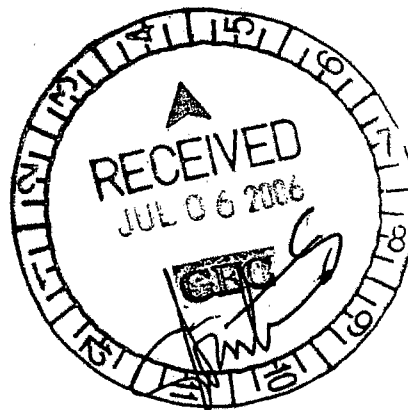


JODI L. VIDA
POST OFFICE BOX 10358
TAMUNING, GUAM 96931

July 6, 2006

Gerald Taitano
Executive Director
Guam Election Commission
Suite 200, GCIC Bldg.
414 West Soledad Avenue
Hagatna, Guam 96910



RE: Submission of Draft Initiative Measure to be Submitted
Directly to the Voters

Dear Mr. Taitano:

Submitted herewith is a draft initiative measure to be submitted directly to the voters entitled Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming. Pursuant to 3 G.C.A. § 17104(a), I am requesting that the Guam Election Commission prepare a summary of the chief purposes and points of the proposed measure.

I am the proponent for this proposed measure. My mailing address is Post Office Box 10358, Tamuning, Guam 96931 and my telephone numbers are 653-9016 and 687-7541.

Also transmitted herewith for the Commission's convenience is a draft summary of the chief purposes and points of the proposed measure and a draft Short Title of the proposed measure showing the nature of the measure and subject to which it relates. I have also prepared and am including herewith a draft petition that conforms to EC Forms 203-a and 203-b.

Thank you for your attention to this matter and I look forward to hearing from you.

Sincerely,

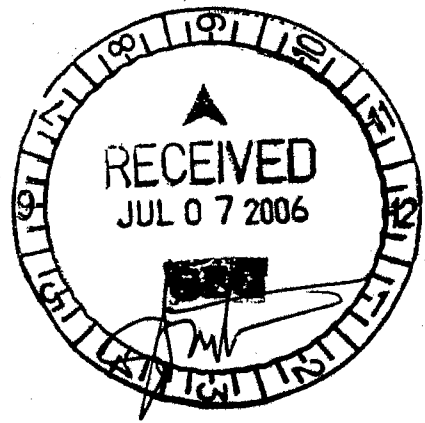
A handwritten signature in black ink that reads "Jodi L. Vida".

Jodi L. Vida

Enclosures



JODIE L. VIDA
POST OFFICE BOX 10358
TAMUNING, GUAM 96931



July 6, 2006

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Executive Director
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Thank you for your attention to this matter and I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Jodie L. Vida".

Jodie L. Vida

Enclosures

DRAFT

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

**Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and
Public Education by Allowing Slot Machine Gaming**

GUAM TOURISM REVITALIZATION ACT



INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

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PROPOSAL B

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO VOTERS

GUAM TOURISM REVITALIZATION ACT

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

We, the undersigned citizens and qualified electors of the Territory of Guam, respectfully demand the following proposed law, to wit:

Be it enacted by the People of the Territory of Guam:

Section 1. Title 23 is added to the Guam Code Annotated to read:

"TITLE 23 – GUAM TOURISM REVITALIZATION ACT"

ARTICLE 1 – STATEMENT OF LEGISLATIVE FINDINGS AND DEFINITIONS

Section 1001. Findings and Purposes

The people of the Territory of Guam recognize and declare the following:

- (a) Legalization of Slot Machine Gaming as provided in this act will help to revitalize tourism, stimulate economic and tourism development and create additional revenues for the Territory;
- (b) Imposition and payment to the Department of Revenue & Taxation of a 10% tax on the Gross Slot Income derived from Slot Machine Gaming conducted at an Established Pari-mutuel Racing Facility can be distributed for the benefit of: (i) health care; (ii) education; and (iii) other needs of the Territory as designated and directed by the Department of Revenue & Taxation;
- (c) The residents of the Territory of Guam would greatly benefit from additional revenue to be used for subsidizing health care costs and expenses, including for providing assistance to the residents of the Territory with the costs of obtaining prescription drugs and medicines; and for the improvement of the educational content, physical condition, vocational programs, security, and general well-being of the Territory's public schools;
- (d) The Territory would be best served if such revenues were funded from a new and self-sustaining revenue generation program rather than through the imposition of additional taxes or fees on the existing incomes and businesses of Guam residents;
- (e) Pari-mutuel racing in Guam has, since its inception, been a positive example of a revenue generation program which benefits the residents of Guam by providing needed general revenues for the Territory without requiring the Territory to impose additional taxes or fees on its residents;

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

- (f) Based on this example, the people of the Territory of Guam believe that permitting Slot Machine Gaming at an Established Pari-mutuel Racing Facility will benefit the Territory by creating a new source of revenue; and
- (g) The revenues received from this new program of Slot Machine Gaming shall be set aside only to be used for specific programs, with at least 90% of such revenues set aside used exclusively for programs which benefit health care and public schools.

Section 1002. Definitions

When used in this Title, the following terms shall have these meanings:

- (a) **"Established Pari-mutuel Racing Facility"** means a facility with a race track at which pari-mutuel activities occur as of the effective date of this act, provided such facility has been in existence for at least 10 years, and was in existence and operating pari-mutuel racing operations prior to December 31, 1998.
- (b) **"Gross Slot Income"** means money, tokens, credits or similar objects or things of value used to play a Slot Machine minus money, credits or prizes paid out to winners.
- (c) **"Guam Tourism Revitalization Slot Machine Gaming Fund"** means the fund to be created by the Department of Revenue & Taxation in which all taxes generated pursuant to Section 3002 of this Title 23, and collected by the Department of Revenue & Taxation shall be deposited.
- (d) **"Slot" or "Slot Machine"** means any mechanical, electrical or electronic device, contrivance or machine or other device, contrivance or machine that is available to play upon insertion of money or a token, credit or similar object or thing of value, the play of which by the element of chance may deliver or entitle the person playing the device, contrivance or machine to receive cash, tokens or credits to be exchanged for cash, merchandise or anything of value, whether the payoff is made automatically from the device, contrivance or machine or in any other manner, and includes progressive electronic gaming devices with a payoff that increases as the electronic gaming device is played.
- (e) **"Slot Machine Gaming Operations" or "Slot Machine Gaming"** means the use and operation of Slot Machines in accordance with the provisions of this Title.
- (f) **"Slot Machine Gaming Tax"** means an annual ten percent (10%) tax levied upon Gross Slot Income as set forth in the provisions of this Title.

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

ARTICLE 2 – SLOT MACHINE OPERATIONS

Section 2001. Requirements for Slot Machines

No Slot Machine shall be installed and/or operated in this Territory unless such Slot Machine shall:

- (a) Be of a class of Slot Machine which has been manufactured for certification by a major international manufacturer;
- (b) Have a serial number or other identification number permanently affixed thereto by the manufacturer;
- (c) Be located at an Established Pari-mutuel Racing Facility and operated by the owner of that Established Pari-mutuel Racing Facility; and
- (d) Be configured so that the largest denomination token accepted shall be no more than \$5.00.

Section 2002. Slot Devices

Notwithstanding any provision of the law to the contrary, no Slot Machine described in this Title 23 and purchased, owned or operated according to the provisions of this Title shall be considered an illegal device.

Section 2003. Prohibiting Minors From Playing Slot Machines

No person under the age of eighteen shall be permitted to play or operate a Slot Machine.

ARTICLE 3 – TAXES

Section 3001. Tax; Levy

There is hereby levied an annual tax of ten (10%) percent upon Gross Slot Income. This Slot Machine Gaming Tax shall be: (a) paid monthly in arrears; (b) shall be paid into the Guam Tourism Revitalization Slot Machine Gaming Fund; and (c) shall be disbursed from the Guam Tourism Revitalization Slot Machine Gaming Fund pursuant to this Section 3001. There shall be no other tax, fee, levy or other charge assessed against Slot Machine Gaming Operations and/or Gross Slot Income.

Section 3002. Collection and Disposition of Taxes

- (a) The Department of Revenue & Taxation shall collect the Slot Machine Gaming Tax.

- (b) The Slot Machine Gaming Tax collected by the Department of Revenue & Taxation shall be forwarded upon receipt to the Guam Treasurer for immediate deposit into the Guam Treasury.
- (1) The Guam Treasurer shall, each fiscal year, credit the Slot Machine Gaming Tax to the Guam Tourism Revitalization Slot Machine Gaming Fund.
 - (2) Monies in the Guam Tourism Revitalization Slot Machine Gaming Fund shall be withdrawn only pursuant to (i) the provisions of this Article 3 or (ii) appropriation by the Guam Legislature for use solely to carry out the provisions of this Title.
 - (3) Monies in the Guam Tourism Revitalization Slot Machine Gaming Fund shall, until disbursed as herein provided, be invested by the Guam Treasurer in the same manner as monies in the Guam General Fund. Interest earned on investment of monies from the Guam Tourism Revitalization Slot Machine Gaming Fund shall be credited to the Guam Tourism Revitalization Slot Machine Gaming Fund. Unexpended and unallocated monies in the Guam Tourism Revitalization Slot Machine Gaming Fund at the end of each fiscal year shall remain in the Guam Tourism Revitalization Slot Machine Gaming Fund for investment and application as provided in this Article.
- (c) Monies remaining in the Guam Tourism Revitalization Slot Machine Gaming Fund, after complying with the provisions of this Article, including proceeds of investment made pursuant to paragraph (b)(3), shall be disbursed by the Guam Treasurer from time to time and at one or more times during each year, as designated by the Department of Revenue & Taxation, in the following manner and for the following purposes:
- (1) 50% to benefit and assist the residents of Guam in obtaining health care;
 - (2) 20% to benefit and assist the residents of Guam in obtaining prescription drugs and medicines;
 - (3) 20% to benefit the public schools of Guam, including but not limited to the improvement of the educational content, physical condition, vocational programming, security and general well-being of the public schools in the Territory; and
 - (4) 10% for administrative costs and as otherwise designated and directed by the Department of Revenue & Taxation.

ARTICLE 4 – REGULATION

Section 4001. Power to Regulate held by the Department of Revenue & Taxation

The Department of Revenue & Taxation shall be empowered to make rules and regulations for the control, supervision and direction of all applicants, and licensees; provided, such rules and regulations shall be uniform in their application and effect.

ARTICLE 5 – MISCELLANEOUS

Section 5001. Declaration of Guam's Limited Exemption From Operation of Provisions of Section 1172 of Title 15 of the U. S. Code

Pursuant to Section 2 of an Act of Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and codified at Sections 1171-1177 of Title 15 of the U.S. Code, the people of Guam, acting directly through the initiative process authorized to them by the Congress through its enactment of Section 1422a(a) of Title 48 of the U.S. Code and implemented for them by the Legislature through its enactment of Chapter 17 of Title 3 of the Guam Code Annotate, do hereby, in accordance with and in compliance with the provisions of Section 2 of said Act of Congress, declare and proclaim that Section 2 of that Act of Congress shall not apply to any gaming device in Guam where the transportation of such a device is specifically authorized by and done in compliance with the provisions of this Title; and that any such gaming device transported in compliance with this Title shall be exempt from the provisions of that Act of Congress.

Section 5002. Legal Shipment of Gaming Devices into Guam

All shipments into Guam of gaming devices, including Slot Machines, the registering, recording and labeling of which has been duly had by the manufacturer or dealer thereof in accordance with Sections 3 and 4 of an Act of Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and codified at Sections 1171-1177 of Title 15 of the U. S. Code, shall be deemed legal shipments thereof into Guam.

ARTICLE 6 – EFFECTIVE DATE; SEVERABILITY

Section 6001. Effective Date

Notwithstanding any other provision of Guam law, this act shall be in full force and effect on January 1, 2007.

Section 6002. Severability

If any of the provisions of this Title or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Title which can be given effect without the invalid provision or application, and to this end the provisions of this Title are severable.

DRAFT

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

[ELECTION COMMISSION SUMMARY TO BE INSERTED]

We, the undersigned citizens and qualified electors of the Territory of Guam, respectfully demand the following proposed law, to wit:

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming.

Be it enacted by the People of the Territory of Guam:

Section 1. Title 23 is added to the Guam Code Annotated to read:

“TITLE 23 – GUAM TOURISM REVITALIZATION ACT”

ARTICLE 1 – STATEMENT OF LEGISLATIVE FINDINGS AND DEFINITIONS

Section 1001. Findings and Purposes

The people of the Territory of Guam recognize and declare the following:

- (a) Legalization of Slot Machine Gaming as provided in this act will help to revitalize tourism, stimulate economic and tourism development and create additional revenues for the Territory;
- (b) Imposition and payment to the Department of Revenue & Taxation of a 10% tax on the Gross Slot Income derived from Slot Machine Gaming conducted at an Established Pari-mutuel Racing Facility can be distributed for the benefit of: (i) health care; (ii) education; and (iii) other needs of the Territory as designated and directed by the Department of Revenue & Taxation;
- (c) The residents of the Territory of Guam would greatly benefit from additional revenue to be used for subsidizing health care costs and expenses, including for providing assistance to the residents of the Territory with the costs of obtaining prescription drugs and medicines; and for the improvement of the educational content, physical condition, vocational programs, security, and general well-being of the Territory's public schools;
- (d) The Territory would be best served if such revenues were funded from a new and self-sustaining revenue generation program rather than through the imposition of additional taxes or fees on the existing incomes and businesses of Guam residents;

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

- (e) Pari-mutuel racing in Guam has, since its inception, been a positive example of a revenue generation program which benefits the residents of Guam by providing needed general revenues for the Territory without requiring the Territory to impose additional taxes or fees on its residents;
- (f) Based on this example, the people of the Territory of Guam believe that permitting Slot Machine Gaming at an Established Pari-mutuel Racing Facility will benefit the Territory by creating a new source of revenue; and
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When used in this Title, the following terms shall have these meanings:

- (a) **"Established Pari-mutuel Racing Facility"** means a facility with a racetrack at which pari-mutuel activities occur as of the effective date of this act, provided such facility has been in existence for at least 10 years, and was in existence and operating pari-mutuel racing operations prior to December 31, 1998.
- (b) **"Gross Slot Income"** means money, tokens, credits or similar objects or things of value used to play a Slot Machine minus money, credits or prizes paid out to winners.
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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

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 - (3) Monies in the Guam Tourism Revitalization Slot Machine Gaming Fund shall, until disbursed as herein provided, be invested by the Guam Treasurer in the same manner as monies in the Guam General Fund. Interest earned on investment of monies from the Guam Tourism Revitalization Slot Machine Gaming Fund shall be credited to the Guam Tourism Revitalization Slot Machine Gaming Fund. Unexpended and unallocated monies in the Guam Tourism Revitalization Slot Machine Gaming Fund at the end of each fiscal year shall remain in the Guam Tourism Revitalization Slot Machine Gaming Fund for investment and application as provided in this Article.
- (c) Monies remaining in the Guam Tourism Revitalization Slot Machine Gaming Fund, after complying with the provisions of this Article, including proceeds of investment made pursuant to paragraph (b)(3), shall be disbursed by the Guam Treasurer from time to time and at one or more times during each year, as designated by the Department of Revenue & Taxation, in the following manner and for the following purposes:
 - (1) 50% to benefit and assist the residents of Guam in obtaining health care;

DRAFT

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

- (2) 20% to benefit and assist the residents of Guam in obtaining prescription drugs and medicines;
- (3) 20% to benefit the public schools of Guam, including but not limited to the improvement of the educational content, physical condition, vocational programming, security and general well-being of the public schools in the Territory; and
- (4) 10% for administrative costs and as otherwise designated and directed by the Department of Revenue & Taxation.

ARTICLE 4 – REGULATION

Section 4001. Power to Regulate held by the Department of Revenue & Taxation

The Department of Revenue & Taxation shall be empowered to make rules and regulations for the control, supervision and direction of all applicants, and licensees; provided, such rules and regulations shall be uniform in their application and effect.

ARTICLE 5 – MISCELLANEOUS

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Pursuant to Section 2 of an Act of Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and codified at Sections 1171-1177 of Title 15 of the U.S. Code, the people of Guam, acting directly through the initiative process authorized to them by the Congress through its enactment of Section 1422a(a) of Title 48 of the U.S. Code and implemented for them by the Legislature through its enactment of Chapter 17 of Title 3 of the Guam Code Annotate, do hereby, in accordance with and in compliance with the provisions of Section 2 of said Act of Congress, declare and proclaim that Section 2 of that Act of Congress shall not apply to any gaming device in Guam where the transportation of such a device is specifically authorized by and done in compliance with the provisions of this Title; and that any such gaming device transported in compliance with this Title shall be exempt from the provisions of that Act of Congress.

Section 5002. Legal Shipment of Gaming Devices into Guam

All shipments into Guam of gaming devices, including Slot Machines, the registering, recording and labeling of which has been duly had by the manufacturer or dealer thereof in accordance with Sections 3 and 4 of an Act of Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

2, 1951, being chapter 1194, 64 Stat. 1134, and codified at Sections 1171-1177 of Title 15 of the U. S. Code, shall be deemed legal shipments thereof into Guam.

ARTICLE 6 – EFFECTIVE DATE; SEVERABILITY

Section 6001. Effective Date

Notwithstanding any other provision of Guam law, this act shall be in full force and effect on January 1, 2007.

Section 6002. Severability

If any of the provisions of this Title or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Title which can be given effect without the invalid provision or application, and to this end the provisions of this Title are severable.

Draft Short Title and Summary Statement

Short Title: Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming

Summary Statement:

This initiative would allow slot machine gaming at an existing race track. A new 10% gaming tax would be imposed on gross slot income. The tax would be used to subsidize (1) health care costs, including prescription drugs for Guam residents, (2) education, including improvements to the physical condition of Guam schools, and (3) other programs for the general well-being of the Territory.

DRAFT PETITION

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

[ELECTION COMMISSION SUMMARY TO BE INSERTED]

We, the undersigned citizens and qualified electors of the Territory of Guam, respectfully demand the following proposed law, to wit:

Initiative to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education by Allowing Slot Machine Gaming.

Be it enacted by the People of the Territory of Guam:

Section 1. Title 23 is added to the Guam Code Annotated to read:

“TITLE 23 – GUAM TOURISM REVITALIZATION ACT”

ARTICLE 1 – STATEMENT OF LEGISLATIVE FINDINGS AND DEFINITIONS

Section 1001. Findings and Purposes

The people of the Territory of Guam recognize and declare the following:

- (a) Legalization of Slot Machine Gaming as provided in this act will help to revitalize tourism, stimulate economic and tourism development and create additional revenues for the Territory;
- (b) Imposition and payment to the Department of Revenue & Taxation of a 10% tax on the Gross Slot Income derived from Slot Machine Gaming conducted at an Established Pari-mutuel Racing Facility can be distributed for the benefit of: (i) health care; (ii) education; and (iii) other needs of the Territory as designated and directed by the Department of Revenue & Taxation;
- (c) The residents of the Territory of Guam would greatly benefit from additional revenue to be used for subsidizing health care costs and expenses, including for providing assistance to the residents of the Territory with the costs of obtaining prescription drugs and medicines; and for the improvement of the educational content, physical condition, vocational programs, security, and general well-being of the Territory's public schools;
- (d) The Territory would be best served if such revenues were funded from a new and self-sustaining revenue generation program rather than through the imposition of additional taxes or fees on the existing incomes and businesses of Guam residents;

DRAFT PETITION

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

[ELECTION COMMISSION SHORT TITLE TO BE INSERTED]

- (e) Pari-mutuel racing in Guam has, since its inception, been a positive example of a revenue generation program which benefits the residents of Guam by providing needed general revenues for the Territory without requiring the Territory to impose additional taxes or fees on its residents;
- (f) Based on this example, the people of the Territory of Guam believe that permitting Slot Machine Gaming at an Established Pari-mutuel Racing Facility will benefit the Territory by creating a new source of revenue; and
- (g) The revenues received from this new program of Slot Machine Gaming shall be set aside only to be used for specific programs, with at least 90% of such revenues set aside used exclusively for programs which benefit health care and public schools.

Section 1002. Definitions

When used in this Title, the following terms shall have these meanings:

- (a) **“Established Pari-mutuel Racing Facility”** means a facility with a racetrack at which pari-mutuel activities occur as of the effective date of this act, provided such facility has been in existence for at least 10 years, and was in existence and operating pari-mutuel racing operations prior to December 31, 1998.
- (b) **“Gross Slot Income”** means money, tokens, credits or similar objects or things of value used to play a Slot Machine minus money, credits or prizes paid out to winners.
- (c) **“Guam Tourism Revitalization Slot Machine Gaming Fund”** means the fund to be created by the Department of Revenue & Taxation in which all taxes generated pursuant to Section 3002 of this Title 23, and collected by the Department of Revenue & Taxation shall be deposited.
- (d) **“Slot” or “Slot Machine”** means any mechanical, electrical or electronic device, contrivance or machine or other device, contrivance or machine that is available to play upon insertion of money or a token, credit or similar object or thing of value, the play of which by the element of chance may deliver or entitle the person playing the device, contrivance or machine to receive cash, tokens or credits to be exchanged for cash, merchandise or anything of value, whether the payoff is made automatically from the device, contrivance or machine or in any other manner, and includes progressive electronic gaming devices with a payoff that increases as the electronic gaming device is played.
- (e) **“Slot Machine Gaming Operations” or “Slot Machine Gaming”** means the use and operation of Slot Machines in accordance with the provisions of this Title.

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[ELECTION COMMISSION SHORT TITLE TO BE INSERTED]

- (f) "Slot Machine Gaming Tax" means an annual ten percent (10%) tax levied upon Gross Slot Income as set forth in the provisions of this Title.

ARTICLE 2 – SLOT MACHINE OPERATIONS

Section 2001. Requirements for Slot Machines

No Slot Machine shall be installed and/or operated in this Territory unless such Slot Machine shall:

- (a) Be of a class of Slot Machine which has been manufactured for certification by a major international manufacturer;
- (b) Have a serial number or other identification number permanently affixed thereto by the manufacturer;
- (c) Be located at an Established Pari-mutuel Racing Facility and operated by the owner of that Established Pari-mutuel Racing Facility; and
- (d) Be configured so that the largest denomination token accepted shall be no more than \$5.00.

Section 2002. Slot Devices

Notwithstanding any provision of the law to the contrary, no Slot Machine described in this Title 23 and purchased, owned or operated according to the provisions of this Title shall be considered an illegal device.

Section 2003. Prohibiting Minors From Playing Slot Machines

No person under the age of eighteen shall be permitted to play or operate a Slot Machine.

ARTICLE 3 – TAXES

Section 3001. Tax; Levy

There is hereby levied an annual tax of ten (10%) percent upon Gross Slot Income. This Slot Machine Gaming Tax shall be: (a) paid monthly in arrears; (b) shall be paid into the Guam Tourism Revitalization Slot Machine Gaming Fund; and (c) shall be disbursed from the Guam Tourism Revitalization Slot Machine Gaming Fund pursuant to this Section 3001. There shall be no other tax, fee, levy or other charge assessed against Slot Machine Gaming Operations and/or Gross Slot Income.

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[ELECTION COMMISSION SHORT TITLE TO BE INSERTED]

Section 3002. Collection and Disposition of Taxes

- (a) The Department of Revenue & Taxation shall collect the Slot Machine Gaming Tax.
- (b) The Slot Machine Gaming Tax collected by the Department of Revenue & Taxation shall be forwarded upon receipt to the Guam Treasurer for immediate deposit into the Guam Treasury.
 - (1) The Guam Treasurer shall, each fiscal year, credit the Slot Machine Gaming Tax to the Guam Tourism Revitalization Slot Machine Gaming Fund.
 - (2) Monies in the Guam Tourism Revitalization Slot Machine Gaming Fund shall be withdrawn only pursuant to (i) the provisions of this Article 3 or (ii) appropriation by the Guam Legislature for use solely to carry out the provisions of this Title.
 - (3) Monies in the Guam Tourism Revitalization Slot Machine Gaming Fund shall, until disbursed as herein provided, be invested by the Guam Treasurer in the same manner as monies in the Guam General Fund. Interest earned on investment of monies from the Guam Tourism Revitalization Slot Machine Gaming Fund shall be credited to the Guam Tourism Revitalization Slot Machine Gaming Fund. Unexpended and unallocated monies in the Guam Tourism Revitalization Slot Machine Gaming Fund at the end of each fiscal year shall remain in the Guam Tourism Revitalization Slot Machine Gaming Fund for investment and application as provided in this Article.
- (c) Monies remaining in the Guam Tourism Revitalization Slot Machine Gaming Fund, after complying with the provisions of this Article, including proceeds of investment made pursuant to paragraph (b)(3), shall be disbursed by the Guam Treasurer from time to time and at one or more times during each year, as designated by the Department of Revenue & Taxation, in the following manner and for the following purposes:
 - (1) 50% to benefit and assist the residents of Guam in obtaining health care;
 - (2) 20% to benefit and assist the residents of Guam in obtaining prescription drugs and medicines;
 - (3) 20% to benefit the public schools of Guam, including but not limited to the improvement of the educational content, physical condition, vocational

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programming, security and general well-being of the public schools in the Territory; and

- (4) 10% for administrative costs and as otherwise designated and directed by the Department of Revenue & Taxation.

ARTICLE 4 – REGULATION

Section 4001. Power to Regulate held by the Department of Revenue & Taxation

The Department of Revenue & Taxation shall be empowered to make rules and regulations for the control, supervision and direction of all applicants, and licensees; provided, such rules and regulations shall be uniform in their application and effect.

ARTICLE 5 – MISCELLANEOUS

Section 5001. Declaration of Guam's Limited Exemption From Operation of Provisions of Section 1172 of Title 15 of the U. S. Code

Pursuant to Section 2 of an Act of Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and codified at Sections 1171-1177 of Title 15 of the U.S. Code, the people of Guam, acting directly through the initiative process authorized to them by the Congress through its enactment of Section 1422a(a) of Title 48 of the U.S. Code and implemented for them by the Legislature through its enactment of Chapter 17 of Title 3 of the Guam Code Annotate, do hereby, in accordance with and in compliance with the provisions of Section 2 of said Act of Congress, declare and proclaim that Section 2 of that Act of Congress shall not apply to any gaming device in Guam where the transportation of such a device is specifically authorized by and done in compliance with the provisions of this Title; and that any such gaming device transported in compliance with this Title shall be exempt from the provisions of that Act of Congress.

Section 5002. Legal Shipment of Gaming Devices into Guam

All shipments into Guam of gaming devices, including Slot Machines, the registering, recording and labeling of which has been duly had by the manufacturer or dealer thereof in accordance with Sections 3 and 4 of an Act of Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and codified at Sections 1171-1177 of Title 15 of the U. S. Code, shall be deemed legal shipments thereof into Guam.

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ARTICLE 6 – EFFECTIVE DATE; SEVERABILITY

Notwithstanding any other provision of Guam law, this act shall be in full force and effect on January 1, 2007.

If any of the provisions of this Title or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Title which can be given effect without the invalid provision or application, and to this end the provisions of this Title are severable.

SIGNATURES

[illegible]

SIGNATURES

[illegible]

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[ELECTION COMMISSION SHORT TITLE TO BE INSERTED]

AFFIDAVIT

TERRITORY OF GUAM) ss.

The undersigned circulator, being first duly sworn and under oath, deposes, say and asserts that he or she is a resident and qualified voter of the Territory of Guam, that each signature on the petition was signed in his or her presence, that to the best of his or her knowledge and belief, each signature is the genuine signature of the person whose name it purports to be and that the person was at the time of signing, a registered and qualified voter of the Territory of Guam.

PRINT NAME OF CIRCULATOR

SIGNATURE OF CIRCULATOR

VILLAGE

MAILING ADDRESS

DATE

BIRTHDATE

Subscribed and sworn to before me this _____ day of _____, 2006.

Notary Public in and for the
Territory of Guam
My Commission expires _____