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LC002498

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - VIDEO - LOTTERY GAMES,  
TABLE GAMES AND SPORTS WAGERING

Introduced By: Representative K. Joseph Shekarchi

Date Introduced: May 03, 2019

Referred To: House Finance

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-61.2-2.1, 42-61.2-2.3 and 42-61.2-3.2 of the General Laws in  
2 Chapter 42-61.2 entitled "Video-Lottery Games, Table Games and Sports Wagering" are hereby  
3 amended to read as follows:

4 **42-61.2-2.1. State authorized to operate casino gaming.**

5 (a) State-operated casino gaming shall be authorized at the facility of the licensed, video-  
6 lottery terminal retailer known as "Twin River" located in the town of Lincoln; provided, that the  
7 requirements of R.I. Const., Art. VI, Sec. XXII are met with respect to said facility at the general  
8 election next held after enactment of this section.

9 (1) With respect to the "Twin River" facility, the authorization of this section shall be  
10 effective upon: (i) The certification by the secretary of state that the qualified voters of the state  
11 have approved the expansion of gambling at such facility to include casino gaming; and (ii) The  
12 certification by the board of canvassers of the town of Lincoln that qualified electors of the town  
13 of Lincoln have approved the expansion of gambling at such facility to include casino gaming.

14 (b) The general assembly finds that:

15 (1) The operation of casino gaming at Twin River will play a critical role in the economy  
16 of the state and enhance state and local revenues;

17 (2) Pursuant to R.I. Const., Art. VI, Sec. XV and the specific powers, authorities, and  
18 safeguards set forth in subsection (c) herein in connection with the operation of casino gaming,

1 the state shall have full operational control over the specified location at which casino gaming  
2 shall be conducted;

3 (3) It is in the best interest of the state to have the authorization to operate casino gaming  
4 as specified at Twin River; ~~and~~

5 (4) It is in the best interest of the state to conduct an extensive analysis and evaluation of  
6 competitive casino gaming operations and thereafter for the general assembly to enact  
7 comprehensive legislation during the 2012 legislative session to determine the terms and  
8 conditions pursuant to which casino gaming would be operated in the state if it is authorized as  
9 set forth herein-;

10 (5) It is imperative that legislative action be taken to preserve and protect the state's  
11 ability to maximize revenues at the Twin River Casino in an increasingly competitive gaming  
12 market by expanding critical revenue-driving programs;

13 (6) The extension of credit to casino gaming and video lottery players (collectively,  
14 "players" or "patrons") is a vital customer service function that facilitates a gaming program's  
15 long-term success;

16 (7) While preserving and protecting the state's ability to maximize revenues in the  
17 competitive gaming market is imperative to the financial well-being of the state, the general  
18 assembly also recognizes the need to balance that concern with the financial well-being and  
19 safety of its citizens;

20 (8) While gaming and gambling can be a healthy source of recreation and entertainment  
21 enjoyed by many people, the general assembly must ensure that persons who obtain a line of  
22 credit from, or at, a state-operated gaming facility or casino are financially sound and financially  
23 capable of entering into agreements for a line of credit. Accordingly, pursuant to § 42-61.2-3.2,  
24 the general assembly authorized the establishment of a program for the extension of credit to  
25 players at the Twin River Casino pursuant to the terms and conditions thereof and the rules and  
26 regulations submitted by the Twin River Casino and approved and promulgated by the division of  
27 lotteries; and

28 (9) It is the intent of the general assembly to increase the limit on the amount of the line  
29 of credit that may be provided to an individual patron by, or at, a state-operated gaming facility or  
30 casino.

31 (c) Notwithstanding the provisions of any other law and pursuant to R.I. Const., Art. VI,  
32 Sec. XV, the state is authorized to operate, conduct, and control casino gaming at Twin River,  
33 subject to subsection (a). In furtherance thereof, the state, through the division of state lottery,  
34 shall have full operational control to operate the foregoing facility, the authority to make all

1 decisions about all aspects of the functioning of the business enterprise, including, without  
2 limitation, the power and authority to:

3 (1) Determine the number, type, placement, and arrangement of casino gaming games,  
4 tables, and sites within the facility;

5 (2) Establish, with respect to casino gaming, one or more systems for linking, tracking,  
6 depositing, and reporting of receipts, audits, annual reports, prohibitive conduct, and other such  
7 matters determined from time to time;

8 (3) Collect all receipts from casino gaming, require that Twin River collect casino  
9 gaming gross receipts in trust for the state through the division of state lottery, deposit such  
10 receipts into an account or accounts of its choice, allocate such receipts according to law, and  
11 otherwise maintain custody and control over all casino gaming receipts and funds;

12 (4) Hold and exercise sufficient powers over Twin River's accounting and finances to  
13 allow for adequate oversight and verification of the financial aspects of casino gaming at the  
14 facility, including, without limitation:

15 (i) The right to require Twin River to maintain an annual balance sheet, profit-and-loss  
16 statement, and any other necessary information or reports; and

17 (ii) The authority and power to conduct periodic compliance or special or focused audits  
18 of the information or reports provided, as well as the premises with the facility containing records  
19 of casino gaming or in which the business of Twin River's casino gaming operations are  
20 conducted;

21 (5) Monitor all casino gaming operations and have the power to terminate or suspend any  
22 casino gaming activities in the event of an integrity concern or other threat to the public trust, and  
23 in furtherance thereof, require the licensed, video-lottery retailer to provide a specified area or  
24 areas from which to conduct such monitoring activities;

25 (6) Define and limit the rules of play and odds of authorized casino gaming games,  
26 including, without limitation, the minimum and maximum wagers for each casino gaming game;

27 (7) Establish compulsive gambling treatment programs;

28 (8) Promulgate, or propose for promulgation, any legislative, interpretive, and procedural  
29 rules necessary for the successful implementation, administration, and enforcement of this  
30 chapter; and

31 (9) Hold all other powers necessary and proper to fully effectively execute and administer  
32 the provisions of this chapter for its purpose of allowing the state to operate a casino gaming  
33 facility through a licensed, video-lottery retailer hosting said casino gaming on behalf of the State  
34 of Rhode Island.

1 (d) Subject to subsection (a), the state, through the division of state lottery, may expand  
2 Twin River existing video-lottery license issued, or issue Twin River a new casino gaming  
3 license, to permit casino gaming to the extent authorized by this act.

4 (e) Subject to subsection (a), all rules and regulations shall be promulgated by the state,  
5 through the division of state lottery, in accordance with the authority conferred upon the general  
6 assembly pursuant to R.I. Const., Art. VI, Sec. XV. In accord therewith, subject to subsection (a),  
7 the state, through the division of state lottery, shall have authority to issue such regulations as it  
8 deems appropriate pertaining to control, operation and management of casino gaming as  
9 specifically set forth in subsections (b) and (c) herein.

10 (f) The Rhode Island state police, through its gaming enforcement unit, shall have the  
11 authority to monitor and investigate criminal violations related to casino gaming activities  
12 consistent with chapter 42-61.3.

13 (g) The state, through the department of revenue, division of state lottery, and/or the  
14 department of business regulation, shall have approval rights over matters relating to the  
15 employment of individuals to be involved, directly or indirectly, with the operation of casino  
16 gaming at Twin River.

17 **42-61.2-2.3. State authorized to operate casino gaming in Tiverton.**

18 (a) State-operated casino gaming shall be authorized at the Tiverton facility of Twin  
19 River-Tiverton, a licensed, video-lottery retailer, which facility is located in the town of Tiverton  
20 at the intersection of William S. Canning Boulevard and Stafford Road, provided that the  
21 requirements of R.I. Const., Art. VI, Sec. XXII are met with respect to said facility, namely that:

22 (1) The secretary of state certifies that the qualified voters of the state have approved  
23 authorizing a facility owned by Twin River-Tiverton located at the intersection of William S.  
24 Canning Boulevard and Stafford Road in the town of Tiverton to be licensed as a pari-mutuel  
25 facility and offer state-operated video-lottery games and state-operated casino gaming, such as  
26 table games;

27 (2) The board of canvassers of the town of Tiverton certifies (or there is certified on its  
28 behalf) that the qualified electors of the town of Tiverton have approved authorizing a facility  
29 owned by Twin River-Tiverton and located at the intersection of William S. Canning Boulevard  
30 and Stafford Road in the town of Tiverton to be licensed as a pari-mutuel facility and offer state-  
31 operated video lottery games and state-operated casino gaming, such as table games; and

32 (3) The department of business regulation, division of gaming and athletics licensing,  
33 issues to Twin River-Tiverton a license as a pari-mutuel facility, and the department of revenue,  
34 state lottery division issues to Twin River-Tiverton a license to offer state-operated video lottery

1 games and a license to offer state-operated casino gaming, such as table games.

2 (b) With respect to the facility owned by Twin River-Tiverton located at the intersection  
3 of William S. Canning Boulevard and Stafford Road in the town of Tiverton, the authorization of  
4 this section shall be effective upon the requirements set forth in subsection (a) of this section  
5 having been met with respect to such facility.

6 (c) The general assembly finds that:

7 (1) The operation of casino gaming in the town of Tiverton will play a critical role in the  
8 economy of the state and enhance state and local revenues;

9 (2) Replacing the state-operated gaming facility in the city of Newport with a state-  
10 operated gaming facility in the town of Tiverton is desirable to maximize state and local  
11 revenues;

12 (3) Pursuant to R.I. Const., Art. VI, Sec. XV and the specific powers, authorities and  
13 safeguards set forth in subsection (d) of this section in connection with the operation of casino  
14 gaming, the state shall have full operational control over casino gaming at the specified location  
15 in the town of Tiverton; ~~and~~

16 (4) It is in the best interest of the state to have the authorization to operate casino gaming  
17 as specified in the town of Tiverton-;

18 (5) It is imperative that legislative action be taken to preserve and protect the state's  
19 ability to maximize revenues at the Tiverton Casino in an increasingly competitive gaming  
20 market by expanding critical revenue-driving programs;

21 (6) The extension of credit to casino gaming and video lottery players (collectively,  
22 "players" or "patrons") is a vital customer service function that facilitates a gaming program's  
23 long-term success;

24 (7) While preserving and protecting the state's ability to maximize revenues in the  
25 competitive gaming market is imperative to the financial well-being of the state, the general  
26 assembly also recognizes the need to balance that concern with the financial well-being and  
27 safety of its citizens;

28 (8) While gaming and gambling can be a healthy source of recreation and entertainment  
29 enjoyed by many people, the general assembly must ensure that persons who obtain a line of  
30 credit from, or at, a state-operated gaming facility or casino are financially sound and financially  
31 capable of entering into agreements for a line of credit. Accordingly, pursuant to § 42-61.2-3.2,  
32 the general assembly authorized the establishment of a program for the extension of credit to  
33 players at the Tiverton Casino pursuant to the terms and conditions thereof and the rules and  
34 regulations submitted by the Tiverton Casino and approved and promulgated by the division of

1 [lotteries; and](#)

2 [\(9\) It is the intent of the general assembly to increase the limit on the amount of the line](#)  
3 [of credit that may be provided to an individual patron by, or at, a state-operated gaming facility or](#)  
4 [casino.](#)

5 (d) Notwithstanding the provisions of any other law and pursuant to R.I. Const., Art. VI,  
6 Sec. XV, the state is authorized to operate, conduct and control casino gaming at the facility of  
7 Twin River-Tiverton located in the town of Tiverton at the intersection of William S. Canning  
8 Boulevard and Stafford Road, subject to the provisions of subsection (a). In furtherance thereof,  
9 the state, through the division of state lottery, shall have full operational control to operate the  
10 foregoing facility, the authority to make all decisions about all aspects of the functioning of the  
11 business enterprise, including, without limitation, the power and authority to:

12 (1) Determine the number, type, placement, and arrangement of casino gaming games,  
13 tables and sites within the facility;

14 (2) Establish with respect to casino gaming one or more systems for linking, tracking,  
15 deposit, and reporting of receipts, audits, annual reports, prohibitive conduct, and other such  
16 matters determined from time to time;

17 (3) Collect all receipts from casino gaming, require that Twin River-Tiverton collect  
18 casino gaming gross receipts in trust for the state through the division of state lottery, deposit  
19 such receipts into an account or accounts of its choice, allocate such receipts according to law,  
20 and otherwise maintain custody and control over all casino gaming receipts and funds;

21 (4) Hold and exercise sufficient powers over Twin River-Tiverton's accounting and  
22 finances to allow for adequate oversight and verification of the financial aspects of casino gaming  
23 at the facility, including, without limitation:

24 (i) The right to require Twin River-Tiverton to maintain an annual balance sheet, profit-  
25 and-loss statement, and any other necessary information or reports; and

26 (ii) The authority and power to conduct periodic compliance or special or focused audits  
27 of the information or reports provided, as well as the premises with the facility containing records  
28 of casino gaming or in which the business of Twin River-Tiverton's casino gaming activities are  
29 conducted;

30 (5) Monitor all casino gaming operations and have the power to terminate or suspend any  
31 casino gaming activities in the event of an integrity concern or other threat to the public trust and  
32 in furtherance thereof, require Twin River-Tiverton to provide a specified area or areas from  
33 which to conduct such monitoring activities;

34 (6) Define and limit the rules of play and odds of authorized casino gaming games,

1 including, without limitation, the minimum and maximum wagers for each casino gaming game;

2 (7) Establish compulsive gambling treatment programs;

3 (8) Promulgate, or propose for promulgation, any legislative, interpretive, and procedural  
4 rules necessary for the successful implementation, administration, and enforcement of this  
5 chapter; and

6 (9) Hold all other powers necessary and proper to fully effectively execute and administer  
7 the provisions of this chapter for its purpose of allowing the state to operate a casino gaming  
8 facility through a licensed, video-lottery retailer hosting said casino gaming on behalf of the state  
9 of Rhode Island.

10 (e) The state, through the department of revenue, division of state lottery, and/or the  
11 department of business regulation, shall have approval rights over matters relating to the  
12 employment of individuals to be involved, directly or indirectly, with the operation of casino  
13 gaming in the town of Tiverton.

14 (f) Subject to subsection (a), the state, through the division of state lottery, may issue  
15 Twin River-Tiverton new video lottery and casino gaming licenses to permit video lottery and  
16 casino gaming to the extent authorized by this chapter 61.2 of this title.

17 (g) Subject to subsection (a), all rules and regulations shall be promulgated by the state,  
18 through the division of state lottery, in accordance with the authority conferred upon the general  
19 assembly pursuant to R.I. Const., Art. VI, Sec. XV. In accordance therewith, subject to subsection  
20 (a), the state, through the division of state lottery, shall have authority to issue such regulations as  
21 it deems appropriate pertaining to control, operation and management of casino gaming as  
22 specifically set forth in subsections (b), (c) and (d).

23 (h) The Rhode Island state police through its gaming enforcement unit shall have the  
24 authority to monitor and investigate criminal violations related to casino gaming activities  
25 consistent with chapter 61.3 of this title.

26 (i) Notwithstanding any law or regulation to the contrary, Twin River-Tiverton shall not  
27 commence video lottery or casino gaming activities prior to the completion, by the department of  
28 transportation, of the already planned roundabout, DOT project #0103S, and funds for such  
29 project shall be allocated such that the project is scheduled to be completed, and is completed, by  
30 July 1, 2018.

31 **42-61.2-3.2. Gaming credit authorized.**

32 (a) Authority. In addition to the powers and duties of the state lottery director under §§  
33 42-61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the division shall authorize each licensed, video-  
34 lottery retailer to extend credit to players pursuant to the terms and conditions of this chapter.

1 (b) Credit. Notwithstanding any provision of the general laws to the contrary, including,  
2 without limitation, § 11-19-17, except for applicable licensing laws and regulations, each  
3 licensed, video-lottery retailer may extend interest-free, unsecured credit to its patrons for the sole  
4 purpose of such patrons making wagers at table games and/or video-lottery terminals and/or for  
5 the purpose of making sports wagering bets, at the licensed, video-lottery retailer's facility subject  
6 to the terms and conditions of this chapter.

7 (c) Regulations. Each licensed, video-lottery retailer shall be subject to rules and  
8 regulations submitted by licensed, video-lottery retailers and subject to the approval of the  
9 division of lotteries regarding procedures governing the extension of credit and requirements with  
10 respect to a credit applicant's financial fitness, including, without limitation: annual income; debt-  
11 to-income ratio; prior credit history; average monthly bank balance; and/or level of play. The  
12 division of lotteries may approve, approve with modification, or disapprove any portion of the  
13 policies and procedures submitted for review and approval.

14 (d) Credit applications. Each applicant for credit shall submit a written application to the  
15 licensed, video-lottery retailer that shall be maintained by the licensed, video-lottery retailer for  
16 three (3) years in a confidential credit file. The application shall include the patron's name;  
17 address; telephone number; social security number; comprehensive bank account information; the  
18 requested credit limit; the patron's approximate amount of current indebtedness; the amount and  
19 source of income in support of the application; the patron's signature on the application; a  
20 certification of truthfulness; and any other information deemed relevant by the licensed, video-  
21 lottery retailer or the division of lotteries.

22 (e) Credit application verification. As part of the review of a credit application and before  
23 an application for credit is approved, the licensed, video-lottery retailer shall verify:

24 (1) The identity, creditworthiness, and indebtedness information of the applicant by  
25 conducting a comprehensive review of:

26 (i) The information submitted with the application;

27 (ii) Indebtedness information regarding the applicant received from a credit bureau;  
28 and/or

29 (iii) Information regarding the applicant's credit activity at other licensed facilities that  
30 the licensed, video-lottery retailer may obtain through a casino credit bureau and, if appropriate,  
31 through direct contact with other casinos.

32 (2) That the applicant's name is not included on an exclusion or self-exclusion list  
33 maintained by the licensed, video-lottery retailer and/or the division of lotteries.

34 (3) As part of the credit application, the licensed, video-lottery retailer shall notify each



1 applicant in advance that the licensed, video-lottery retailer will verify the information in  
2 subsections (e)(1) and (e)(2) and may verify any other information provided by the applicant as  
3 part of the credit application. The applicant is required to acknowledge in writing that he or she  
4 understands that the verification process will be conducted as part of the application process and  
5 that he or she consents to having said verification process conducted.

6 (f) Establishment of credit. After a review of the credit application, and upon completion  
7 of the verification required under subsection (e), and subject to the rules and regulations approved  
8 by the division of lotteries, a credit facilitator may approve or deny an application for credit to a  
9 player. The credit facilitator shall establish a credit limit for each patron to whom credit is  
10 granted. The approval or denial of credit shall be recorded in the applicant's credit file that shall  
11 also include the information that was verified as part of the review process, and the reasons and  
12 information relied on by the credit facilitator in approving or denying the extension of credit and  
13 determining the credit limit. Subject to the rules and regulations approved by the division of  
14 lotteries, increases to an individual's credit limit may be approved by a credit facilitator upon  
15 receipt of a written request from the player after a review of updated financial information  
16 requested by the credit facilitator and re-verification of the player's credit information.

17 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an  
18 individual's outstanding indebtedness to the licensed, video-lottery retailer shall be recorded in  
19 chronological order in the individual's credit file. The financial information in an application for  
20 credit and documents related thereto shall be confidential. All credit application files shall be  
21 maintained by the licensed, video-lottery retailer in a secure manner and shall not be accessible to  
22 anyone not a credit facilitator or a manager or officer of a licensed, video-lottery retailer  
23 responsible for the oversight of the extension of credit program.

24 (h) Reduction or suspension of credit. A credit facilitator may reduce a player's credit  
25 limit or suspend his or her credit to the extent permitted by the rules and regulations approved by  
26 the division of lotteries and shall reduce a player's credit limit or suspend a player's credit limit as  
27 required by said rules and regulations.

28 (i) Voluntary credit suspension. A player may request that the licensed, video-lottery  
29 retailer suspend or reduce his or her credit. Upon receipt of a written request to do so, the player's  
30 credit shall be reduced or suspended as requested. A copy of the request and the action taken by  
31 the credit facilitator shall be placed in the player's credit application file.

32 (j) Liability. In the event that a player fails to repay a debt owed to a licensed, video-  
33 lottery retailer resulting from the extension of credit by that licensed, video-lottery retailer,  
34 neither the state of Rhode Island nor the division of lotteries shall be responsible for the loss and

1 said loss shall not affect net, table-game revenue or net terminal income. A licensed, video-lottery  
2 retailer, the state of Rhode Island, the division of lotteries, and/or any employee of a licensed,  
3 video-lottery retailer, shall not be liable in any judicial or administrative proceeding to any player,  
4 any individual, or any other party, including table game players or individuals on the voluntary  
5 suspension list, for any harm, monetary or otherwise, that may arise as a result of:

- 6 (1) Granting or denial of credit to a player;
- 7 (2) Increasing the credit limit of a player;
- 8 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
- 9 (4) Failure of the licensed, video-lottery retailer to increase a credit limit;
- 10 (5) Failure of the licensed, video-lottery retailer to restore credit privileges that have been  
11 suspended, whether involuntarily or at the request of the table game patron; or
- 12 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,  
13 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed  
14 facility while on the voluntary credit suspension list.

15 (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions  
16 of credit by a licensed video-lottery retailer, the maximum amount of outstanding credit per  
17 player shall be ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000).

18 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - VIDEO - LOTTERY GAMES,  
TABLE GAMES AND SPORTS WAGERING

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- 1           This act would provide that Twin River Casino and Tiverton Casino may extend credit of  
2 up to one hundred thousand dollars (\$100,000) per player.  
3           This act would take effect upon passage.

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