

An Objective and Independent
View of Proposal B

By Guam Election Commission

This is an initiative to legalize slot machine gaming at an existing race track in Guam and to establish a slot machine gaming tax.

The initiative shall:

1. Allow licensed slot machine gambling at pari-mutuel racing facilities in Guam for persons eighteen years old or over;

2. Levy a tax of ten percent (10%) on gross slot income to be administered by the Department of Revenue and Taxation; and,

3. Create a fund to be administered by the Department of Revenue & Taxation and to be used for health care for Guam residents and for public schools in Guam.

This initiative if passed allows for slot machine gaming at a pari-mutuel racing facility in Guam which will benefit the residents of Guam by providing needed general revenues for Guam without requiring Guam to impose additional taxes or fees on its residents.

Section 1, Title 23—Guam Tourism Revitalization Act is added to the Guam Code Annotated and states in part that the legalization of slot machine gaming at an existing race track will help revitalize tourism, stimulate economic and tourism development and create additional revenues for the Territory.

Article 3, Title 23—Guam Tourism Revitalization Act, 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.

The revenues received from this initiative will be set aside only to be used for specific programs, with at least 90% of such set aside exclusively for programs which will benefit health care and public schools.

Article 3, Title 23—Guam Tourism Revitalization Act, Section 4001. Power to regulate held by the Department of Revenue & Taxation. States in part that 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.

The Ballot Format for the Initiative Question

is as follows:

INITIATIVE QUESTION

SHALL PROPOSAL B, AN INITIATIVE TO LEGALIZE SLOT MACHINE GAMBLING AT AN ESTABLISHED PARI-MUTUEL RACING FACILITY IN GUAM AND TO ESTABLISH A SLOT MACHINE GAMING TAX , BE ADOPTED BY THE VOTERS OF GUAM?

VOTE "YES" OR "NO"

() YES

() NO

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GENERAL
ELECTION 2006



VOTERS INFORMATION
PAMPHLET ON
PROPOSAL B

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A Proponent's View of Proposal B

By John Paul Calvo

Proposal "B": *An Initiative to Revitalize Tourism in Guam and Generate New Revenues for Health Care and Public Education by Allowing Slot Machine Gaming at the Guam Greyhound Park.*

History. Since 1977, gambling at Guam Greyhound Park has been one of the leading attractions for tourists who visit the island. Guam Greyhound has operated a pari-mutuel racing facility for over thirty years under very specific licensing regulations established by the Government of Guam. Proposal "B" would allow a limited number of slot machines to exist at the Guam Greyhound Park. This limited number of slots will also be carefully-regulated by government and will create new revenues to improve our island's health care and education without raising taxes on the general public.

Tourism. Guam needs more attractions to entertain its visitors. There are not enough activities, and especially night time activities, to hold the Visitors interest. The passing of Proposal "B" will allow Guam Greyhound to install slot machines, and build a first class tourist entertainment destination with restaurants, live musical performances, game room and races.

Local Needs. Our island's current gaming industry is not providing adequate benefits for the people of Guam. Proposal "B", a more measured plan than past proposals, is less expansive but better able to quickly provide hundreds of good-paying jobs for island workers with families who support local businesses. Proposal "B" provides that 10% of slot revenues be collected by island Government, which is greater than licensing fees paid by current gaming operators and 2.5 times the amount now collected in GRT.

Government. Our island's current gaming activities do not provide for direct funding of public schools and health care. Proposal "B" provides new revenues for schools and health care without new taxes. Approval of Proposal "B" will mean new, additional funds will be available for text books and prescription drugs.

Approximately 1.2 million tourists visit Guam annually to enjoy warm, protected water and clean beaches. Situated near the emerging economies of Asia, Guam has an opportunity to becoming the preferred tourist destination in the Pacific islands. However, that will require that more extensive entertainment facilities are available that will allow Guam to compete effectively with other destinations appealing to the same visitors.

"B" means a Better Guam.

John Paul Calvo is the Chairman of the Committee to Revitalize Tourism in Guam and Generate Revenue for Health Care and Public Education.

An Opponent's View of Proposal B

By Members of No On Prop B, Keep Guam Good.

MAKE THE SMART CHOICE. KEEP GUAM GOOD Vote NO on Proposal B

1. **Prop B is a bad law and special interest initiative that will hurt our economy,** giving the owner 90% of net slot income. No GRT on slot income; no annual fee per machine. Only the owner profits.

Gambling generates a NEGATIVE multiplier effect, meaning that for every \$1 in tax revenue generated, \$3 are necessary to support that revenue, including legal, social and infrastructure costs.

Legalized gambling kills small business. Money spent at slot machines takes dollars away from local businesses, such as restaurants, movies, stores and family oriented entertainment facilities.

2. **Proposal B will harm our quality of life and our children.**

Slot machines will be near children in an area bordered by THREE elementary schools, ONE kindergarten, ONE church and ONE convent, next to a residential area. When Guam had poker machines, children were neglected while parents gambled away earnings. Loan defaults skyrocketed, while family violence, crime prostitution, bankruptcy, drug and alcohol abuse all increased.

A Grinols Mustard study found that when gambling is legalized, these increases occur per 100,000 population: 772 more larcenies; 357 more burglaries; 331 more auto thefts; 68 more robberies; and 112 more aggravated assaults. A vote for Prop B is a vote for more crime.

3. **Proposal B is a vote for the "crack cocaine" of gambling.**

The "crack cocaine" of gambling, slots users get addicted **THREE TIMES FASTER than other types of gambling.** At a bet every 6 seconds, 10 bets a minute and 600 bets or HIGHS an hour, slot users can bet up to **\$3,000.00 per hour per machine. CASINOS PROFIT FROM GAMBLING ADDICTIONS,** generating 52% of revenues from 4% of the population who are problem gamblers. A casino within 10 minutes of a home is associated with a 90% **INCREASE** in the odds of becoming a problem gambler; gambling addictions **DOUBLE** within a 30 mile radius when legalized. Voting for Prop B legalizes the "ice" of gambling.

4. **Will legalizing slots at Greyhound revitalize tourism?**

Prop B proponents have failed to prove how legalizing slots will revitalize tourism. Fact is Prop b will not revitalize tourism, or generate revenue for healthcare and education. It will profit **one company.** With an over taxed law enforcement group, increasing violent crime and drugs, Prop B would be a deliberate choice to make this crisis worse. At a time when crime is important to our citizens and safety is paramount to our tourist industry, Prop B would only increase this terrible problem. Young adults' tendency to addiction is double that of adults. Prop B would add risk on our young adults and future work force. Proposal B is bad for Guam. One company will benefit at the expense of everyone else. Our visitor industry, our military industry and our economy are recovering—all without legalized gambling. Vote no to more Crime, vote No to more violence, and vote No to destruction of our family unit.

Congresswoman Madeleine Z. Bordallo, Joaquin C. Arriola, Jr., Esq., and Lourdes P. Camacho are Members of No on Prop B.