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LC02522

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO AUTHORIZING STATE-OPERATED CASINO GAMING AT TWIN RIVER  
SUBJECT TO STATEWIDE AND LOCAL VOTER APPROVAL

Introduced By: Representatives San Bento, Flaherty, Petrarca, McCauley, and Ucci

Date Introduced: April 28, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video  
2 Lottery Terminal" is hereby amended to read as follows:

3 **42-61.2-1. Definitions. [Effective June 30, 2009.] --** For the purpose of this chapter, the  
4 following words shall mean:

5 (1) "Central communication system" means a system approved by the lottery division,  
6 linking all video lottery machines at a licensee location to provide auditing program information  
7 and any other information determined by the lottery. In addition, the central communications  
8 system must provide all computer hardware and related software necessary for the establishment  
9 and implementation of a comprehensive system as required by the division. The central  
10 communications licensee may provide a maximum of fifty percent (50%) of the video lottery  
11 terminals.

12 (2) "Licensed video lottery retailer" means a pari-mutuel licensee specifically licensed  
13 by the director subject to the approval of the division to become a licensed video lottery retailer.

14 (3) "Net terminal income" means currency placed into a video lottery terminal less  
15 credits redeemed for cash by players.

16 (4) "Pari-mutuel licensee" means an entity licensed and authorized to conduct:

17 (i) Dog racing, pursuant to chapter 3.1 of title 41; and/or

18 (ii) Jai-alai games, pursuant to chapter 7 of title 41.

1 (5) "Technology provider" means any individual, partnership, corporation, or association  
2 that designs, manufactures, installs, operates, distributes or supplies video lottery machines or  
3 associated equipment for the sale or use in this state.

4 (6) "Video lottery games" means lottery games played on video lottery terminals  
5 controlled by the lottery division.

6 (7) "Video lottery terminal" means any electronic computerized video game machine  
7 that, upon the insertion of cash, is available to play a video game authorized by the lottery  
8 division, and which uses a video display and microprocessors in which, by chance, the player  
9 may receive free games or credits that can be redeemed for cash. The term does not include a  
10 machine that directly dispenses coins, cash, or tokens.

11 (8) "Casino gaming" means any and all table and casino-style games played with cards,  
12 dice or equipment, for money, credit, or any representative of value; including, but not limited to  
13 roulette, blackjack, big six, craps, poker, baccarat, pai gow, any banking or percentage game, or  
14 any other game of device included within the definition of Class III gaming as that term is  
15 defined in Section 2703(8) of Title 25 of the United States Code and which is approved by the  
16 state through the division of state lottery.

17 SECTION 2. Chapter 42-61.2 of the General Laws entitled "Video Lottery Terminal" is  
18 hereby amended by adding thereto the following section:

19 **42-61.2-2.1. State authorized to operate casino gaming.** -- (a) State-operated casino  
20 gaming shall be authorized at the facility of the licensed video lottery terminal retailer known as  
21 "Twin River" located in the Town of Lincoln; provided, that the requirements of Article VI,  
22 Section 22 of the Rhode Island Constitution are met with respect to said facility at the general  
23 election next held after enactment of this section.

24 (1) With respect to the "Twin River" facility, the authorization of this section 2.1 shall be  
25 effective upon: (i) The certification by the secretary of state that the qualified voters of the state  
26 have approved the expansion of gambling at such facility to include casino gaming; and (ii) The  
27 certification by the board of canvassers of the Town of Lincoln that qualified electors of the  
28 Town of Lincoln have approved the expansion of gambling at such facility to include casino  
29 gaming.

30 (b) The general assembly finds that:

31 (1) The operation of casino gaming at a facility or facilities of licensed video lottery  
32 retailer(s) will play a critical role in the economy of the state and enhance state and local  
33 revenues;

34 (2) Pursuant to Article VI, Section 15 of the Rhode Island Constitution and the specific

1 powers, authorities and safeguards set forth in subsection (c) herein in connection with the  
2 operation of casino gaming, the state shall have full operational control over the specified  
3 location at which casino gaming shall be conducted; and

4 (3) It is in the best interest of the state to have the authorization to operate casino gaming  
5 at a facility or facilities of licensed video lottery retailer(s) specified herein.

6 (c) Notwithstanding the provisions of any other law and pursuant to Article VI, Section  
7 15 of the Rhode Island Constitution, the state is authorized to operate, conduct and control casino  
8 gaming at the facilities of licensed video lottery retailers located in the town of Lincoln, subject to  
9 subsection (a) above. In furtherance thereof, the state, through the division of state lottery and/or  
10 the department of business regulation, shall have full operational control to operate the foregoing  
11 facility, the authority to make all decisions about all aspects of the functioning of the business  
12 enterprise, including, without limitation, the power and authority to:

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

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

18 (3) Collect all receipts from casino gaming, require the collection by the licensed video  
19 lottery retailer in trust for the state through the division of state lottery of casino gaming gross  
20 receipts, deposit such receipts into an account or accounts of its choice, allocate such receipts  
21 according to law, and otherwise maintain custody and control over all casino gaming receipts and  
22 funds;

23 (4) Hold and exercise sufficient powers over the licensed video lottery retailer's  
24 accounting and finances to allow for adequate oversight and verification of the financial aspects  
25 of casino gaming at such facility or facilities, including, without limitation:

26 (i) The right to require the licensed video lottery retailer to maintain an annual balance  
27 sheet, profit and loss statement, and any other necessary information or reports; and

28 (ii) The authority and power to conduct periodic compliance or special or focused audits  
29 of the information or reports provided, as well as the premises with the facility containing records  
30 of casino gaming or in which the business of a video lottery retailer's casino gaming operations  
31 are conducted;

32 (5) Monitor all casino gaming operations and have the power to terminate or suspend any  
33 casino gaming activities in the event of an integrity concern or other threat to the public trust, and  
34 in furtherance thereof, require the licensed video lottery retailer to provide a specified area or

1 areas from which to conduct such monitoring activities;

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

4 (7) Have approval rights over matters relating to the employment of individuals to be  
5 involved, directed or indirectly, with the operation of casino gaming at each facility where casino  
6 gaming shall be offered;

7 (8) Establish compulsive gambling treatment programs;

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

11 (10) Hold all other powers necessary and proper to fully effectively execute and  
12 administer the provisions of this chapter for its purpose of allowing the state to operate a casino  
13 gaming facility through a licensed video lottery retailer or retailers hosting said casino gaming on  
14 behalf of the State of Rhode Island.

15 (d) Subject to subsection (a) above, the state, through the division of state lottery and/or  
16 the department of business regulation, may expand an existing video lottery license issued to a  
17 licensed video lottery retailer, or issue a new casino gaming license to a licensed video lottery  
18 retailer, to permit casino gaming to the extent authorized by this act.

19 (e) Subject to subsection (a) above, all rules and regulations shall be promulgated by the  
20 state, through the division of state lottery and the department of business regulation, in  
21 accordance with the authority conferred upon the general assembly pursuant to Article VI,  
22 Section 15 of the Rhode Island Constitution. In accord therewith, subject to subsection (a) above,  
23 the state, through the division of state lottery and/or the department of business regulation, shall  
24 have authority to issue such regulations as it deems appropriate pertaining to control, operation  
25 and management of casino gaming as specifically set forth in subsections (b) and (c) herein.

26 SECTION 3. Nothing in this act shall abrogate or diminish the powers of the state,  
27 through the division of state lottery and/or the department of business regulation, to conduct and  
28 control video lottery terminals pursuant to chapter 42-61.2 of the general laws.

29 SECTION 4. Pursuant to Article VI, Section 22 of the Rhode Island Constitution, and  
30 notwithstanding the provisions of subsection 41-9-4(a) of the general laws, the following question  
31 shall be submitted by the secretary of state to the qualified electors of the state at the next  
32 statewide general election, and the secretary of state shall certify the election results:

33 “Shall an act be approved which would authorize the facility known as “Twin River” in  
34 the town of Lincoln to add state-operated casino gaming, such as table games, to the types of

1 gambling it offers?"

2 SECTION 5. Pursuant to Article VI, Section 22 of the Rhode Island Constitution, and  
3 notwithstanding the provisions of subsection 41-9-4(a) of the general laws, the following question  
4 shall be submitted by the local board of canvassers to the qualified electors of the town of Lincoln  
5 at the next statewide general election, and the results thereof shall be certified to the secretary of  
6 state:

7 "Shall an act be approved which would authorize the facility known as "Twin River" in  
8 the town of Lincoln to add state-operated casino gaming, such as table games, to the types of  
9 gambling it offers?"

10 SECTION 6. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO AUTHORIZING STATE-OPERATED CASINO GAMING AT TWIN RIVER  
SUBJECT TO STATEWIDE AND LOCAL VOTER APPROVAL

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- 1           This act would authorize casino gaming at Twin River subject to the approval of the  
2 qualified electors of the state and the qualified electors of the town of Lincoln.  
3           This act would take effect upon passage

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