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Colorado Secretary of State  
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INITIATIVE 2013-2014 #135 ORIGINAL TEXT

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

**SECTION 1.** In the constitution of the state of Colorado, **add** section 17 to article XVIII as follows:

**Section 17. K-12 education fund.** (1) THE K-12 EDUCATION FUND IS HEREBY ESTABLISHED TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS BY PROVIDING ADDITIONAL REVENUE TO ADDRESS LOCAL NEEDS, INCLUDING REDUCING CLASS SIZES, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES.

(2)(a) THE K-12 EDUCATION FUND CONSISTS OF THE MONEYS AS PROVIDED IN SUBSECTION (3) OF THIS SECTION. ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE K-12 EDUCATION FUND SHALL BE CREDITED TO THE K-12 EDUCATION FUND.

(b) THE STATE TREASURER SHALL ANNUALLY DISTRIBUTE THE MONEYS IN THE K-12 EDUCATION FUND ON A PER PUPIL BASIS TO EACH SCHOOL DISTRICT AND THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY. THE PER PUPIL AMOUNT IS DETERMINED BY DIVIDING THE TOTAL AMOUNT TO BE DISTRIBUTED BY THE STATEWIDE PUBLIC SCHOOL ENROLLMENT. THE AMOUNT DISTRIBUTED TO EACH SCHOOL DISTRICT IS THE PER PUPIL AMOUNT MULTIPLIED BY THE SCHOOL DISTRICT'S PUPIL ENROLLMENT, AND THE AMOUNT DISTRIBUTED TO THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, IS THE PER PUPIL AMOUNT MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED AT INSTITUTE CHARTER SCHOOLS.

(c) MONEYS DISTRIBUTED TO THE SCHOOL DISTRICTS AND THE STATE CHARTER SCHOOL INSTITUTE, OR SUCCESSOR AGENCY, UNDER THIS SUBSECTION (2) ARE IN ADDITION TO ANY OTHER MONEYS APPROPRIATED FOR DISTRIBUTION TO SCHOOL DISTRICTS OR THE CHARTER SCHOOL INSTITUTE OR OTHERWISE ALLOCATED TO SCHOOL DISTRICTS OR THE CHARTER SCHOOL INSTITUTE. NO SCHOOL DISTRICT OR INSTITUTE CHARTER SCHOOL IS REQUIRED TO USE MONEY DISTRIBUTED UNDER THIS SUBSECTION (2) AS A CONTRIBUTION TO ANY FUNDING FORMULA CONTAINED IN LAW.

(d) EACH SCHOOL DISTRICT AND EACH INSTITUTE CHARTER SCHOOL SHALL USE THE MONEYS RECEIVED FROM THE K-12 EDUCATION FUND TO IMPROVE THE EDUCATION OF CHILDREN IN COLORADO PUBLIC SCHOOLS BY ADDRESSING LOCAL NEEDS, INCLUDING REDUCING CLASS SIZES, ACQUIRING TECHNOLOGY FOR TEACHERS AND STUDENTS, ENHANCING SCHOOL SAFETY AND SECURITY, AND IMPROVING SCHOOL FACILITIES.

(e) THE STATE AUDITOR SHALL AUDIT OR DIRECT AN AUDIT OF THE K-12 EDUCATION FUND AT LEAST ANNUALLY, AND SHALL SUBMIT A REPORT OF THE AUDIT TO THE LEGISLATIVE AUDIT COMMITTEE.

(3)(a) NOTWITHSTANDING ANY OTHER LAW OR CONSTITUTIONAL PROVISIONS TO THE CONTRARY, THE COMMISSION SHALL EXPAND LIMITED GAMING IN THE STATE OF COLORADO BY IMPLEMENTING HORSE RACETRACK LIMITED GAMING, AS SET FORTH IN THIS SECTION.

(b) IN ORDER TO CONDUCT HORSE RACETRACK LIMITED GAMING, IN ADDITION TO ANY APPLICABLE LICENSE FEES, A HORSE RACETRACK LICENSED TO CONDUCT LIMITED GAMING MUST:

(I) WITHIN THE FIRST THIRTY DAYS OF OPERATING HORSE RACETRACK LIMITED GAMING, MAKE A SINGLE PAYMENT OF TWENTY-FIVE MILLION DOLLARS TO THE STATE TREASURER FOR DEPOSIT INTO THE K-12 EDUCATION FUND; AND

(II) BEGINNING WITH THE FIRST STATE FISCAL YEAR IN WHICH A HORSE RACETRACK THAT IS AUTHORIZED TO CONDUCT HORSE RACETRACK LIMITED GAMING GENERATES ADJUSTED GROSS PROCEEDS FROM HORSE RACETRACK LIMITED GAMING, PAY TO THE STATE TREASURER THIRTY-FOUR PERCENT OF THE HORSE RACETRACK'S ADJUSTED GROSS PROCEEDS OF HORSE RACETRACK LIMITED GAMING GENERATED EACH YEAR FOR DEPOSIT INTO THE K-12 EDUCATION FUND.

(c) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION, HORSE RACETRACKS SHALL RETAIN THE BALANCE OF THEIR ADJUSTED GROSS PROCEEDS FROM HORSE RACETRACK LIMITED GAMING NOT PAID PURSUANT TO THIS SUBSECTION (3).

(d) ALL MONEYS IN THE K-12 EDUCATION FUND SHALL BE SET ASIDE, ALLOCATED, ALLOTTED, AND CONTINUOUSLY APPROPRIATED FOR DISTRIBUTION IN ACCORDANCE WITH THIS SECTION.

(4) A HOST COMMUNITY MAY IMPOSE ON A HORSE RACETRACK LICENSED TO CONDUCT LIMITED GAMING IN THE HOST COMMUNITY A ONE-TIME INITIAL IMPACT FEE AND ANNUAL IMPACT FEES THAT ARE REASONABLY RELATED TO THE HOST COMMUNITY'S COSTS RESULTING FROM HORSE RACETRACK LIMITED GAMING. THE AMOUNT OF THE IMPACT FEES WILL BE ESTABLISHED THROUGH NEGOTIATIONS BETWEEN A HORSE RACETRACK AND THE HOST COMMUNITY.

(5) STATE AND LOCAL GOVERNMENTS SHALL COLLECT, DISTRIBUTE, AND SPEND ALL REVENUES DERIVED PURSUANT TO THIS SECTION AS VOTER-APPROVED REVENUE CHANGES WITHOUT REGARD TO ANY LIMITATION CONTAINED IN SECTION 20 OF ARTICLE X OF THIS CONSTITUTION OR ANY OTHER LAW.

(6) THE ADMINISTRATION AND REGULATION OF THIS SECTION ARE SUBJECT TO THE AUTHORITY OF THE COMMISSION. NO LATER THAN JULY 1, 2015, THE COMMISSION SHALL PROMULGATE ALL NECESSARY RULES TO REGULATE HORSE RACETRACK LIMITED GAMING IN ACCORDANCE WITH THIS SECTION AND WITH GENERALLY ACCEPTED INDUSTRY STANDARDS. THE RULES SHALL MAXIMIZE THE PROCEEDS AVAILABLE FOR DISTRIBUTION UNDER THIS SECTION TO THE K-12 EDUCATION FUND FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2015, AND EACH SUCCEEDING FISCAL YEAR THEREAFTER. THE COMMISSION SHALL NOT UNREASONABLY WITHHOLD A LICENSE, AND SHALL NOT IMPOSE LICENSE REQUIREMENTS FOR HORSE RACETRACK LIMITED GAMING THAT ARE STRICTER THAN THOSE IMPLEMENTED FOR LIMITED GAMING LICENSES UNDER SECTION 9 OF THIS ARTICLE.

(7) HORSE RACETRACK LIMITED GAMING IS SUBJECT TO THE FOLLOWING:

(a) HORSE RACETRACK LIMITED GAMING MAY TAKE PLACE ONLY IN THE COUNTIES OF ARAPAHOE, MESA, AND PUEBLO. ONLY ONE HORSE RACETRACK IN EACH OF THE SPECIFIED THREE COUNTIES MAY BE LICENSED TO CONDUCT HORSE RACETRACK LIMITED GAMING.

(b) HORSE RACETRACKS LICENSED TO CONDUCT HORSE RACETRACK LIMITED GAMING ARE AUTHORIZED TO HAVE THE GREATER OF TWO THOUSAND FIVE HUNDRED SLOT MACHINES OR SUCH OTHER NUMBER OF SLOT MACHINES AS REQUESTED BY THE HORSE RACETRACK AND AS DETERMINED BY THE COMMISSION TO MAXIMIZE REVENUE TO THE K-12 EDUCATION FUND.

(c) HORSE RACETRACK LIMITED GAMING IS RESTRICTED TO PERSONS TWENTY-ONE YEARS OF AGE OR OLDER.

(d) HORSE RACETRACK LIMITED GAMING OPERATIONS ARE PROHIBITED BETWEEN THE HOURS OF 2 A.M. AND 8 A.M., UNLESS THE HOURS ARE EXPANDED BY THE HOST COMMUNITY OF A HORSE RACETRACK. EACH HOST COMMUNITY IN WHICH HORSE RACETRACK LIMITED GAMING OCCURS IS AUTHORIZED TO EXTEND THE HOURS OF HORSE RACETRACK LIMITED GAMING OPERATION UP TO TWENTY-FOUR HOURS PER DAY, SEVEN DAYS PER WEEK.

(e) ALCOHOLIC BEVERAGES MAY, SUBJECT TO LICENSURE BY THE STATE AND LOCAL LIQUOR LICENSING AUTHORITIES, BE SOLD AT HORSE RACETRACKS IN WHICH HORSE RACETRACK LIMITED GAMING TAKES PLACE.

(8) EACH HORSE RACETRACK LICENSED TO CONDUCT LIMITED GAMING SHALL KEEP A COMPLETE AND ACCURATE SET OF BOOKS AND RECORDS, AND COMPLY WITH THE SAME INSPECTION, EXAMINATION, AND AUDIT REQUIREMENTS APPLICABLE TO LIMITED GAMING LICENSEES UNDER SECTION 9 OF THIS ARTICLE AS PRESCRIBED IN SECTION 12-47.1-529, COLORADO REVISED STATUTES, OR SUCCESSOR STATUTE.

(9) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADJUSTED GROSS PROCEEDS" MEANS THE DEFINITION OF ADJUSTED GROSS PROCEEDS IN SECTION 9 OF THIS ARTICLE, AS IT IS APPLIED TO LIMITED GAMING ESTABLISHMENTS LICENSED UNDER SECTION 9 OF THIS ARTICLE IN CALCULATING THE PAYMENTS OWED BY THE LICENSEES FOR THE RIGHT TO CONDUCT LIMITED GAMING.

(b) "COMMISSION" MEANS THE COLORADO LIMITED GAMING CONTROL COMMISSION, AS DESCRIBED IN SUBSECTION (2) OF SECTION 9 OF THIS ARTICLE.

(c) "HORSE RACETRACK" MEANS A LICENSED CLASS B HORSE RACETRACK THAT HAS BEEN CONTINUOUSLY OPERATED AND THAT THE COLORADO RACING COMMISSION, OR SUCCESSOR AGENCY, HAS LICENSED AS A CLASS B HORSE RACETRACK, AS ESTABLISHED IN SECTION 12-60-301, COLORADO REVISED STATUTES, TO CONDUCT LIVE RACE MEETS IN THE STATE OF COLORADO AND TO CONDUCT PARI-MUTUEL WAGERING ON HORSE RACES, FOR A PERIOD OF NO LESS THAN FIVE YEARS AS OF JANUARY 1, 2014, OR FOR FIVE YEARS IMMEDIATELY PRECEDING THE CLASS B HORSE RACETRACK'S APPLICATION FOR A LICENSE TO CONDUCT HORSE RACETRACK LIMITED GAMING.

(d) "HORSE RACETRACK LIMITED GAMING" MEANS THE SAME LIMITED GAMING THAT CAN BE CONDUCTED BY LIMITED GAMING LICENSEES UNDER SECTION 9 OF THIS ARTICLE, BUT, AT A MINIMUM, INCLUDES THE USE AT THE HORSE RACETRACK OF SLOT MACHINES, THE CARD GAMES OF BLACKJACK AND POKER, AND THE GAMES OF ROULETTE AND CRAPS, EACH GAME HAVING UP TO A MAXIMUM SINGLE BET OF ONE HUNDRED DOLLARS. ALL WAGERS ON GAMES MUST BE PLACED IN PERSON ON THE LICENSED PREMISE OF A HORSE RACETRACK'S PHYSICAL PLACE OF BUSINESS.

(e) "HOST COMMUNITY" MEANS THE SINGLE LOCAL JURISDICTION THAT ISSUES THE PERMITS AND APPROVALS NECESSARY FOR THE OPERATIONS OF A HORSE RACETRACK CONDUCTING HORSE RACETRACK LIMITED GAMING.

(f) "SLOT MACHINE" MEANS ANY MECHANICAL, ELECTRICAL, VIDEO, ELECTRONIC, OR OTHER DEVICE, CONTRIVANCE, OR MACHINE WHICH, AFTER INSERTION OF CASH IN THE FORM OF A COIN OR BILL; A TOKEN OR SIMILAR OBJECT; OR UPON PAYMENT BY ANY MEDIUM, INCLUDING ELECTRONIC CREDITS, OF ANY REQUIRED CONSIDERATION BY A PLAYER, IS AVAILABLE TO BE PLAYED OR OPERATED, AND THAT, WHETHER BY REASON OF THE SKILL OF THE PLAYER OR APPLICATION OF THE ELEMENT OF CHANCE, OR BOTH, MAY DELIVER OR ENTITLE THE PLAYER OPERATING THE MACHINE TO RECEIVE CASH PRIZES, MERCHANDISE, TOKENS REDEEMABLE FOR CASH, GAME CREDITS IN ELECTRONIC FORM OR OTHERWISE REDEEMABLE FOR CASH, OR ANY OTHER THING OF VALUE OTHER THAN UNREDEEMABLE FREE GAMES, WHETHER THE PAYOFF IS MADE AUTOMATICALLY FROM THE MACHINES OR IN ANY OTHER MANNER.

(10) IF ANY PROVISION OF THIS SECTION IS HELD INVALID, THE REMAINDER OF THIS SECTION REMAINS UNIMPAIRED.

VICKIE L. ARMSTRONG  
678 W. 11<sup>TH</sup> STREET  
AKRON, CO 80720

BOB HAGEDORN  
1278 SABLE BLVD.  
AURORA, CO 80011

DN 32265254.9