

**INITIATIVE 952**

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 952 to the People is a true and correct copy as it was received by this office.

Green Power production financed by socially responsible Video Lottery Terminals.

**Statement of Subject:** Initiative concerns providing tax breaks to: Non Fossil Fuel Industry (Green Power) genesis in Washington State; Educational grants for research into new Green Power industries; Tax breaks for home owners installing: upgrades to insulation, upgrades to double pane windows, instant-on water heaters, solar water heaters, solar panels and geothermal heat pumps. All funded by socially responsible Video Lottery Terminals.

**Concise Description:** Funds raised from Washington State operated Video Lottery Terminals would go toward enticing new non-fossil fuel industries (Green Power) to Washington State, Grants for education and research in new non-fossil fuel electrical power production; Tax rebates to citizens installing: upgrades to insulation, upgrades to double pane windows, instant-on water heaters, solar water heaters, solar panels and geothermal heat pumps.

Shall this measure be enacted into law? Yes  No

Washington State shall, using tax incentives and educational grants, enable the creation of non-fossil fuel industries (Green Power). These Green Power industries purpose shall be to create jobs for the citizens of Washington state. State funds will also be used to provide grants to Washington public universities, public colleges and public high schools to foment education opportunities in creation of Green Power industries.

These Green Power, job producing industries, would include but not be limited to wind turbines, geo thermal generation, tide turbine

industry (river and coastal), solar energy (both industrial application and residential), energy reducing technology (new home construction and existing home retrofit: insulation techniques, instant-on water heaters, solar water heaters, solar panels and geothermal heat pumps), bio fuel generation plants and research, car mileage improvements (battery and hydrogen), methane gas from landfills and sewage treatment.

As important, education tailored to producing students capable of increasing the knowledge in 'Green Power' production. Funds could be provided through research grants to our fine public universities, with the caveat that all new discoveries are patented, royalties returning to the State Treasury to fund future 'Green Power' initiatives. High School courses of study would be designed to foster the Green Power industries requirements for a well educated work force.

The revenue source to fund this initiative would come from Video Lottery Terminals (VLT's).

In Oregon, the number of Video Lottery Terminals, as of April 1, 2006, was 10,919. These were installed at 2,089 retailers. The average weekly sales, as of the same week, was \$15.13 million. The average commission earned in Fiscal Year 2006 was about \$72,000 per retailer. Those numbers will change in the current fiscal year, since a new line of games were introduced late in the spring of 2006. The amount transferred to the State of Oregon for public programs in Fiscal Year 2006 from Video Lottery games was \$343.9 million.

VLT's are very addictive to gamblers. The social costs from compulsive gamblers and ruined families, from the financial strains of uncontrolled gambling, are real.

In Washington, VLT's would use technology to prevent gambling abuse. Each VLT would have a bio metric reader. Each gambler would have their thumb print scanned at the machine before playing. This would identified the thumb print to the machine and to the state system. That individual would only be able to lose \$50 per day, \$200 per week or \$4000 per year. The identity of the gambler would not be tracked but simply the user of the VLT machines.

The VLT machines owned and operated by the state would be leased to bars, taverns, restaurants, card rooms or other establishments that may desire their use. The state would provide the central computer to track the use of all VLT machines.

VLT's would operate under the auspices of the Washington State Lottery Commission.

Decisions, allocations and actions not specifically addressed by this initiative shall be acted upon by a Committee titled: "Washington State Green Power Board". Members of this five (5) person board shall be: The Governor, as Chair, Senate Majority Leader, Senate Minority Leader, House Majority Leader, House Minority Leader, or their respective designated representative. Hereafter referred to as "The Board".

VLT's shall be limited to 10,000. Distribution of VLT's to bars, taverns, restaurants, card rooms or other establishments that may desire their use will be administered by the Washington State Lottery Commission. Distribution will be via auction, conducted by the Washington State Lottery Commission. Auction winners shall have a license granted for a lease, duration of four (4) years, upon which time the VLT's will be subject of a new auction for their use.

Initial purchase of each VLT's will be under the auspices of the Washington State Lottery Commission. Bids will be let to GTECH/Spielo - www.gtech.com, Moncton, New Brunswick E1H 2R6, Canada, 506-859-7598; IGT - www.igtcom, Reno NV 89521, 775-448-7777; and WMS Gaming Inc.-www.wmsgaming.com, Waukegan, IL 60085, 847-785-3000 for the VLT's which shall include a biometric device.

A centralized computer system shall be established to track the use of all VLT's. This computer system shall include the ability to track specific biometric parameters, finger or thumb print, to ensure the individual losses do not exceed: \$50 per day, \$200 per week or \$4000 per year. The identity of the gambler shall not be tracked but simply the user of the VLT machines. All activity on the VLT's shall be communicated to the Washington State Lottery Commission via the computer system. If someone burglarizes a VLT, an alert will be communicated to the Lottery's headquarters and local law enforcement will be contacted.

Funds for purchase of the VLT's and the centralized computer system will be derived from the leases herein described.

Funds generated shall be distributed as follows:

1. Tax incentives to new Green Power Industries establishing manufacturing sites in Washington State, 33%. "The Board" shall initiate, advertise and select corporations which will best fulfill the mission and intent of this initiative. Funds for these activities shall be drawn from the monies set aside herewith.

2. Home improvement loans to Washington State home owners, 33%. Home improvement loans for installation or upgraded of insulation, double pane windows, instant-on water heaters, solar water heaters, solar panels and geothermal heat pumps or other improvements as designated by "The Board" shall be in the form of a loan. The loan will be limited to \$50,000 at 3% annual interest rate for a ten (10) year term. Monies shall be distributed to a commercially licensed installer after completion of the upgrade following County Code Enforcement Office inspection. The loan shall be secured by a lien against the primary residence of the home owner.

3. Educational grants to public universities, public colleges and public high schools, 34%. "The Board" shall solicit and approve grant proposals from public universities, public colleges and public high schools to fund specific programs designed to improve, create or study fields tailored to 'Green Power' industries such as, but not limited to, wind turbines, geo thermal generation, tide turbine industry (river and coastal), solar energy (both industrial application and residential), energy reducing technology (new home construction and existing home retrofit: insulation techniques, instant-on water heaters, solar water heaters, solar panels and geothermal heat pumps), bio fuel generation plants and research, car mileage improvements (battery and hydrogen), methane gas from landfills and sewage treatment. With advice from the Washington State Attorney General, "The Board" shall direct that all new discoveries are patented, royalties returning to the State Treasury to fund future 'Green Power' initiatives.

Timeline: "The Board" shall constitute and meet with the Washington State Lottery Commission within 30 calendar days passage of this initiative. Bids for the VLT's construction shall be solicited

within 60 calendar days passage of this initiative. Selection of VLT construction winning bids submitted shall be acted upon by "The Board" within 90 calendar days passage of this initiative. Leases for the selected VLT's shall be put up for auction and winner selected within 120 calendar days passage of this initiative. Installation of the VLT's and central computer system shall be completed within nine (9) calendar months from the passage of this initiative.