dollars to be used for K-3 reading programs, college scholarships, prescription drug benefits for seniors, rural healthcare, police and fire protection, tourism promotion, and debt reduction.

I encourage everyone to support the Fair Gaming Act. It saves Arizona jobs while giving more money to the state.

Please join me in voting YES on 201.

Kent Kunz, Phoenix

Dear Arizona Voter,

Here are a few reasons why you should vote yes on Proposition 201:

- The Fair Gaming Act continues tribal gaming while granting a limited number of gaming devices to racetrack enclosures. The Fair Gaming Act successfully limits gaming in Arizona to the traditional locations where it already takes place. Remember that racetracks have been operating sanctioned and regulated gaming for almost 60 years.
- The Fair Gaming Act requires the tribes to pay 8% of their gross revenue and the racetracks will pay 40% of their gross gaming machine revenue to the state. This money, more than \$200 million dollars, will go to programs like K-3 reading programs, college scholarships, senior prescription benefits, rural healthcare, police and fire protection, tourism promotion, and debt reduction.
- The Fair Gaming Act ensures a fair deal for the Rural Indian tribes through minimum machine transfer fees. These minimum transfer fees guarantee that the Rural Tribes get their fair share of the gaming revenues for transferring their machine allocations to urban locations.
- The Fair Gaming Act requires improved public disclosure and increased regulation of gaming. The state will know how much money is involved with Indian Gaming and that will guarantee that Arizona receives its fair percentage.

Proposition 201 is far superior to the other gaming initiatives. It gives the most money to the state and provides the best regulation. It is the best solution to the gaming question.

Lets be Fair, YES ON PROPOSITION 201.

Thomas C Dack, Apache Junction

I am a dedicated volunteer and lifetime member of the Santa Cruz County Fair and Rodeo Association. I spend a lot of time helping out at the fairgrounds in Sonoita. Every year, there is a question about if we are going to be able to hold our annual racing event. I have and continue to devote a lot of time to supporting the association to make sure we will be able to continue our traditions. I support the Fair Gaming Act because it will help out the county fair associations. With the proposed financial support of the Fair Gaming Act, we may be able to continue our regular calendar of events including our annual Horse races.

Harold Hager, Sonoita

My name is Gill Snyder and I am writing to announce my full support for the Fair Gaming Act. The positive financial impact of this initiative will benefit all of Arizona. The money generated from the Fair Gaming Act will stay in Arizona and help with important things like education, healthcare, debt reduction, police and fire protection, and tourism promotion. In addition, the initiative helps people keep their jobs and provide additional employment opportunities. Encouraging financial stability and maintaining a strong work force are important for the state's ability to grow successfully.

Gill Snyder, Morristown

Dear Arizona voters,

I am writing to support the Fair Gaming Act. We are senior citizens that have witnessed the State's gaming tradition grow and mature during the last 60 years. We all have witnessed how Casino gaming has benefited the Tribal community, and that is why We believe Indian gaming should be continued. However, I also believe that a certain amount of the revenue should be used to benefit the people of Arizona. That is why I support Proposition 201, the Fair Gaming Act. It continues Indian gaming while providing money for the state that will help all of Arizona, including its senior citizens.

Furthermore, it uses additional funds created by gaming at racing facilities to increase police and fire protection and rural health care. The Fair Gaming Act harnesses a very useful source of revenue and benefits the entire state.

We encourage all senior citizens and the rest of Arizona to vote yes on Proposition 201 and help these necessary programs receive the funding they deserve.

We support the Fair Gaming Act.

Vote yes on Proposition 201.

Mr. & Mrs. Robert Anderson, Tucson

Dear Arizona voters,

After researching the gaming issue in this State, I believe it is safe to say the Fair Gaming Act is truly a fair solution to all gaming concerns.

First, it addresses a solution for regulation. For the first time, gaming will be regulated by the State. This will enable public disclosure of gaming revenues. The Self-Reliance Initiative allows limited, regulated gaming to continue only on Arizona Indian lands. No State regulation means no public disclosure.

Next, the Fair Gaming Act is the only proposed measure to expand gaming to non-tribal locations. This will provide an opportunity to direct 40 percent of gross revenues earned toward a general fund.

With one initiative offering a small, 3 percent contribution, the State will see none of the benefits. The Fair Gaming Act proposes an increased 8 percent contribution to assist with State budget needs.

A balanced, fair, and legal solution to the State's gaming question is Proposition 201. I am voting for the fresh idea of gaming that leads to prosperity. Vote yes on the Fair Gaming Act.

Reba Silvestri, Scottsdale

ARGUMENTS "AGAINST" PROPOSITION 201

Where's the Fairness?

The racetracks want slot machines and their motto is going to be "fairness," but don't believe them for a second. By their own admission, American dog tracks adopt out only 500 greyhounds each year, but they kill 20,000. Where's the fairness?

Some of you remember the dozens of greyhounds shot and dumped in a Chandler grapefruit orchard several years ago. Ancient history? An Alabama man, Robert Rhodes, is right now facing cruelty charges for shooting two to three thousand greyhounds for ten bucks apiece. Florida tracks, it appears, wanted to dispose of the dogs but not pay for a more humane death.

The out-of-state corporations that own Arizona's dog tracks report millions of dollars in revenue every year, yet they're saying they need slot machines to survive. They reportedly have \$2.5 million to convince you of that, even though two of the dog tracks haven't paid the state any pari-mutuel taxes in years. Where's the fairness?

Arizona's Native Americans are finally enjoying some pride and hope in their future, and now some fat cats want to take a big slice of it. Once again, where's ...?

If we didn't mind gambling spreading throughout our culture, then slot machines should first go to our needy schools and our underfunded county pounds. Wouldn't that be better than handing them to some out-of-state corporations?

When you're at the polls on election day, please ask yourself where the fairness really is. Vote NO on Prop. 201.

Jamie Massey, Chairperson, Euthanasia Reduction, Tucson

Paid for by "Euthanasia Reduction"

I oppose Proposition 201 and I hope you will join me in voting "NO" on this proposition.

Instead, I strongly urge you to vote "YES" on Proposition 202, the "17 Tribe" Initiative. Proposition 202 keeps casinos limited to Indian reservations and limits the number of casinos on reservations. It also provides for strong regulation of Indian casinos by both the State and tribes.

Voting "yes" on Proposition 202 ensures that no new casinos will be built in the Phoenix metropolitan area and only one in the Tucson area for at least 23 years. Proposition 202 keeps gaming on Indian Reservations and does not allow it to move into our neighborhoods.

Voting "yes" on Proposition 202 also allows poor rural tribes the option to transfer their gaming machines to tribes in urban areas thus giving these poor tribes millions of dollars in revenue for services they desperately need.

Voting "yes" on Proposition 202 will strengthen the State's regulatory role in Indian Casinos, insuring safe, clean operations.

Proposition 202 is the only Initiative on the ballot that will provide legally enforceable limits on class 2 "look alike" slot machines — those that play like a regular slot machine but escape regulation because of a technicality. It is also the only Initiative on the ballot that has the support of the vast majority of Arizona Indian tribes.

Proposition 202 is the only alternative that limits gaming, offers fair revenue sharing and ensures strong regulation. Plain and simple, this is the best gaming proposal for all Arizona citizens.

Please vote "NO" on Proposition 201 and "YES" on Proposition 202.

Jane Dee Hull, Governor, Phoenix

Prop. 201, the "Fair Gaming Act," seeks to restore some balance to the competition between the pari-mutuel horse racing and dog racing industries and Indian casino gambling operations. Unfortunately, because it implicitly continues to acknowledge and recognize the legitimacy, existence and expansion of Indian casinos, like the other gambling ballot propositions, it too is similarly misguided and flawed.

As noted in my statement opposing Prop. 200, the Tenth Amendment to the U.S. Constitution forbids, as a violation of state sovereignty, the imposition of the precise mechanism used by the Indian Gaming Regulatory Act ("IGRA"), the "negotiated" document called a "compact."

That device coerces a state to "reverse engineer" an agreement to allow Indian tribes to demand, among other things, that states implement a federal regulatory program — purported "lawful" gambling on Indian reservations — in forms which, if conducted by anyone else off reservation, would be subject to felony prosecutions. And these we should gladly perpetuate?

Sadly, the only consistent principle that has guided debate on this topic has been expediency. Reluctant to strictly adhere to democratically-enacted laws, but deferring to "tribal sovereignty" at every opportunity, Arizona's leaders have dealt both present and future generations a losing hand. The "end-justifies-the-means" mentality that has dominated the process merely underscores the fact that, if flawed information is repeated long enough, it starts to sound like the truth.

Prop. 201, while deficient, at least recognizes that if Arizona voters wish to embrace expanded gambling "opportunities," there is no principled basis upon which to do so other than by allowing fair competition. At least a leveling of the playing field would tend to offset the dramatically tilted gambling stadium that has been foisted on Arizona by IGRA. Prop. 201 is not a good idea, but it's the least objectionable of three evils.

Ian A. Macpherson, Phoenix

Proposition 201 expands gambling in Arizona and should be defeated. Gambling often brings addiction, despair, even death.

Although largely unrecognized, gambling-related suicides are becoming increasingly common. The largest gambling cities experience some of the highest suicide rates in the nation. Las Vegas leads with the highest levels of suicide in the nation, for both residents and visitors to the city. In Atlantic City, another gambling mecca, research shows that "abnormally high suicide levels for visitors and residents appeared once gambling casinos were opened."

The despair of gambling is reflected universally in every area that has legalized the activity. The National Council on Problem Gambling reported that one in five pathological gamblers attempts suicide, a rate higher than for any other type of addictive disorders. A survey

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

of 200 Gamblers Anonymous members in Illinois found that 79 percent had wanted to die, 66 percent had contemplated suicide and 45 percent had a definite plan to kill themselves. More than 20 Illinois residents have killed themselves as a result of gambling addiction since the arrival of riverboat gambling.

There is a direct correlation between gambling availability and gambling addiction. The number of Gamblers Anonymous chapters in the United States has more than doubled in the last eight years. Expansion of gambling brought a 74 percent increase in problem gambling in New York and a 76 percent increase in Oregon. The introduction of video poker games in Oregon brought a 1,000 percent increase in Gamblers Anonymous chapters in just five years.

With more gambling comes more compulsive gamblers. And with that, comes more despair, and even death. How many families must suffer so that gamblers may feed their habit?

Vote no on Proposition 201.

Gary McCaleb, Esq., Litigation Counsel, The Center for Arizona Policy, Scottsdale

Cathi Herrod, Esq., Director of Policy, The Center for Arizona Policy, Scottsdale

Paid for by “Center for Arizona Policy Inc.”

The Arizona Humane Society urges you to vote “NO” on Proposition 201, the “Fair Gaming Act”. Citizens concerned with animal welfare must be aware of a little-publicized but very harmful aspect of Proposition 201 that separates it from the other two Indian gaming initiatives on the ballot: Proposition 201 would allow slot machines in dog racing tracks. As the largest non-profit animal welfare organization in the State, we at The Arizona Humane Society are concerned about any measure that might further the greyhound racing industry.

Countless greyhounds are bred, and die, in Arizona each year because they are not “fast enough” and are not “winners”. To maximize its profits, the dog racing industry keeps many greyhounds in cramped conditions, devoid of human contact.

If Proposition 201 passes, many people who enjoy gambling will find race tracks more attractive if they are also able to play slots while betting on dogs. Permitting slots in racetracks will further the racing industry and create a greatly increased demand for racing greyhounds. Increasing the demand for racing greyhounds will worsen the conditions for the dogs. They deserve better.

By voting “NO” on Proposition 201, you ensure a brighter future for these proud, dignified, loving animals. With your “NO” vote, you will tell the greyhound racing industry that their animals deserve a better life, and you will help save thousands of greyhounds from suffering and dying a needless death.

Cheryl Naumann, President and CEO, The Arizona Humane Society, Phoenix

James Burgess, Esq., Chairman Elect and Vice Chairman, Government and Strategic Relations, The Arizona Humane Society Board of Directors, Phoenix

Paid for by “The Arizona Humane Society”

As I left the public library one afternoon in July I heard a man soliciting signatures for a ballot initiative. “Sign a petition for senior citizens’ health care!” he called to me.

“What does it do?” I asked.

“Force casinos to pay 40% of their gross revenue to the State!” he said proudly.

“Why should we tax a business like that?” I asked.

“Because they’re built by out-of-stators who come to Arizona and take our money out of the State!” he said, as if that would satisfy the most stubborn scoffer.

That’s an irrational argument. Out-of-state corporation? Can you say McDonald’s (headquartered in Illinois)? Burger King (Florida)? Pizza Hut (owned by New York’s PepsiCo)? Stuart Anderson’s (Washington)? How about retailers like Target, which owns Mervyn’s, and is headquartered in Minnesota? Sears is headquartered in Illinois. Wal-Mart is headquartered in Arkansas. JC Penny is headquartered in Texas. Almost every multi-state business you can think of is an out-of-state company. The argument is irrational.

“What’s your problem?” I asked. “They’re entrepreneurs. They take risks so that other people can have jobs. Casinos hire people.”

“Jobs!” he scoffed. “Sure, at low pay! You call that a job?”

Yes.

Should we discriminate against a company because it pays low wages to some employees? Should Arizona tax Denny’s (headquartered in South Carolina) 40% of its gross because it pays busboys minimum wage? No! Honest people treat like things alike. That tax would not be like treatment.

This Measure is therefore irrational and dishonest, both.

Laws are ultimately enforced by gun and badge. If you don’t pay taxes, eventually someone with a gun and badge will arrest you. It is neither honest nor rational to force, with gun and badge, a 40% tax against one and only one type of out-of-state company that pays low wages.

Scott MacPherson, M.S., J.D., Phoenix

Three of this year’s propositions — Propositions 200, 201 and 202 — deal with Indian gaming. Of the three, Proposition 200 is the fairest and easiest to administer and deserves your vote.

As for *fairness*, Proposition 200 requires Indian tribes to (a) share 3% of net casino profits and (b) pay \$500 per machine to the State for compact enforcement and gaming employee certification. Proposition 200 will make \$32-\$40 million available for full-tuition college scholarships for all Arizona students as well as for programs benefiting all Arizona senior citizens, tribal education and tribal elderly care and \$10-\$11 million for the State, twice what the State now receives.

By requiring Indian tribes to pay even more to the State, Propositions 201 and 202 will deprive tribes of vital revenues needed for health care, housing and education. While Proposition 200 requires tribes to share tens of millions of dollars, it does not redistribute income from our poorest citizens to the general population as Propositions 201 and 202 do.

Propositions 201 and 202 are reverse Robin Hood proposals designed to solve the State’s short-term budget problems caused by tax preferences and the alternative fuels fiasco. At best, they are short-sighted; at worst, they are punitive.

As for *ease of administration*, Proposition 200 does not expand gaming to race tracks (as does Proposition 201) and does not distribute money to a dizzying array of bureaucratic programs without adequate oversight (as does Proposition 202). Proposition 200 is straight-

forward. The bulk of the money paid by tribes will go for scholarships – some 18,000 scholarships each year; the bulk of the remainder will go for programs for seniors.

If you believe that Indian gaming will help tribes become self-sufficient, I urge you to vote for Proposition 200 and against Propositions 201 and 202.

Paul F. Eckstein, Phoenix

NO on Proposition 201: The Racetrack Casino Gambling Proposition

Proposition 201, which would turn dog and horse racetracks into Las Vegas-style casinos, is about private gain versus public good.

FACT Race tracks are private industries, primarily run by a few out-of-state owners.

FACT Off-track betting sites and the revenues they generate have skyrocketed since 1992. There are now more than 70 OTB sites in our state.

FACT Not satisfied with the millions they already are making, the out-of-state racetrack owners now want to turn their tracks into casinos. And, they want to increase their gains by harming Indian gaming.

The racetracks' Proposition 201 is about one thing: Turning racetracks into casinos for private gain, not public good.

We urge you to help defeat the Racetrack Casino Gambling Proposition by voting **NO** on Prop 201.

Governor Donald R. Antone, Sr., Gila River Indian Community, Sacaton *Chairperson Louise Benson, Hualapai Tribe, Peach Springs*

Chairperson Carmen Bradley, Kaibab-Paiute Tribe, Fredonia *Chairperson Vivian Burdette, Tonto Apache Tribe, Payson*

Chairperson Sherry Cordova, Cocopah Tribe, Somerton *Chairman Terry O. Enos, Ak-Chin Indian Community, Maricopa*

Chairperson Nora Helton, Ft. Mojave Indian Tribe, Needles, California *President Mike Jackson Sr., Quechan Tribe, Yuma*

President Ivan Makil, Salt River Pima-Maricopa Indian Community, Scottsdale *Edward D. Manuel, Chairman, Tohono O'odham Nation, Sells*

Chairman Dallas Massey, White Mountain Apache Tribe, Whiteriver *President Clinton Pattea, Fort McDowell Yavapai Nation, Fountain Hills*

Chairman Aaron Russell, Yavapai Apache Nation, Camp Verde *Velasquez Sneezzy, Vice-Chairman, San Carlos Apache Tribal Council, San Carlos*

Chairman Robert Valencia, Pascua Yaqui Tribe, Tucson

Paid for by "Arizonans for Fair Gaming and Indian Self-Reliance"

ATTENTION DOG LOVERS

VOTE NO ON 201

If you count yourself among the millions of Americans who love dogs, vote no on Proposition 201.

This proposal is brought to you by Arizona's racetracks. It would expand gambling in our state to allow slot machines and other "gaming devices" at dog and horse tracks.

We formed our committee to oppose permitting slot machines at dog tracks because we believe it will cause dogs to suffer.

- Arizona has too many dogs. Tens of thousands of healthy, beautiful dogs are killed at Arizona animal shelters each year because they have nowhere to go. Yet the greyhound industry contributes to dog overpopulation by over breeding greyhounds. If 201 passes, more dogs will be bred, and wind-up with nowhere to go. Unwanted greyhounds will either compete for the limited number of homes with other dogs, or they'll be killed.
- Over the years there have been cases of abuse and neglect of greyhounds both in Arizona and other states. This proposal will result in, at least, two tracks reopening. We suspect that means more dogs will suffer abuse and neglect in the future.

For dog lovers, this is a no brainer. Vote NO on 201. Do it for the dogs.

Stephanie Nichols-Young, Chair, Arizona Greyhound Protection Alliance, Phoenix

Paid for by Karen Michael

The Animal Defense League of Arizona urges you to vote No on Proposition 201.

Over the years, our organization has helped uncover neglect, active abuse and the plight of greyhounds who have nowhere to go when their racing life is over. Proposition 201 would reward the dog racing industry by allowing it to put slot machines at tracks, and encourage it to breed more dogs to suffer the same fate in the future.

Greyhound racing is a nationwide, interstate industry. Although Arizona is one of only 15 states that have dog tracks, greyhound breeding and training farms exist in every state. Greyhounds are culled from the system at regular intervals from birth to 17 or 18 months, the age at which a greyhound begins a racing "career." The average age of a dog that makes it to an adoption program is 2.5 to 3 years old.

If a dog survives the early culling process, he will be sent to a training farm at about one year of age. If he survives the training process, he will be sent to one of 15 racing states to begin schooling races at an official racetrack.

A successful racing dog will probably race in several states during his brief career. When he slows down or fails to show promise, he will be "graded off " to "low-end" tracks. Odds are better that he will be killed than adopted from those tracks. As evidenced by the bodies of between 2,000-3,000 greyhounds found on an Alabama farm, less than ten miles from the Pensacola track.

About 20,000 greyhounds are killed annually, including approximately 7,000 puppies and young dogs. Millions of greyhounds have died in the 77-year history of dog racing in the United States, thousands of them in Arizona.

Don't reward cruelty. Vote no on 201.

Stephanie Nichols-Young, President, Phoenix

Karen Michael, Secretary, Peoria

Paid for by "Animal Defense League of AZ"

The Humane Society of Southern Arizona, Inc. (HSSA), has served Arizona's pets and people since 1944.

We strongly oppose the expansion of dog racing in Arizona. This "sport", stripped of its manufactured glamour and extensive PR efforts, is an inhumane and unjustified exploitation of animals for profit.

The risk of catastrophic injury to racing greyhounds is of great concern, as is the general lack of care given by owners and trainers who are not a part of the winners' circle. HSSA has cared for countless ex-racers in recent years whose deplorable condition was clearly the result of routine neglect, not "isolated incidents" claimed by industry apologists. Greyhounds may indeed love to run, but human greed has exploited this trait until over-breeding and its resultant cruelty are unavoidable by-products of dog racing.

Industry supporters claim that a portion of revenues from slot machines at Arizona dog tracks will go towards the care and adoption of ex-racers. However, this initiative, if passed, will also open the door for defunct tracks to re-open and new tracks to be built - ultimately resulting in thousands more greyhounds being produced to keep each track operational.

Greyhound adoption programs, though successful at saving the lives of some ex-racers, are frequently used as pawns of the racing industry, providing it with undeserved good publicity and positive image. While we applaud the efforts of these overburdened programs, we are opposed to enabling the dog-racing industry to produce more animals for the sake of profit, while so many other dogs and cats are destroyed each year in Arizona for lack of responsible owners and loving homes.

There is no excuse for dog racing in a humane world. Please help us join other more progressive states in saying NO to the expansion of dog racing.

Susan Wilson, Executive Director, Humane Society of Southern Arizona, Tucson *Pat Hubbard, Assistant Executive Director, Humane Society of Southern Arizona, Tucson*

Paid for by "The Humane Society of Southern Arizona, Inc."

The American Society for the Prevention of Cruelty to Animals, and its 700,000 nationwide supporters, oppose ballot initiative 201 which will help subsidize this industry by authorizing slot machines at the greyhound tracks.

Although the ASPCA does not believe that racing greyhounds is in and of itself cruel, current industry practices and standards are systematically problematic and inhumane in its treatment of the animals. Many greyhounds have been the subject of abuse, with some resulting in death. One particular problem inherent in this industry is its direct contribution to pet overpopulation. In order to produce a sufficient number of successful racers upwards of 30,000 greyhounds are produced annually from across the country. Many of the excess animals that are healthy but cannot find good homes must be euthanized, or meet a less humane death by gunshot, as we recently learned in Alabama.

The abuse of greyhound dogs by the greyhound racing industry is well established and ongoing. Dogs are required to race regardless of the extreme temperatures in Arizona. Many greyhounds have incurred severe injuries, including broken legs. Industry guidelines permit and dogs are usually fed "4-D" meat, which is obtained from "dying, diseased, disabled or dead livestock," due to its economical value. When not racing greyhounds live in small crates, oftentimes upwards of twenty-two hours a day and provided little, if any, human interaction. . Approximately 20,000 dogs annually are "retired" at two years of age when they are no longer deemed successful runners.

Industry wide practices of breeding thousands of animals annually to turn a profit, documented exploitation of dogs, and the attendant euthanasia and inhumane killings of healthy animals make current greyhound racing inherently cruel which the ASPCA must oppose.

Dr. Larry Hawk, President and CEO, Mattawan, Michigan *Stephen Eudene, Senior Vice President and CFO, White Plains, New York*

Paid for by "The American Society for the Prevention of Cruelty to Animals"

More Tracks Mean More Homeless Dogs

Arizona Greyhound Rescue is a non-profit greyhound adoption organization that has found homes for over 600 rescued greyhound dogs in the last 10 years in Arizona. We are opposed to the legalization of slot machines at Arizona dog tracks because of the racing industry's continued lack of concern for the very animals who make dog racing possible.

If this proposition passes, the racing industry will reopen two long-closed dog tracks in Arizona, and leaves the door open for the construction of even more. What will happen to all of the dogs bred to race at these new tracks? The greyhound adoption effort in Arizona already struggles to adopt out hundreds of dogs each year within the state. Hundreds more must be transported to other Western states each year because there are simply not enough homes locally for the dogs bred and raced here now. Where will all the new dogs go?

The racing industry claims that this proposition provides for ex-racing greyhounds by earmarking money for adoption. Yet a maximum of only **one tenth of one percent** of the moneys raised would go to the adoption effort. And even that minuscule amount must be shared by both greyhound and racehorse adoption groups. In comparison, over four million dollars is guaranteed to promote Arizona breeding farms. This hugely lopsided emphasis on producing potential racing dogs over the support of ex-racers who need to find homes is a graphic illustration of the racing industry's priorities.

The discovery of 3000 dead racing greyhounds at one farm in Alabama just this last May demonstrates what happens when the breeding of race dogs outstrips adoption efforts. If this proposition passes, more tracks will open, more dogs will be bred, and once again it will be the greyhounds who lose.

Linda Kangas, Secretary, Arizona Greyhound Rescue, Tucson *Suzanne Waldenberger, President, Arizona Greyhound Rescue, Tucson*

Paid for by "Arizona Greyhound and Animal Rescue Fund"

Humane Society of the United States Urges "No" on Racing Initiative

The Humane Society of the United States strongly opposes the efforts by the greyhound racing industry to win approval for slot machines at its tracks. We urge the people of Arizona to vote "no" on the tracks' initiative petition.

This proposition mandates the tracks must conduct racing in order to operate slot machines, even if racing animals isn't profitable or the public no longer wagers on dogs.

The greyhound racing industry has history of inhumanely treating dogs. All reputable humane groups oppose greyhound racing because of the standard practices of the industry. Thousands of dogs are bred to produce a handful of competitive dogs. Dogs who do not win at the track are considered a financial liability because they have to be housed and fed. It is cheaper to kill the animals than to provide lifetime care.

It is estimated that the nationwide industry disposes of as many as 20,000 dogs a year. The life of a racing greyhound literally hangs on how fast, and for how long, he or she can run. Even greyhounds who win at the track don't have a comfortable life; they face prolonged confinement and extremely limited interaction with other animals and people.

The greyhound racing industry harms animals for profit. With the public less interested in greyhound racing, the industry is seeking new revenue streams from additional forms of gambling at tracks. Arizonans should vote no on slots at the tracks.

Seven states have banned greyhound racing because of its inhumane treatment of dogs. Arizona should not move in the opposite direction by providing a financial prop for the industry. Allowing slot machines at Arizona racetracks amounts to a death sentence for thousands of animals who are forced to run for their lives.

Wayne Pacelle, Senior Vice President, Communications and Government Affairs, Washington, D.C.

Martha C. Armstrong, Senior Vice President, Companion Animals and Equine Protection, Poolesville, Maryland

Paid for by "The Humane Society of the United States"

The Greyhound Protection League (GPL) is unalterably opposed to the Fair Gaming Act and to the business of greyhound racing, an enterprise which GPL views as irremediably cruel and inhumane. GPL was introduced to the world of dog racing in 1989, when our volunteers rescued Arizona greyhounds from research facilities. However, our harsh opinion of the industry evolved over time, as we were gradually exposed to the true depravity of the "sport" through media coverage of the horrifying abuse and killing of race dogs within the state. Information gleaned from industry insiders and hands on experience with Arizona's greyhounds confirmed our view that the business of greyhound racing deserves our utmost condemnation.

Our placement organization has rescued more than 1000 greyhounds from Arizona racetracks and breeding farms. Overall, we found the condition of the greyhounds to be entirely unacceptable, particularly for "athletes" whose very lives depend on their ability to compete. The dogs were crawling with fleas and ticks and riddled with internal parasites; most had to be treated for life threatening tick-borne diseases; and many had sustained injuries from the stresses of racing - but these were the lucky ones -- for at least, they had survived.

As Arizonans will recall, survival eluded thousands of other Arizona greyhounds. Passage of this initiative will result in the immediate opening of two additional racetracks, creating an unprecedented breeding frenzy by racetrack profiteers and an unmanageable burden for adoption groups, who even now can't rescue all the discarded racers.

The Arizona deserts are already littered with the bones of too many throwaway race dogs. Don't let the greed of Arizona's wealthy dog track tycoons thrust the state back into the days of national infamy when Arizona was better known for dog killing and than for its pristine beauty. Vote NO on 201.

Susan Netboy, President, Penn Valley, California

Barbara Eineichner, Treasurer, Gilroy, California

Paid for by "Greyhound Welfare Foundation"

Slot Machines at Dog Tracks Would Subsidize Animal Cruelty

As the largest greyhound protection organization in the United States, GREY2K USA urges you to VOTE NO on Prop. 201.

Wealthy dog track owners are making millions of dollars in profit from racing, and will do anything to hide the truth about their industry. Here are some of the facts about dog racing these track owners don't want you to know:

- If dog tracks are successful in legalizing slot machines at their facilities, it will further subsidize an industry that, like cockfighting and dogfighting, is inherently cruel and inhumane. Greyhound racing is illegal in 34 states.
- If this measure passes, several Arizona dog tracks that have been closed for many years would reopen, including Yuma Greyhound Park. This will increase the number of greyhounds that will be bred and eventually killed.
- Greyhounds live in daily conditions that most people would find unacceptable for their own companion animals. Racing greyhounds are routinely caged for up to twenty-two hours a day, and fed raw "4-D" meat from dying, diseased, disabled, and dead livestock. While racing, many greyhounds suffer career and life-ending injuries.
- Every year, thousands of racing greyhounds are killed nationwide because they are no longer fast enough to turn a profit.
- The greyhound racing industry engages in large-scale breeding in order to produce a handful of successful racing dogs, while disposing of the ones who are not profitable. Dog racing is a profit driven industry.
- Artificially propping up this private industry by legalizing slot machines will cause thousands of additional greyhound dogs to be bred and killed when they are no longer profitable.

Please don't further subsidize this cruel industry. VOTE NO on Prop. 201.

Carey M. Theil, President, Somerville, Massachusetts

Christine A. Dorchak, Vice President, Somerville, Massachusetts

Paid for by "GREY 2K USA"

Sheriff Joe Arpaio Urges NO on Prop 200, NO on 201 and YES on 202

From a law enforcement perspective, CRIT's Single Tribe Initiative takes Indian gaming in the wrong direction. Under Prop 200, gaming regulation would be weakened while limits on gaming would be reduced. These provisions could open the door to less control on more high stakes gambling. That's a chance I don't want to take.

Prop 201, the Racetrack Casino Gambling Proposition, not only prohibits the Arizona Department of Gaming from regulating gaming at racetracks, it puts the racing commission in charge - despite the fact that the commission has no experience regulating casino gambling.

That makes no sense.

Prop 202, the 17-Tribe Indian Self-Reliance Initiative, offers a balanced approach to preserving the benefits of tribal gaming without sacrificing needed regulation. That is an approach I do support.

I hope you'll carefully consider these three propositions. After you do, I ask you to join me in voting NO on Prop 200 and 201 and **YES** on Prop 202.

Joe Arpaio, Sheriff, Maricopa County, Phoenix

Paid for by "Arizonans for Fair Gaming and Indian Self-Reliance"

Vote NO on Prop 201, the Racetrack Casino Gambling Proposition

Turning Arizona racetracks into giant Las Vegas-style casinos is bad for our state and bad for our communities. That's why I am strongly opposed to Proposition 201.

Out-of-state racetrack owners want to turn their dog and horse racing tracks into giant casinos. This would forever change the character of our state and turn Turf Paradise Race Track into the largest casino in Arizona.

Our neighborhoods will face year round operations, extended hours with increased noise well into the night, more traffic congestion and the potential for increased crime.

It's a bad deal for Arizona neighborhoods.

Vote NO on Prop 201.

Peggy Bilsten, Phoenix City Councilwoman, Phoenix

Law Enforcement Opposes Racetracks' Bid to Turn Arizona into Nevada

Prop 201 would allow casino gambling outside of Arizona Indian reservations for the first time, giving dog and horse racing tracks a green light to turn their facilities into Las Vegas-style casinos.

If the race track industry gets its way, local law enforcement resources would be strained. And, the negative impacts would be felt by our officers and the communities they now serve and protect.

As sheriffs and police officers, we want to stop the out-of-state owners in their tracks before the race to create casinos across Arizona begins. That's why we say NO to Prop 201.

Tony Estrada, Sheriff, Santa Cruz County, Nogales

James A. Keyes, Watch Commander, Department of Public Safety, State of Arizona, Flagstaff

Thomas H. Milldebrandt, Major (Ret.), Arizona Department of Public Safety, Phoenix

Seymour S. Nealis, Chief of Police (Ret.), City of Goodyear, Goodyear

Paid for by "Arizonans for Fair Gaming and Indian Self-Reliance"

The Racetrack Casino Gambling Proposition is a Deceptive Attempt to Shut Down Indian Gaming

Arizona voters beware! Political maneuvers to confuse the vote on limited Indian gaming could result in a shutdown of Indian gaming on tribal land.

Scare tactics, lawsuits and power politics. The out-of-state dog and horse racetrack owners lodged a three-prong attack to turn tracks into casinos while squashing competition from existing Indian gaming.

1. Negative ads making false claims about Indian gaming.
2. A lawsuit using a legal technicality to block an agreement reached between the Governor and 17 Indian tribes to continue and enhance the benefits of tribal gaming in Arizona.
3. Political lobbying and millions of dollars to put Prop 201 on the ballot, a measure that would allow slot machines at horse and dog racing tracks while limiting tribal gaming.

Despite these maneuvers, poll after poll clearly shows that the majority of Arizonans oppose turning tracks into casinos. And, these same voters overwhelmingly support limited, regulated gaming on Indian lands.

Confuse and conquer. The tracks may be betting on voter confusion. There are three gaming initiatives on the ballot. Prop 200 is a proposal by one tribe with its own agenda. Prop 201 would turn tracks into giant, Nevada-style casinos. Prop 202, the 17-Tribe Indian Self-Reliance Initiative, is the only balanced approach to preserving fair gaming and the only one that merits a **YES** vote.

Please join us in voting **NO** on Prop 200 and 201 and **YES** on 202.

Senator Elaine Richardson, District 11, Tucson

Paid for by "Arizonans for Fair Gaming and Indian Self-Reliance"

Tourism Leaders say NO to Prop 201

Proposition 201 takes Arizona in the wrong direction.

Prop 201 will turn the dog and horse tracks into casinos.

Unlike Prop 202--The 17 Tribe Initiative, Prop 201 expands gaming in Arizona into our communities, and will place additional burden on law enforcement and other governmental services.

Simply put, Prop 201 will send Arizona down the slippery slope of state-wide gambling, negatively affecting the quality of life we all enjoy.

We urge you to vote NO on Prop 201

Kathy Dahnk, White Mountain Tourism Solutions, President, Pinetop

Noelle Dahnk, Nichols Gilstrap Inc., Executive Assistant, Phoenix

Bridget King, Account Executive, The Arizona Republic, Phoenix

Denise Meredith, CEO, DMCI, Phoenix

Jeanne Westphal, Payson

Beth Daley, Nogales

Frances Amin, Phoenix

Brenda S. Martz, Phoenix

Gina Frigo, Phoenix

Nancy Krause, Phoenix

Kelsea Vescora, Tourism Development Manager, Avondale

Janet Woolum, Director of Research, Arizona Office of Tourism, Phoenix

Linda M Yuhas, AZ Office of Tourism, Phoenix

Paid for by "Arizonans for Fair Gaming and Indian Self-Reliance"

Community Groups Say NO to Prop 201 the Racetrack Casino Gambling Proposition

We treasure our neighborhoods. This is where we live, where we work, where our children go to school.

For decades, dog- and horse-racing tracks have operated in our neighborhoods. Then, the out-of-state racetrack owners brought in Off Track Betting. Now, they want us to allow them to turn their dog- and horse-racing tracks into casinos.

Now is the time to say NO to turning Arizona racetracks into giant Las Vegas-style casinos.

Please help us protect our communities by voting NO on Prop 201.

B. Paul Barnes, President, Neighborhood Coalition of Greater Phoenix, Phoenix

Deborah Jefferson, President, Abel Acres Block Watch Association, Phoenix

Donna Neill, Director & Co-Founder, N.A.I.L.E.M., Phoenix

Paid for by "Deborah A. Jefferson"

On the ballot for the voters to consider are three propositions dealing with the question of gambling, both on Indian reservations and elsewhere. We have separately voiced opposition to Propositions 200 and 202, dealing with casino gambling on Indian reservations. Proposition 201 requires a separate comment.

First, since Prop. 201 would allow the continuation and expansion of gambling at tribal casinos, our comments as to Propositions 200 and 202 apply here as well.

Second, while Propositions 200 and 202 peddle the idea that it makes sense to "limit" gambling to Indian reservations, so that the activity is "confined" and doesn't "escape" into Arizona as a whole, this is nonsense. As one columnist recently observed in a major newspaper, Indian reservations are already everywhere. Scarcely any person in Arizona is more than a 45-minute drive from a reservation slot machine. Prop. 201 might cut the drive time in half.

Third, the idea that a "leveling of the playing field" to promote fair competition (a rational idea, standing alone) does not necessarily mean that the racetrack enclosures seeking slot machines or "gambling devices" in Prop. 201 should get them. Fairness and parity could also be achieved by allowing the existing Indian casino agreements to expire and requiring the removal of such devices altogether.

Since a federal court has already held that the agreements under which the present reservation casinos operate were not authorized, a persuasive argument can be made that now is the best time to return Arizona to a course which will prevent its conversion into another Las Vegas. Prop. 201 does not promote this objective.

As stated in our other comments, for those who cannot find enough ways to wager their money against horrific odds, Nevada is close enough.

Jon Kyl, U.S. Senator, Phoenix

John Shadegg, U.S. Congressman, Phoenix

Jeff Flake, U.S. Congressman, Mesa

Paid for by "John Shadegg for Congress"

BALLOT FORMAT**PROPOSITION 201****PROPOSED BY INITIATIVE PETITION****OFFICIAL TITLE**

AN ACT AMENDING SECTIONS 5-101, 5-110, 5-111, 5-112, 5-113 AND 5-601, ARIZONA REVISED STATUTES; REPEALING SECTION 5-601.01, ARIZONA REVISED STATUTES MAKING AN APPROPRIATION; RELATING TO GAMING.

DESCRIPTIVE TITLE

AUTHORIZES HORSE AND DOG RACETRACKS TO OPERATE SLOT MACHINES; PERMITS GOVERNOR TO APPROVE NEW TRIBAL GAMING COMPACTS; ALLOCATES RACETRACKS 10 FACILITIES STATEWIDE WITH 550-950 MACHINES EACH, EACH TRIBE 1-3 FACILITIES, 600-2400 MACHINES, 50-75 CARD TABLES; 40% OF TRACKS' GROSS AND 8% OF TRIBES' GROSS FUND STATEWIDE PROGRAMS SPECIFIED IN MEASURE.

PROPOSITION 201

<p>A "yes" vote shall have the effect of permitting horse and dog racetracks to operate slot machines and the Governor to approve new tribal gaming compacts; allocates racetracks 10 facilities statewide with 550-950 machines per facility and each tribe 1-3 facilities, 600-2400 slot machines and 50-75 card tables; 40% of tracks' gross and 8% of tribes' gross go to the state general fund and to programs including K-3 reading; prescription medication for seniors; rural health care; city and town police, fire and emergency services; college scholarships; tourism; and problem gambling.</p>	<p>YES <input type="checkbox"/></p>
<p>A "no" vote shall have the effect of not authorizing slot machines at racetracks, not authorizing the Governor to approve new tribal gaming compacts and not authorizing renewal of the current compacts when they expire.</p>	<p>NO <input type="checkbox"/></p>